



BOARD PACKAGE

**Regular Board Meeting
June 21, 2023**

REGULAR MEETING

A regular meeting of the Housing Finance Authority of Broward County (the “HFA”), Florida, will be held on Wednesday, June 21, 2023, at 5:30 p.m., in the 2nd Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida. All participants are encouraged to dial-in by phone. Details of the meeting are published in the [Broward County Sunshine Meeting Notices](#) and [Housing Finance Authority of Broward County](#) websites. The call-in information listed below for members of the public.

Call-in number: 754-900-8519

Conference ID: 511 588 704#

CALLING OF THE ROLL

CONSENT AGENDA (Items 1 through 3)

1. Approval of May 17, 2023, Regular Meeting Minutes
MOTION TO APPROVE the Housing Finance Authority Regular Meeting Minutes on May 17, 2023.
2. Executive Director’s (May Operational Report)
MOTION TO APPROVE the Housing Finance Authority Operational Report for May 31, 2023.
3. HFA 110 Office Building Lease - Memorandum of Understanding between the HFA and Broward County Housing Finance Division

MOTION TO APPROVE A Memorandum of Understanding (MOU) between the HFA and Broward County Housing Finance Division (HFD) for the HFD to lease approximately 8,646 square feet of office space located at 110 NE 3rd Street, Ft. Lauderdale, with a rental term of two (2) years, from October 1, 2023, to September 30, 2025, at a total gross rental of \$293,964; and authorize the Chair or Vice Chair to execute the MOU.

MOTION TO APPROVE the Consent Agenda Items 1 thru 3.



REGULAR AGENDA

4. Federation Plaza

- A. MOTION TO ACCEPT the draft credit underwriting report
- B. MOTION TO APPROVE: a Resolution of the Housing Finance Authority of Broward County, Florida (the “Authority”) authorizing the issuance of Multifamily Housing Revenue Bonds (M-TEBS - Federation Plaza), Series 2023 in a principal amount of not to exceed \$38,500,000 (the “Series 2023 Bonds”) for the purpose of financing the cost of acquisition, rehabilitation and equipping of a multifamily housing project for seniors known as “Federation Plaza” located in Broward County, Florida; approving and authorizing the execution and delivery of a Land Use Restriction Agreement by and among the Authority, the Bank of New York Mellon Trust Company, N.A., as the Trustee, and Federation Plaza Preservation, L.P., as the Borrower; approving and authorizing the execution and delivery of an Indenture of Trust by and between the Authority and the Trustee; approving and authorizing the execution and delivery of a Financing Agreement by and among the Authority, the Trustee, Wells Fargo Bank, National Association, and the Borrower; approving and authorizing the execution and delivery of a Bond Purchase Agreement for the Series 2023 Bonds by and among the Authority, the Borrower, RBC Capital Markets, LLC, and Raymond James & Associates, Inc., as the Underwriters; authorizing the Preliminary Official Statement and the Official Statement; approving and authorizing the execution and delivery of certain additional agreements necessary or desirable in connection with the issuance of the Series 2023 Bonds; waiving the fee for services related to the Authority’s annual audit of the project; appointing a Trustee, Paying Agent, and Registrar with respect to the Series 2023 Bonds; approving and authorizing the execution and delivery of a Trustee Fee Agreement between the Authority and the Trustee; authorizing the Authority to consent to the Borrower placing subordinate financing on the project and approving the execution of such agreements as may be necessary in connection with such consent; authorizing the proper officers of the Authority to do all things necessary or advisable in connection with the issuance of the Series 2023 Bonds; and providing an effective date for this Resolution.

5. Pinnacle 441, Phase 2

- A. MOTION TO ACCEPT the draft credit underwriting report
- B. MOTION TO APPROVE: a resolution of the Housing Finance Authority of Broward County, Florida (the “Housing Finance Authority”) authorizing the issuance of its not to exceed \$22,000,000 multifamily housing revenue bonds, series 2023 (Pinnacle 441 Phase 2) (the “Bonds”) for the purpose of financing the acquisition, construction, and equipping of Pinnacle 441 Phase 2 located in



Broward County, Florida (the “project”); establishing parameters for the award of the sale thereof and establishing criteria for determining the terms thereof, including interest rates, interest payment dates, maturity schedule, and other terms of such Bonds; approving the forms of and authorizing the execution and delivery of (i) a trust indenture by and between the Housing Finance Authority and the Bank of New York Mellon Trust Company, n.a., as Trustee (the “Trustee”); (ii) a loan agreement by and between the Housing Finance Authority and Pinnacle 441 Phase 2, LLC (the “Borrower”); (iii) a land use restriction agreement by and among the Housing Finance Authority, the Trustee, and the Borrower; (iv) a bond purchase agreement by and among the Housing Finance Authority, the Borrower, and RBC Capital Markets, LLC and Raymond James & Associates, Inc., as bond purchaser (collectively, the “Purchaser”); (v) a Trustee Fee Agreement by and between the Housing Finance Authority and the Trustee; and (vi) a Collateral Funds Agreement by and among the Housing Finance Authority, the Borrower, the Trustee, and Bank of America, n.a., as construction lender; approving and authorizing the execution and delivery by the Housing Finance Authority of certain additional agreements, instruments, certifications, and affidavits necessary or desirable in connection with the issuance of the bonds; authorizing the negotiated sale of the Bonds to the Purchaser pursuant to the bond purchase agreement; authorizing the appointment of a bidding agent pursuant to the bond purchase agreement; authorizing the preparation and distribution of a preliminary official statement for the Bonds and authorizing the preparation, distribution, and execution of a final official statement in connection with the offering and sale of the Bonds; authorizing the appointment of a trustee, paying agent, and registrar of the Bonds; authorizing the Housing Finance Authority to consent to the Borrower placing subordinate financing on the project and approving the execution of such agreements as may be necessary in connection with such consent; waiving the fee for services related to the Housing Finance Authority’s annual audit of the project; partially waiving the Housing Finance Authority’s policy for mailing preliminary official statements to permit the posting of the preliminary official statement prior to receipt of bond issuance approval from the Broward County Board of County Commissioners; authorizing the proper officers of the Housing Finance Authority to do all things necessary or advisable in connection with the issuance of the Bonds; and providing an effective date for this resolution.

6. **Lauderhill Point**

MOTION TO APPROVE: a resolution of the Housing Finance Authority of Broward County, Florida (the “Authority”) declaring its official intent to issue multifamily housing mortgage revenue bonds or notes (the “Bonds”) of the Authority to finance all or a portion of the cost of the acquisition, rehabilitation, construction and equipping of certain multifamily housing facilities (Lauderhill Point Apartments) located within Broward County, Florida, and other related



purposes; approving the issuance of the Bonds, subject to certain further findings and conditions; authorizing the Authority to publish notice of and hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA); and providing an effective date for this resolution.

7. **Provident Place**

MOTION TO APPROVE: a resolution of the Housing Finance Authority of Broward County, Florida (the “Authority”) declaring its official intent to issue multifamily housing mortgage revenue bonds or notes (the “Bonds”) of the Authority to finance all or a portion of the cost of the construction and equipping of certain multifamily housing facilities (Provident Place) located within Broward County, Florida, and other related purposes; approving the issuance of the Bonds, subject to certain further findings and conditions; authorizing the Authority to publish notice of and hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA); and providing an effective date for this resolution.

8. Financial Reports Monthly Overview – Ms. Linda Dufresne

MOTION TO APPROVE: the Housing Finance Authority monthly financial report for the month of May 31, 2023.

INFORMATIONAL ITEMS:

9. **Multifamily Bonds – Informational Item - *Final Credit Underwriting Report for The Gallery at FATVillage***

10. **MATTERS OF HFA MEMBERS**

11. **MATTERS FROM THE FLOOR**

12. **NEXT BOARD MEETING**

August 16, 2023

13. **ADJOURNMENT**



ITEM 1

MINUTES
REGULAR BOARD MEETING
Wednesday, May 17, 2023

A regular Board Meeting of the Housing Finance Authority (“HFA”) of Broward County was held on Wednesday, May 17, 2023, at 5:30 p.m., in the 2nd Floor Conference Room, located at 110 Northeast 3rd Street, Fort Lauderdale, Florida.

CALLING OF THE ROLL

A roll call was taken by Andres Centeno. The meeting was conducted with a total of six (6) board members onsite. Other participants listed present participated either in person or via phone conference.

Board Member(s) Present

Scott Ehrlich, Chair – Colleen LaPlant, Vice Chair – Milette Manos, Secretary
Ruth T. Cyrus, Assistant Secretary – Donna Jarrett-Mays, Member – Jenni Morejon, Member

Board Member(s) Absent

Daniel D. Reynolds, Member

HFA Staff Present

Ralph Stone, Executive Director
Josie Kotsioris, Manager
Andres Centeno, Office Support Specialist

County Attorney

Annika Ashton, Deputy County Attorney
Claudia Capdesuner, Assistant County Attorney

Presenter

Anthony Brunson

Teleconference Participants Present

Linda Dufresne, Dufresne CPA Services, P.A.
Deborah Zomermaand, Financial Advisory Svc.
Junious Brown, Nabors, Giblin & Nickerson, PA
JoLinda Herring, Bryant Miller Olive, PA
Helen Feinberg, RBC Capital Markets
Tim Wranovix, Raymond James
Tariro Gatsi, Anthony Brunson P.A.



CONSENT AGENDA ITEMS (1 through 7)

1. Approval of February 15, 2023, Regular Meeting Minutes

MOTION TO APPROVE the Housing Finance Authority Regular Meeting Minutes on February 15, 2023.

2. Executive Director's (April Operational Report)

MOTION TO APPROVE the Housing Finance Authority Operational Report for August 30, 2023.

3. 2023 NALFHA National Association of Local Housing Finance Authorities Education Conference in Tampa, Florida from May 3rd thru 6th, 2023

MOTION TO APPROVE HFA Board Members, County Staff, and the County Attorneys to attend the 2023 Annual NALHFA Conference in Tampa, FL.

4. Florida Association of Local Housing Finance Authorities (Florida ALHFA) 2023 Conference Sponsorship

MOTION TO APPROVE a "PLATINUM" level sponsorship for the HFA in the amount of \$5,000 for the Florida ALHFA Annual Educational Conference scheduled, July 12th – July 15th, 2023; and authorize the HFA Chair or the Executive Director to execute the Sponsorship commitment form.

5. 2023 Florida Association of Local Housing Finance Authorities (Florida ALHFA) Education Conference in Sarasota Florida on July 12th – July 15th, 2023.

MOTION TO APPROVE HFA Board Members, County Staff, and County Attorneys to attend the 2023 Annual Florida Association of Local Housing Finance Authorities Conference in Sarasota, FL.

6. Zomermaand Financial Advisory Services, LLC

MOTION TO AUTHORIZE a one (1) year option to the Agreement between Zomermaand Financial Advisory Services, LLC and the HFA and provide an effective date, commencing from April 14, 2023, to April 13, 2024, for the HFA financial advisory services.

7. Dufresne CPA Services, PA

MOTION TO AUTHORIZE a one (1) year option to the Agreement between Dufresne CPA Services, PA and the HFA and provide an effective date, commencing from July 1, 2023, to June 30, 2024, for the HFA accounting services.

Motion was made by Ms. Jarrett-Mays and seconded by Ms. LaPlant to approve Consent Agenda Items 1 through 7 of the May 17, 2023, meeting. The motion was carried unanimously.

Following the approval of the Consent Agenda, Mr. Stone formally introduced Ms. Morejon and provided some of her professional background.

8. Mr. Anthony Brunson, President/CEO, Anthony Brunson P.A. presentation of the HFA audited financial statements for the fiscal year ended September 30, 2022. Mr. Brunson presented a PowerPoint of the audited results and financial overview. His presentation provided details of the scope of examinations, significant audit results, annual financial statements contents, statement of net position, statement of activities, and an overview of operations.

Q. The Chair asked how long it takes to complete the HFA audit given that approximately six (6) months have passed.

A. Mr. Brunson stated that given that there were a few delays, the audit was carried into the month of April. Ms. Ashton added that the audit is also retained with the Broward County Audit- which can also cause some delays.

Motion was made by Ms. Morejon and seconded by Ms. Jarrett-Mays to approve the HFA Audited Financial Statements for Fiscal Year end September 30, 2022. The motion was carried unanimously.

9. Palms of Deerfield Townhomes

Ms. Zomermaand stated that this pertains to an inducement resolution for The Palms of Deerfield Townhomes. This is a request to approve the inducement of a 56-unit acquisition/rehabilitation development in the City of Deerfield Beach. She also stated that the original amount requested was \$16 million; they are requesting to induce the bond to the increased amount of \$19 million and hold a TEFRA hearing.

Q. The Chair asked if the amount was \$19 million for a 56-unit rehabilitation project.

A. Ms. Zomermaand confirmed that the amount is correct.

A. Regarding rehabilitation, Mr. Stone added that there were different grant loans associated with this project, and the developer has requested some relief from the grant terms. In response, the County has required them to pay off the grants; however, there are ongoing negotiations to determine the interest amount due.

Q. Ms. LaPlant asked if this project was an acquisition and a rehabilitation.

A. Ms. Zomermaand stated that is correct.

Q. Ms. Morejon asked if the units were currently occupied and if they were previously designated as affordable units.

A. Mr. Stone stated that they were developed as affordable units and are currently occupied.

Q. Ms. Cyrus asked if there are any risks of losing occupancy with this project.⁶

A. Mr. Stone stated that there were no risks of a losing occupancy.

A. Ms. Zomermaand stated there is a process that they will follow for tenant relocation while the units are being renovated.

Motion was made by Ms. Morejon and seconded by Ms. LaPlant to adopt Resolution of the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority") declaring its official intent to issue Multifamily Housing Revenue Bonds and/or Notes (the "Bonds") of the Housing Finance Authority to finance all or a portion of the costs of the acquisition, construction and equipping of certain multifamily housing facilities (Palms of Deerfield Townhomes) located within Broward County, Florida, and other related purposes; authorizing the Housing Finance Authority to publish notice of and hold a public hearing according to the Tax Equity and Fiscal Responsibility Act (TEFRA); and providing an effective date. The motion was carried unanimously.

10. Multi-Family Private Activity Bond Application – Ms. Debbie Zomermaand

Ms. Zomermaand updated the Board and stated that no applications were received for the funding availability of the Multi-Family Private Activity Bond. Mr. Stone added that although there were no applications received, it was not an indication that there isn't a market out there and that there several projects listed in the pipeline. He also stated that HFA bonds are required when a Request for Applications is advertised.

Ms. Zomermaand stated that in addition to the annual allocation, there was an extra \$136 million in pending allocations.

Ms. Herring added that they will continue to monitor the availability of the allocations, however, it might not be available until November.

11. Financial Reports Monthly Overview – Ms. Linda Dufresne

Ms. Dufresne stated that the financial situation continues to improve, and revenue is well over budget. Also, the expenses are slightly under budget because of several activities, including applications, fees received, and interest.

Motion was made by Ms. Cyrus and seconded by Ms. Jarrett-Mays to approve the February 28, March 31, and April 30, 2023, Financial Reports. The motion was carried unanimously.

12. HFA Building – 2nd Floor water damage and mold remediation restoration (\$13k)

Stone updated the Board and stated that some water leaks had been discovered in the building, which had resulted in mold. He estimated the budget to remediate the mold would be approximately \$13k. He also stated that there would be improvements to the HVAC system and a replacement of the elevator.

13. **MATTERS OF HFA MEMBERS**

The Chair announced that Douglas Gardens would be holding a “groundbreaking” event that following day at 10:00 AM and asked HFA staff to send an email reminder.

Ms. Kotsioris added the HFA revenue increase Ms. Dufresne mentioned is due to three bond closings this year, and several other closings coming up.

14. **MATTERS FROM THE FLOOR**

Ms. Stone stated that the Board of County Commissioners (BOCC) held a budget workshop the previous day and stated that affordable housing was one of the items at the top of the list. His requested amount to the BOCC was \$20 million, as well as Commissioner Nan Rich, which received little resistance from the commissioners.

Q. Following Mr. Stone’s update Ms. LaPlant asked if any of the Board members attended the National Association of Local Housing Finance Agencies (NALHFA) conference.

A. The Chair stated that he was able to attend and learned a lot from the conference and provided some details from the conference.

Mr. Stone reminded the Board of two projects taken on by HFA, which consisted of a 20-home subdivision and a \$1 million revolving home fund with the South Florida Planning Council. He also mentioned the upcoming Florida ALHFA Conference being held in the month of July.

Q. Ms. Manos asked Ms. Kotsioris if the Board member should respond to her directly to attend the Conference.

A. Ms. Kotsioris affirmed that the Board members could notify her by the end of the meeting, or we could also do a late registration.

Ms. Ashton introduced Ms. Capdesuner to the Board Members and stated that they would be supporting all the housing projects on the list.

15. **NEXT BOARD MEETING**

June 21, 2023

16. **ADJOURNMENT**

The Chair, hearing no further comments, questions or discussions adjourned the meeting at 6:11 PM.

ITEM 2

MEMORANDUM

Date: June 21, 2023
To: Housing Finance Authority Board Members
Through: Ralph Stone, Executive Director
From: Josie Kotsioris, Manager
Subject: May Operational Report

INVESTMENT COMMITTEE

The Housing Finance Authority (HFA) Investment Committee (IC) was held on February 15, 2023, 4:45 p.m., at 110 N.E. 3rd Street, 3rd Floor, Suite 201, Fort Lauderdale, Florida. The next IC meetings will be schedule by the HFA Board Chair or Executive Director if there are action items to be approved or if otherwise desired (HFA approved Resolution 2020-012).

SINGLE-FAMILY

Information listed below is the foreclosure/delinquency (180+days) and/or bankruptcy status report received from CitiMortgage for the month ending May 2023. The report for the month of June 2023 has not been received from CitiMortgage to date.

Bankruptcy – May 2023

Loan Count	Total		1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
0	\$0		0	0	\$0	\$0

Foreclosure (180+ days) – May 2023

Loan Count	Total		1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
3	\$233,067.12		1	2	\$162,543.66	\$70,523.46

Delinquencies (180+ days) – comparison between May 2022 to May 2023

Comparison Year	Delinquencies	1st Mortgage balance	2nd Mortgage balance	Total
May - 22	3	\$162,847.39	\$70,523.46	\$233,370.85
May - 23	3	\$162,543.66	\$70,523.46	\$233,067.12
Difference(+/-)	0	\$303.73	\$0	\$303.73

Note: * FY22 contain 3 delinquencies, 2 are second mortgages.

** FY23 contain 3 delinquencies, 2 are second mortgages.

MULTIFAMILY HOUSING BOND TRANSACTIONS

2023 Multifamily Housing Transactions update (*Attachment 1*).

MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM

The 2023 MCC Program started on January 15, 2023. To date there are eleven (11) lenders participating in the program. (See table below)

The 2023 MCC Program started on January 15, 2023.

<i>MCC's by Lender</i>	<i>Commitments</i>	<i>Issued</i>	<i>Cancelled</i>
Academy Mortgage Corporation			
Americas Mortgage Professionals			
Bank of America	1		
Columbus Capital Lending			
Everett Financial, Inc (Supreme Lending)			
Fairway Independent Mortgage Corporation			
Gold Star Mortgage Financial Group	1		
Loan Depot, LLC	1		
Paramount Residential Mortgage Group	1		1
Point Mortgage Corp.			
The Mortgage Firm			
Totals	4		1
<i>Income to date (Y2022/23):</i> \$0			

MULTI-FAMILY COMPLIANCE MONITORING

Multifamily compliance monitoring; reporting for period March 21, 2023, through April 20, 2023.

Monthly Compliance

Review of this month's bond report shows all properties are following their respective Land Use Restriction Agreement (LURAs)

Occupancy Report

The HFA Rental Occupancy Report for period March 21, 2023, through April 20, 2023, is included (*Attachment 2*).

Annual Management Review and Inspections

There were no reviews or inspections completed during the reporting period of March 21, 2023, through April 20, 2023.

ATTACHMENT 1

2023 MULTIFAMILY HOUSING BOND TRANSACTIONS – JUNE UPDATE

<u>HFA RANKING</u>	1	2	3
<u>PROJECT NAME</u>	<u>CLOSED – 12/21/2022</u> <u>The Gallery at FATVillage</u>	<u>Tequesta Reserve, LLC</u> <u>a/k/a Griffin Gardens II</u>	<u>Pinnacle 441 Phase 2</u>
<u>PROJECT LOCATION</u>	600 N. Andrews Avenue Fort Lauderdale, FL 33311	4881 Griffin Rd., Davie, FL 33314	6028 Johnson St. Hollywood, FL 33024
<u>DEVELOPER</u>	Related FATVillage, LLC	Building Better Communities, Inc.	Pinnacle Communities, LLC
<u>PROFESSIONAL TEAM</u>	<ul style="list-style-type: none"> • Lead Underwriter • Bond Counsel • Credit Underwriter (“CU”) 	<ul style="list-style-type: none"> • Raymond James • BMO • First Housing 	<ul style="list-style-type: none"> • TBD • TBD • TBD
<u>BOND AMOUNTS</u>	<ul style="list-style-type: none"> • Bond Amount/Original Req. • Revised Request • CU Recommendation 	<ul style="list-style-type: none"> • \$35,900,000 • \$42,850,000/\$62,000,000 • \$55,700,000 	<ul style="list-style-type: none"> • \$21,000,000 • \$25,000,000 •
<u>TEFRA & Inducement</u>	<ul style="list-style-type: none"> • TEFRA/Inducement Amount • Date of HFA Inducement • Date of TEFRA Hearing • Date HFA Approval/Amend. • Date of BOCC App. TEFRA • BOCC Approval/Amendment 	<ul style="list-style-type: none"> • \$35,900,000/\$62,000,000 • March 24, 2021/January19, 2022 • March 22, 2022/Nov. 8, 2022 • April 20, 2022/August 17, 2022/ Nov. 16, 2022 • September 20, 2022 • December 6, 2022 	<ul style="list-style-type: none"> • \$22,000,000 • August 17, 2022 • June 15, 2023 (Pending) • June 21, 2023 (Pending)
<u>ALLOCATION</u>	<ul style="list-style-type: none"> • Allocation Approved by HFA 	HFA - \$35,900,000/\$42,850,000/ \$62,000,000 County General Funds	County General Funds
<u>TRANSACTION STATUS</u>	<i>See Note #1</i>	<i>See Note #2</i>	<i>See Note #3</i>

<u>HFA RANKING</u>	4	5	6
<u>PROJECT NAME</u>	<u>Federation Plaza</u>	<u>Tallman Pines – Phase I</u>	<u>Provident Place a/k/a Golden Acres Senior Apartments</u>
<u>PROJECT LOCATION</u>	3081 Taft Street Hollywood, FL 33021	601 NE 38 th Ct., Deerfield Beach	NW 18 th Dr., NE of the intersection of NW 18 th Dr. & NW 12 th Dr., Pompano Beach, FL
<u>DEVELOPER</u>	Related Affordable, LLC	Tallman Pines Villas, Ltd.	AMBAR3, LLC& HAPB Supporting Housing Opportunities, Inc.
<u>PROFESSIONAL TEAM</u>	<ul style="list-style-type: none"> • Lead Underwriter • Bond Counsel • Credit Underwriter (“CU”) 	<ul style="list-style-type: none"> • RBC • BMO • Seltzer 	<ul style="list-style-type: none"> • TBD • TBD • TBD
<u>BOND AMOUNTS</u>	<ul style="list-style-type: none"> • Bond Amount/Original Req. • Revised Request • CU Recommendation 	<ul style="list-style-type: none"> • \$37,000,000 • \$38,500,000 • 	<ul style="list-style-type: none"> • Raymond James • BMO • Seltzer
<u>TEFRA & Inducement</u>	<ul style="list-style-type: none"> • TEFRA/Inducement Amt. • • Date of HFA Inducement • Date of TEFRA Hearing • • Date of HFA Approval • Date of BOCC App. TEFRA • BOCC Approval 	<ul style="list-style-type: none"> • \$37,000,000/\$38,500,000 • January 19, 2022/April 20, 2022 • August 17, 2022 • May 24, 2022/June 20, 2023 (Pending) • September 20, 2022 	<ul style="list-style-type: none"> • \$14,750,000 • \$20,000,000 •
<u>ALLOCATION</u>	<ul style="list-style-type: none"> • Allocation Approved by HFA 	<ul style="list-style-type: none"> • \$20,000,000 • June 21, 2023 (Pending) • 	<ul style="list-style-type: none"> • \$20,000,000 • June 21, 2023 (Pending) •
<u>TRANSACTION STATUS</u>	See Note #4	See Note #5	See Note #6

<u>HFA RANKING</u>	7	8	9
<u>PROJECT NAME</u>	<u>Sistrunk Apartments</u>	<u>The Palms at Deerfield Townhomes</u>	<u>Pembroke Tower II</u>
<u>PROJECT LOCATION</u>	1204 NW 6 th Street and 1619 NW 6 th Street, Ft. Lauderdale	407 – 431 NW 1 st Terrace, Deerfield Beach, FL 33441	Part of 2201 N. University Drive, Pembroke Pines, FL
<u>DEVELOPER</u>	Sistrunk Apartments Developer, LLC	SHAG Palms of Deerfield Townhomes Developer, LLC & Deerfield Beach Family Empowerment Inc.	Southport Development, Inc.
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • TBD • TBD • Ameri National 	<ul style="list-style-type: none"> • Raymond James • NGN • Seltzer 	<ul style="list-style-type: none"> • Raymond James • Nabors Giblin Seltzer
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$18,000,000 • • 	<ul style="list-style-type: none"> • \$16,000,000 • \$19,000,000 • 	<ul style="list-style-type: none"> • \$6,200,000
<u>TEFRA & Inducement</u>			
<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval</i> 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • \$19,000,000 • May 17, 2023 • June 15, 2023 (Pending) 	
<u>ALLOCATION</u>			
<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> 	County General Funds		
<u>TRANSACTION STATUS</u>	<i>See Note #7</i>	<i>See Note #8</i>	<i>See Note #9</i>

<u>HFA RANKING</u>	10	11	12
<u>PROJECT NAME</u>	<u>Aveline</u>	<u>Residences at Sunset Place</u>	<u>Casa Lake Village</u>
<u>PROJECT LOCATION</u>	Corner of N. Dixie Highway & NE 31st Court, Pompano Beach, FL	W. Commercial Blvd., just west of NW 82 nd Ave., Lauderdale, FL	NW 21 st St. & NW 37 th Terrace Lauderdale Lakes, Broward 33311
<u>DEVELOPER</u>	Cornerstone Group Partners, LLC		ACRUVA Community Developers, LLC.
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • TBD • TBD • TBD
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$20,000,000 	<ul style="list-style-type: none"> • \$35,000,000 	<ul style="list-style-type: none"> • \$15,900,000 • •
<u>TEFRA & Inducement</u>			
<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval</i> 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • •
<u>ALLOCATION</u>			
<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> 		County General Funds	
<u>TRANSACTION STATUS</u>	<i>See Note #10</i>	<i>See Note #11</i>	<i>See Note #12</i>

<u>HFA RANKING</u>	13	14	15
<u>PROJECT NAME</u>	<u>Lauderhill Point Apartments</u>	<u>Pine Island Park</u>	
<u>PROJECT LOCATION</u>	3146 NW 19 th St., Ft. Lauderdale, FL 33311	On south side of NW 44 th St., about 400 ft. east of NW 92nd Way, Sunrise	
<u>DEVELOPER</u>	Lauderhill Developer LLC	Centennial Management Corp.	
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • RBC • BMO • First Housing 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$37,500,000 	<ul style="list-style-type: none"> • \$24,000,000 	
<u>TEFRA & Inducement</u>			
<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval</i> 	<ul style="list-style-type: none"> • \$40,000,000 • June 21, 2023 (Pending) 		
<u>ALLOCATION</u>			
<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> 			
<u>TRANSACTION STATUS</u>	<i>See Note #13</i>	<i>See Note #14</i>	<i>See Note #15</i>

Note #1: - CLOSED DECEMBER 2022

Application to fund The Gallery at FATVillage in the 2021 allocation cycle was submitted to the HFA in response to the HFA's MF Notice of Funding Availability. The financing is expected to fund the new construction of 195 units of housing (affordable, workforce and market) and retail space on the ground floor, in Ft. Lauderdale. The requested bond amount was originally \$35,900,000 with a revision to \$42,580,000 submitted to the HFA on November 18, 2021. The inducement and TEFRA amount increased to \$42,850,000. On October 6, 2022, a request was received to increase the bond amount to \$62,000,000 which will allow for 272 total units. The request was subsequently revised to 263 units. A new TEFRA hearing was held on November 8, 2022. The building type is apartments with elevator access. The transaction has closed.

Note #2:

Application to fund Griffin Gardens II (now known as Tequesta Reserve LLC) in the 2021 allocation cycle was submitted to the HFA on May 28, 2021. The financing is expected to fund the new construction of 76 units of affordable senior housing in Davie. The requested bond amount was originally \$21,000,000 with a revision to \$25,000,000 submitted to the HFA on June 1, 2023. The building type is elevator. The transaction is expected to close in 2023.

Note #3:

Application to fund Pinnacle 441 Phase 2 in the 2021 allocation cycle was submitted to the HFA on September 22, 2021. The financing is expected to fund the new construction of 100 units of affordable housing in Hollywood. The requested bond amount is \$22,000,000. The building type is elevator. The transaction is expected to close in the second or third quarter of 2023.

Note #4:

Application to fund Federation Plaza in the 2021 allocation cycle was submitted to the HFA on November 18, 2021. The financing is expected to fund the acquisition and rehabilitation of 124 units of affordable housing in Hollywood. The requested bond amount was \$37,000,000 with a requested revision to \$38,500,000 submitted to the HFA in March 2022. The building type is elevator. The transaction is expected to close in the third quarter of 2023.

Note #5:

Application to fund Tallman Pines – Phase I in the 2021 allocation cycle was submitted to the HFA on November 23, 2021. The financing is expected to fund the new construction of 80 units of affordable housing in Deerfield Beach. The requested bond amount is \$13,200,000 with a requested revision to \$18,000,000 submitted to the HFA in March 2023. The building type is walk-up. The transaction is expected to close in 2023.

Note #6:

Application to fund Golden Acres Senior Apartments in the December 2021 RFP for \$29 Million New Construction of Affordable Housing was submitted to the County on December 3, 2021. The financing is expected to fund the new construction of 100 units of affordable senior housing in Pompano Beach. The requested bond amount was \$14,750,000 with a requested revision to \$20,000,000 submitted to the HFA in April 2023. The building type is walk-up apartments. The transaction is expected to close in the fourth quarter 2023.

Note #7:

Application to fund Sistrunk Apartments in the 2022 allocation cycle was submitted to the HFA on April 6, 2022. The financing is expected to fund the new construction of 72 units of affordable housing in Ft. Lauderdale. The requested bond amount is \$18,000,000. The building type is 5 story elevator apartments. The transaction is expected to close in 2024.

Note #8:

Application to fund The Palms of Deerfield Townhomes in the 2022 allocation cycle was submitted to the HFA on December 20, 2022. The financing is expected to fund the acquisition and rehabilitation of 56 units of affordable housing in Deerfield Beach. The requested bond amount is \$16,500,000. The building type is 5 story elevator apartments. The transaction is expected to close in the second or third quarter of 2023.

Note #9: **CLOSED DECEMBER 2021**

Pembroke Tower II closed into escrow in December 2021. Due to an increase in construction costs the Applicant is requesting an additional \$6,200,000 of Private Activity Bond Allocation. The transaction is expected to close in the third or fourth quarter of 2023.

Note #10:

Application to fund Aveline in the 2023 allocation cycle was submitted to the HFA on April 4, 2023. The financing is expected to fund the new construction of 108 units of affordable housing in Pompano Beach. The requested bond amount is \$20,000,000. The building type is garden apartments. The transaction is expected to close in 2025.

Note #11:

Application to fund Residences at Sunset Place in the 2023 allocation cycle is pending. The financing is expected to fund the new construction of 144 units of affordable housing in Lauderhill. The requested bond amount is \$20,000,000. The building type is mid-rise apartments. The transaction is expected to close in October 2023.

Note #12:

Application to fund Casa Lakes Village in the 2021 allocation cycle was submitted to the HFA on November 30, 2021. The financing is expected to fund the new construction of 80 units of affordable housing in Lauderdale Lakes. The requested bond amount is \$15,900,000. The building type is elevator. The transaction is expected to close in the second quarter of 2024.

Note #13:

Application to fund Lauderhill Point Apartments in the 2023 allocation cycle was submitted to the HFA on May 11, 2023 (Revised on June 13, 2023). The financing is expected to fund the acquisition and rehabilitation of 176 units of affordable housing in Ft. Lauderdale. The requested bond amount was \$40,000,000. The building type is walk up. The transaction is expected to close in the fourth quarter 2023.

Note #14:

Application to fund Pine Island Park in the 2023 allocation cycle was submitted to the HFA on May 31, 2023. The financing is expected to fund the new construction of 120 units of affordable housing in Sunrise. The requested bond amount is \$24,000,000. The building type is elevator. The transaction is expected to close in the first quarter of 2025. *Note this application is on the HFA waitlist pending applications submitted in conjunction with County Gap financing.*

ATTACHMENT 2

MULTI-FAMILY COMPLIANCE MONITORING
(Reporting Period March 21, 2023 to April 20, 2023)

Monthly Compliance:

Review of this month's bond reports shows all properties are following their respective Land Use Restriction Agreements (LURAs).

Occupancy Report

The HFA Rental Occupancy Report for the period of March 21, 2023, to April 20, 2023, is included (Attachment 1).

Electronic Filing and Archiving System

Due to the bonds reports being submitted online an electronic filing and archiving system was created. To date, the bond reports up to July 30, 2022, have been archived electronically. This is an ongoing process.

Annual Management Reviews and Inspections

There were no reviews or inspections completed during the reporting period of March 21, 2023, to April 20, 2023.

Mortgage Credit Certificate Program (MCC)

The 2023 MCC Program started on January 15, 2023. To date there are eleven (11) lenders participating in the program. (See table below)

Lenders	Commitments	MCCs Issued	Cancelled Commitments
Academy Mortgage Corp.			
Americas Mortgage Professionals			
Bank of America	1		
Columbus Capital Lending			
Everett Financial (Supreme Lending			
Fairway Independent Mortgage Corporation			
Gold Star Mortgage Financial Group	1		
Loan Depot	1		
Paramount Residential Mortgage Group	1		1
Point Mortgage Corp.			
The Mortgage Firm, Inc.			
Totals	4		1

MULTI-FAMILY BOND RENTAL OCCUPANCY REPORT KEY

The Rental Occupancy Report was prepared by staff from Certifications of Continuing Compliance reports received from Multi Family property management.

Column B represents the total number of units the property has.

Column C represents the number of units occupied during the reporting period.

Column D represents the percentage of units occupied versus the total number.

Column E represents the percentage of total units that were lower income occupied during the month of March, 2022.

Column F represents the number of lower income units occupied.

Column G represents the percentage of lower income units occupied versus the total number of units available.

Column H represents the lower income requirement per the Land Use Restriction Agreement.

Column I represents the date the Certificate of Compliance was received by Housing Finance Authority. Dates may vary from the 21st of the previous month to the 15th of the following month since bond reports are submitted according to the time frame set in the LURA.

Column J represents the number of units vacant for each property.

Columns that are blank represent no report was received from property management.

Housing Finance Authority of Broward County
Rental Occupancy Report

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Property	Total Number of Units	From Mgmt Number of Units Occupied	% of Units Occupied	Previous month % of Lower Units March	From Mgmt Low Income Units Occupied	% Occupied by Low Income	LURA Low Income Requirement	Certificate of Compliance rec'd April	Vacant Units
Banyan Bay	416	402	96.6	41%	166	41.3	20%	5/10/2023	14
Chaves Lakes	238	238	100.0	78%	186	78.2	40%	4/28/2023	0
Emerald Palms	318	317	99.7	87%	274	86.4	40%	5/10/2023	1
Federation Davie Apartments	80	78	97.5	99%	78	100.0	40%	5/8/2023	2
Federation Sunrise Apartments	123	122	99.2	100%	122	100.0	40%	5/8/2023	1
Golden Villas	120	120	100.0	100%	120	100.0	40%	5/8/2023	0
Heron Pointe	200	198	99.0	100%	198	100.0	40%	5/1/2023	2
Landings at Coconut Creek	268	251	93.7	21%	53	21.1	20%	5/10/2023	17
Lauderhill Point (fka Driftwood Terr)	176	171	97.2	100%	171	100.0	100%	5/9/2023	5
Los Prados	444	406	91.4	32%	124	30.5	20%	4/28/2023	38
Mar Lago Village	216	202	93.5	43%	88	43.6	40%	5/8/2023	14
Marquis	100	98	98.0	98%	96	98.0	40%	5/26/2023	2
Northwest Gardens V	200	195	97.5	100%	195	100.0	40%	4/19/2023	5
Palms of Deerfield	56	56	100.0	100%	56	100.0	100%	5/26/2023	0
Pembroke Park	244	243	99.6	81%	196	80.7	40%	4/28/2023	1
Pinnacle Village	148	148	100.0	99%	147	99.3	40%	5/8/2023	0
Praxis of Deerfield Beach	224	222	99.1	100%	221	99.5	100%	5/10/2023	2
Prospect Park	125	123	98.4	100%	123	100.0	40%	5/5/2023	2
Regency Gardens	94	92	97.9	100%	92	100.0	40%	4/25/2023	2
Residences at Crystal Lake	92	91	98.9	100%	91	100.0	40%	5/7/2023	1
Sailboat Bend	37	36	97.3	86%	31	86.1	100%	5/10/2023	1
Sanctuary Cove	292	290	99.3	99%	286	98.6	40%	5/1/2023	2
Stanley Terrace	96	90	93.8	100%	90	100.0	40%	5/15/2023	6
Summerlake	108	108	100.0	99%	107	99.1	40%	5/10/2023	0
Woodsdale Oaks	172	169	98.3	100%	169	100.0	70%	5/10/2023	3
Totals	4,587	4,466			3,480	77.9%			121
Total % rate of occupancy for all properties		97%							
Solaris - New Construction - Closed 12/22/2022									
The Gallery at FATVillage - New Construction - Closed 12/21/2022									
Douglas Garden - New Construction - Closed 2/15/2023									
St. Joseph Manor II - New Construction - Closed 3/21/2023									
Captive Cove III - New Construction - Closed 3/17/2023									

ITEM 3

**Housing Finance Authority of Broward County
June 21, 2023 – Board Meeting**

Leasing of HFA Office Building (110 NE 3rd Street, Fort Lauderdale)

Motion to approve a Memorandum of Understanding (MOU) between the HFA and Broward County Housing Finance and Community Redevelopment Division (HFCRD) for the HFCRD to lease approximately 8,646 square feet of office space located at 110 NE 3rd Street, Ft. Lauderdale, with a rental term of two (2) years, from October 1, 2023 to September 30, 2025, at a total gross rent of \$242,088 for the two-year term; and authorize the Chair or Vice Chair to execute the MOU.

Background Information

On May 8, 2021, the HFA Board approved rent at \$121,044 per year for two years from October 1, 2021, to September 30, 2023, and Broward County Housing Finance and Community Redevelopment Division paid the HFA the sum of \$242,088 for the two-year period (*rent per year is \$121,044 and space allocated is 8,646 sq. ft.*).

The HFA building is 13,751 square feet. This space is allocated (including common space) to the following activities:

HFA	5,105 sq. ft. (No Charge)
CDBG	6,416 sq. ft.
HOME	1,529 sq. ft.
SHIP	<u>701 sq. ft.</u>
Total	13,751 sq. ft.

Current Status

1. The FY2021 Memorandum of Understanding (MOU) between the HFA and the Housing Finance and Community Redevelopment Division (HFCRD) expires on September 30, 2023. *The cost per square foot was \$14.00 (\$121,044 annually and space allocated is 8,646 sq. ft. No charge is applied to the space allocated for HFA use (5,105 sq. ft.).*
2. The HFA space is classified as “B” grade office space, according to Broward County Real Property Section which estimates the current value at \$17.00 per square foot, triple net (Attachment 1).

Present Situation

Staff proposes no rental rate change for the next two years, starting October 1, 2023, and ending on September 30, 2025, as follows:

FY 2022 at \$14.00 per square foot or \$121,044

FY 2023 at \$14.00 per square foot or \$121,044

This recommendation is based on the Housing Finance and Community Redevelopment Division, receiving a significant decrease funding from Florida Housing for the State Housing Initiative Partnership (SHIP) program and market conditions for office space demand impact by COVID.

Recommendation

Staff recommends that the Board approve the proposed rental term of two years, from October 1, 2023, to September 30, 2025, at a total gross rental of \$242,088 for the two-year term at a cost of \$14.00 per square foot; and execute a Memorandum of Understanding signed by the HFA Chair.

Attachments

1. Memo - Broward County Real Property Section dated March 13, 2023.
2. Memorandum of Understanding

ATTACHMENT 1



Public Works Department

Real Property and Real Estate Development Division


115 S. Andrews Avenue, Room 501 • Fort Lauderdale, Florida 33301 • 954-357-6826 • FAX 954-527-2994

MEMORANDUM

March 13, 2023

TO: Josie Kotsioris, Manager
Housing Finance Authority of Broward County
Housing Finance and Community Development Division

THRU: Lary S. Mahoney 
Director of Real Property and Real Estate Development

FROM: Michael Germano, Property Agent 
Real Property and Real Estate Development Division

**SUBJECT: Leasing of HFA Office Building
110 NE 3rd Street
Fort Lauderdale, Broward County, Florida**

We have researched and analyzed the office rental market in or near the central business district (CBD) of Fort Lauderdale to form an opinion of what the market rental rate is at 110 NE 3rd Street, the location of the Housing Finance Authority ("HFA") office.

The HFA space is classified as "B" grade office space.

We searched LoopNet for office rental listings in the Fort Lauderdale CBD and surrounding submarkets. The search parameters were for space from 1,000 to 7,500 square feet, Class B with 2 to 5 stories.

There are sufficient examples to illustrate that a typical office tenant would face little difficulty in locating space similar or better in quality to the subject property.

Please see the following spreadsheet for office space currently available on LoopNet and used as comparable properties to the subject property.

Also, please note that the first four (numbered 1,2,3,4) properties listed on the 2023 spreadsheet were also listed on the 2021 spreadsheet and continue to have available space for lease.

LOOPNET – FORT LAUDERDALE OFFICE RATES
March 13, 2023

	Street #	Property Address	Year Built/ Renovated	Total Building Space	Available Space	Ave NNN Rent Per S/F	Comments/ Property References
*	110	NE 3 rd Street Fort Lauderdale	1990	17,808	N/A	N/A	Subject Property Housing Finance Authority (“HFA”) Office (3 Stories)
1	888	SE 3 rd Avenue Fort Lauderdale	1985/ 2021	45,000	5,627	\$19.50	Class B. NNN Near Courthouse. “Legal Centre” (5 Stories)
2	1700	E. Las Olas Blvd Fort Lauderdale	1980	25,841	1,202	\$28.00	Class B NNN “EWM Realtors” Building (Waterfront) (3 stories)
3	3800	W. Broward Blvd Fort Lauderdale	1970/ 2010	35,477	19,500	\$15.00	Class B NNN “Bank Of America” Building (2 Stories)
4	4800	N Federal Hwy	1976	22,173	7,191	\$18.00	Class B Adjacent to Holy Cross (3 Stories) (Spoke to Nick Brown)
5	300	Himmarshee St	1966	12,849	1,819	\$23.00	Class B Boutique style historic building (2 story)

6	900	SE 3 rd Ave	2000	46,800	24,330	\$24.50	Class B Full Build-Out (3 Stories)
						Low	\$15.00
						Mean	\$21.34
						High	\$28.00
							Use \$21.00 S/F for HFA Space Mean

We estimate that the current office rent for this space in this market is between \$15 to \$28 with a mean of about \$21 per square foot, triple net. Due to current real estate market conditions, we propose rent of \$17.00 a square foot.

OPINION OF MARKET RENT: \$17.00 PER S/F, NNN

ATTACHMENT 2

MEMORANDUM OF UNDERSTANDING

Between

Broward County Housing Finance Division

And

Housing Finance Authority of Broward County

For

The Leasing of Property Located at 110 NE 3rd Street
Fort Lauderdale, Florida 33301

This Memorandum of Understanding covers occupancy of the building at 110 NE 3rd Street, Fort Lauderdale, Florida 33301, of 8,646 (eight thousand six hundred forty-six) square feet by the Housing Finance Authority of Broward County and Broward County Housing Finance Division for a term of two (2) years, from October 1, 2023 to September 30, 2025.

The parties agree that the Housing Finance Division shall pay to the Housing Finance Authority the sum of \$146,982 (one hundred forty-six thousand nine hundred eight-two dollars) for the term from October 1, 2023 to September 30, 2024; and \$146,982 (one hundred forty-six thousand, nine hundred eight-two dollars) for the term from October 1, 2024 to September 30, 2025. The sum is based on calculations of space occupied as indicated on the allocation table at a rate of \$17.00 per square foot.

Signed:

Scott Ehrlich
Chairperson, Housing Finance
Authority of Broward County

Date: June 21, 2023

Ralph Stone
Director, Housing Finance Division

Date: June 21, 2023

ITEM 4

**Housing Finance Authority of Broward County
June 21, 2023 – Board Meeting**

Multi-family Bonds Federation Plaza Apartments - Action Item

- A. MOTION TO ACCEPT the draft Credit Underwriting Report.

- B. MOTION TO APPROVE Resolution providing authorization and/or approval: a) to issue the Authority's Multi-family Housing Revenue Bonds (M-TEBS – Federation Plaza), Series 2023, in a total aggregate principal amount not to exceed \$38,500,000 ("Series 2023 Bonds"), for the purpose of financing the cost of acquisition, rehabilitation and equipping of a multi-family housing project for seniors known as "Federation Plaza" and located in Broward County, b) of the form, execution and delivery of the documents included as Exhibits A-F hereto, c) to execute and deliver certain additional agreements necessary or desirable in connection with the issuance of the Series 2023 Bonds, d) to waive the annual audit fee, e) to partially waive Article IV, Section F of the Authority's Policies and Procedures for Multi-Family Housing Bond Program pertaining to mailing Preliminary Official Statements to permit the posting of the Preliminary Official Statement prior to receipt of bond issuance approval from the Broward County Board of County Commissioners, f) to appoint a Trustee, Paying Agent, and Registrar, g) to consent to Borrower placing subordinate financing on the Project and approving the execution of such agreements as may be necessary in connection with such consent, h) authorize proper officers of the Authority to do all things necessary or advisable in connection with the issuance of the Series 2023 Bonds, and i) providing an effective date.

Background

1. On November 18, 2022, the Authority received a multi-family bond application from the developer Federation Plaza Preservation, L.P., a Florida limited partnership (the "Borrower") pertaining to a 124-unit acquisition and rehabilitation development, known as Federation Plaza (the "Project"). The Project is located at 3081 Taft Street, Hollywood, FL. Related Affordable, LLC, is involved in the Project as an affiliate of the Class B Limited Partnership of the Borrower.
2. The Borrower's application initially requested that the Authority issue bonds to support the Project in an amount of \$37,000,000. The application was subsequently revised on March 31, 2022, to reflect a tax-exempt bond request of up to \$38,500,000.
3. At its January 19, 2022, meeting, the Authority adopted an Inducement Resolution No. 2022-002, authorizing the issuance of tax-exempt multi-family housing revenue bonds in an amount not to exceed \$37,000,000 and incorporating authorization to publish notice of and hold the TEFRA Hearing.
4. At its April 20, 2022, meeting, the Authority amended Resolution 2022-002, to increase the expected maximum principal of the bonds from \$37,000,000 to \$38,500,000.
5. At its August 17, 2022, meeting the Authority adopted Resolution 2022-017 authorizing the issuance of Social Multi-family Housing Revenue Bonds (Social M-TEBS), Series 2022.
6. Due to market conditions the bonds contemplated in 2022 have not been issued.
7. The Authority has tax-exempt carry forward allocation available to fully fund this transaction and all transactions pending.

Present Situation

1. Conditions are favorable for a Series 2023 Bonds to be issued and the attached Resolution for the Series 2023 Bonds repeals Resolution No. 2022-017.
2. The Bonds are now referred to as Multi-family Housing Revenue Bonds (M-TEBS – Federation Plaza), Series 2023.
3. The prior TEFRA expired and a new TEFRA hearing was held on June 20, 2023.
4. On June 6, 2023, the Broward County Board of Commissioners (“BoCC”) awarded the Borrower up to \$2,000,000 in subordinate gap financing. The Borrower has requested authorization to place such subordinate financing on the Project.
5. As the multi-family Bond audit is no longer required per County Ordinance, the Borrower requested a waiver of the Authority’s Audit Fees. This waiver only pertains to the audit of funds held with the Trustee. Borrower’s request is addressed within the attached Resolution.
6. Authority acceptance of the draft Credit Underwriting Report (“CUR”) is administrative and additional revisions may be required in conjunction with the delivery of the Series 2023 Bonds. Revisions to the CUR will be subject to Section 17 of the attached Resolution.
7. The closing for the financing of this Project is presently scheduled for August 2023. Based on the current timeline, the Borrower has requested a partial waiver of the HFA’s policies solely to permit the posting of the Preliminary Official Statement prior to receipt of BoCC approval for the issuance of the Series 2023 Bonds.

Recommendation

A. Motion to Accept:

Draft Credit Underwriting Report

B. Motion to Approve:

Resolution including authorization and/or approval:

- a) to issue the Authority’s Multi-family Housing Revenue Bonds (M-TEBS – Federation Plaza), Series 2023, in a total aggregate principal amount not to exceed \$38,500,000, for the purpose of financing the cost of acquisition, rehabilitation and equipping of a multi-family housing project for seniors known as “Federation Plaza” and located in Broward County,
- b) of the form, execution and delivery of the documents included as Exhibits A-F hereto,
- c) to execute and deliver certain additional agreements necessary or desirable in connection with the issuance of the Series 2023 Bonds,
- d) to waive the annual audit fee,
- e) *to partially waive Article IV, Section F of the Authority’s Policies and Procedures for Multi-Family Housing Bond Program pertaining to mailing Preliminary Official Statements to permit the posting of the Preliminary Official Statement prior to receipt of bond issuance approval from the Broward County Board of County Commissioners*
- f) to appoint a Trustee, Paying Agent, and Registrar,
- g) to consent to Borrower placing subordinate financing on the Project and approving the execution of such agreements as may be necessary in connection with such consent,
- h) authorize proper officers of the Authority to do all things necessary or advisable in connection with the issues of the Series 2023 Bonds, and
- i) providing an effective date.

EXHIBITS

1. Draft Credit Underwriting Report

2. HFA Resolution
 - A. Form of Land Use Restriction Agreement
 - B. Form of Indenture of Trust
 - C. Form of Financing Agreement
 - D. Form of Bond Purchase Agreement
 - E. Form of Preliminary Official Statement
 - F. Trustee Fee Agreement

ATTACHMENT 1

FEDERATION PLAZA CREDIT UNDERWRITING REPORT

PLACEHOLDER

ATTACHMENT 2

RESOLUTION NO. 2023-____

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on June 21, 2023, at 110 Northeast Third Street, Fort Lauderdale, Florida.

Present: _____

Absent: _____

Thereupon, the following Resolution was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "AUTHORITY") AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (M-TEBS - FEDERATION PLAZA), SERIES 2023 IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$38,500,000 (THE "SERIES 2023 BONDS") FOR THE PURPOSE OF FINANCING THE COST OF ACQUISITION, REHABILITATION AND EQUIPPING OF A MULTIFAMILY HOUSING PROJECT FOR SENIORS KNOWN AS "FEDERATION PLAZA" LOCATED IN BROWARD COUNTY, FLORIDA; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT BY AND AMONG THE AUTHORITY, THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS THE TRUSTEE, AND FEDERATION PLAZA PRESERVATION, L.P., AS THE BORROWER; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST BY AND BETWEEN THE AUTHORITY AND THE TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT BY AND AMONG THE AUTHORITY, THE TRUSTEE, WELLS FARGO BANK, NATIONAL ASSOCIATION, AND THE BORROWER; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE SERIES 2023 BONDS BY AND AMONG THE AUTHORITY, THE BORROWER, RBC CAPITAL MARKETS, LLC, AND RAYMOND JAMES & ASSOCIATES, INC., AS THE UNDERWRITERS; AUTHORIZING THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2023 BONDS; WAIVING THE FEE FOR SERVICES RELATED TO THE AUTHORITY'S ANNUAL AUDIT OF THE PROJECT; PARTIALLY WAIVING ARTICLE IV, SECTION F OF THE AUTHORITY'S POLICIES AND PROCEDURES FOR MULTI-FAMILY HOUSING BOND PROGRAM PERTAINING TO MAILING PRELIMINARY OFFICIAL STATEMENTS TO PERMIT THE POSTING OF THE PRELIMINARY OFFICIAL

STATEMENT PRIOR TO RECEIPT OF BOND ISSUANCE APPROVAL FROM THE BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS; APPOINTING A TRUSTEE, PAYING AGENT, AND REGISTRAR WITH RESPECT TO THE SERIES 2023 BONDS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUSTEE FEE AGREEMENT BETWEEN THE AUTHORITY AND THE TRUSTEE; AUTHORIZING THE AUTHORITY TO CONSENT TO THE BORROWER PLACING SUBORDINATE FINANCING ON THE PROJECT AND APPROVING THE EXECUTION OF SUCH AGREEMENTS AS MAY BE NECESSARY IN CONNECTION WITH SUCH CONSENT; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2023 BONDS; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the “Authority”) is empowered under the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the “Act”) and Ordinance 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the “Board”) on June 20, 1979 (the “Ordinance”), as amended, to issue multifamily housing revenue bonds; and

WHEREAS, the Authority desires to issue multifamily housing revenue bonds in a principal amount not to exceed \$38,500,000 for the purpose of financing the acquisition, rehabilitation and equipping of a multifamily residential senior housing development in Hollywood, Broward County, Florida (the “County”) known as “Federation Plaza” (the “Project”); and

WHEREAS, Federation Plaza Preservation, L.P., a Florida limited partnership (the “Borrower”), has requested the Authority to issue the Series 2023 Bonds to provide funds to make a loan to the Borrower (the “Loan”) to finance the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, the Authority will enter into a Land Use Restriction Agreement (the "Land Use Restriction Agreement") by and among the Authority, The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), and the Borrower, in substantially the form attached hereto as Exhibit A; and

WHEREAS, the Authority will enter into an Indenture of Trust (the "Indenture") by and between the Authority and the Trustee, in substantially the form attached hereto as Exhibit B; and

WHEREAS, the Authority will enter into a Financing Agreement (the "Financing Agreement"), by and among the Authority, the Trustee, Wells Fargo Bank, National Association, as lender, and the Borrower, in substantially the form attached hereto as Exhibit C; and

WHEREAS, in connection with the negotiated sale of the Series 2023 Bonds, the Authority will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement"), by and among the Authority, the Borrower, RBC Capital Markets, LLC, and Raymond James & Associates, Inc. (collectively, the "Underwriters"), in substantially the form attached hereto as Exhibit D; and

WHEREAS, in connection with the offering and sale of the Series 2023 Bonds, the Authority desires to approve the distribution of the Preliminary Official Statement, in substantially the form attached hereto as Exhibit E, delegate the authority to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities Exchange Act of 1943, as amended (the "Rule"), and authorize the delivery of a final Official Statement with respect to the Series 2023 Bonds (the "Official Statement"); and

WHEREAS, the Authority will enter into a Trustee Fee Agreement (the “Trustee Fee Agreement”) by and between the Authority and the Trustee, in substantially the form attached hereto as Exhibit F; and

WHEREAS, within the County there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

WHEREAS, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, and will serve the purposes of the Act, and the Project will constitute a “qualified housing development” under the Act; and

WHEREAS, Article IV, Section F of the Authority’s Policies and Procedures for Multi-Family Housing Bond Program requires that, prior to the posting of the Preliminary Official Statement, the Authority receive a certificate executed by the Borrower stating, among other things, that there are no unresolved issues relating to the subject project or the bond issuance that would prevent the Borrower from closing the subject transaction (collectively, the “HFA Posting Policy”); and

WHEREAS, based on the current timeline, the Federation Plaza transaction would need to post the Preliminary Official Statement prior to receiving Board approval for the issuance of the Series 2023 Bonds; and

WHEREAS, given the need for additional affordable housing in the County, the Borrower has requested a waiver of the HFA Posting Policy solely to permit the posting of the Preliminary Official Statement prior to receipt of Board approval; and

WHEREAS, additional disclosure has been included in the form of the Preliminary Official Statement attached hereto as Exhibit "E" to the effect that the issuance of the Series 2023 Bonds is subject to Board approval; and

WHEREAS, the Authority is not obligated to pay the Series 2023 Bonds, except from the proceeds derived from the repayment of the Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Indenture. Neither the faith and credit nor the taxing power of the Authority, the County, or the State of Florida or any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Series 2023 Bonds; and

WHEREAS, due to the complexity of the financing, the turmoil in the capital markets and the need to coordinate matters among the Authority, the Borrower, and the Underwriters, it is in the best interest of the Authority to negotiate the sale of the Series 2023 Bonds. The disclosure required in Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the sale of the Series 2023 Bonds; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Series 2023 Bonds was published in The Sun-Sentinel,

a newspaper of general circulation on June 11, 2023, at least 7 days prior to the date of such hearing; and

WHEREAS, on June 20, 2023, a public hearing concerning the issuance of the Series 2023 Bonds in a principal amount not to exceed \$38,500,000 to finance the Project was held by the Authority; and

WHEREAS, the Ordinance requires that all contracts of the Authority in connection with the issuance of the Series 2023 Bonds be approved by the Board; and

WHEREAS, the Authority desires to authorize the execution and delivery of the contracts and any other documents of the Authority to be executed in connection with the issuance of the Series 2023 Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:

Section 1. Adoption of Representations. The foregoing WHEREAS paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Authorization of the Series 2023 Bonds. The Authority hereby authorizes, under the authority of the Act and the Ordinance, and subject to the terms as hereinafter set forth, the issuance of bonds to be designated "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS - Federation Plaza), Series 2023" (the "Series 2023 Bonds") in a principal amount of not to exceed \$38,500,000, or such other series or name designations as may be determined by the Authority.

Section 3. Details of the Series 2023 Bonds. The Series 2023 Bonds will be issued under and secured by the Indenture, by which reference is hereby incorporated into this Resolution as if set forth in full herein and attached hereto as Exhibit B. The proceeds of the Series 2023 Bonds will be applied as provided in the Indenture, the Series 2023 Bonds will mature in the years and in the amounts, bear interest at such rates, be subject to redemption, and have such other characteristics as will be provided in the Indenture.

Section 4. Execution of the Series 2023 Bonds. The Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority are hereby authorized and directed to execute by manual or facsimile signature, and place the seal of the Authority, in manual or facsimile form, on each of the Series 2023 Bonds. The Series 2023 Bonds will be in substantially the form set in the Indenture, with such changes, modifications, and deletions as the officers executing the Series 2023 Bonds, with the advice of Bryant Miller Olive P.A. (“Bond Counsel”) and the County Attorney, may deem necessary and appropriate and as are not inconsistent with the Indenture and this Resolution. The execution and delivery of the Series 2023 Bonds by the aforementioned officers shall be conclusive evidence of the Authority’s approval and authorization thereof.

Section 5. Authentication and Delivery of the Series 2023 Bonds. Upon execution of the Series 2023 Bonds in the form set forth in the Indenture, the Authority shall deliver the Series 2023 Bonds to the Trustee for authentication, and the Trustee is hereby authorized and directed to authenticate and deliver said Series 2023 Bonds to the Underwriters, subject to the terms for delivery set forth in the Indenture.

Section 6. Approval of the Land Use Restriction Agreement. The form and content of the Land Use Restriction Agreement, attached hereto as Exhibit A, is hereby authorized and approved by the Authority, and the Chair or the Vice Chair of the Authority is hereby authorized to execute and deliver the Land Use Restriction Agreement and the Secretary or the Assistant Secretary of the Authority is hereby authorized to place the Authority's seal thereon and, attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 7. Approval of the Indenture. The form and content of the Indenture, attached hereto as Exhibit B, is hereby authorized and approved by the Authority, and the Chair or the Vice Chair of the Authority is hereby authorized to execute and deliver the Indenture and the Secretary or the Assistant Secretary of the Authority is hereby authorized to place the Authority's seal thereon and, attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 8. Approval of the Financing Agreement. The form and content of the Financing Agreement, attached hereto as Exhibit C, is hereby authorized and approved by the Authority, and the Chair or the Vice Chair of the Authority is hereby authorized to execute and deliver the Financing Agreement and the Secretary or the Assistant Secretary of the Authority is hereby authorized to place the Authority's seal thereon and, attest thereto, in the form presented

at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 9. Approval of Bond Purchase Agreement. The form and content of the Bond Purchase Agreement, attached hereto as Exhibit D, is hereby authorized and approved by the Authority, and the Chair or the Vice Chair of the Authority is hereby authorized to execute and deliver the Bond Purchase Agreement and the Secretary or the Assistant Secretary of the Authority is hereby authorized to place the Authority's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority. Notwithstanding the foregoing, the Bond Purchase Agreement shall not be executed by the Chair or Vice Chair until such time the following conditions have been satisfied: (i) the interest rate on the Series 2023 Bonds shall not exceed 8.00% per annum, and (ii) the Series 2023 Bonds shall mature not later than 40 years from the date of issuance thereof.

Section 10. Approval of Preliminary Official Statement. The form and content of the Preliminary Official Statement, attached hereto as Exhibit E, is hereby authorized and approved by the Authority, and the Chair or the Vice Chair of the Authority is hereby authorized to make or approve such changes, modifications, and deletions to the Preliminary Official Statement as the Chair or the Vice Chair may deem necessary and appropriate. The Chair's approval must be in accordance with the policies of the Authority regarding the mailing or distribution of a

preliminary official statement. The Chair may, upon advice of Bond Counsel and the County Attorney, approve the Preliminary Official Statement. Such approval shall be conclusive evidence of the approval and authorization thereof by the Authority. Further, the Authority hereby authorizes the Chair or the Vice Chair of the Authority to deem “final” the Preliminary Official Statement, as so amended and approved by the Chair or the Vice Chair, for purposes of the Rule; and approves the use of the Preliminary Official Statement in the marketing of the Series 2023 Bonds. The final Official Statement relating to the Series 2023 Bonds is hereby authorized with such changes from the Preliminary Official Statement all in accordance with the Rule, as the Chair or the Vice Chair may approve, and such final Official Statement is hereby authorized to be used and distributed in connection with the marketing and sale of the Series 2023 Bonds prior to approval by the Board.

Section 11. Partial Waiver of HFA Posting Policy. Given the need for additional affordable housing in the County and the Authority, pursuant to the Borrower’s request, hereby waives the HFA Posting Policy solely to permit the posting of the Preliminary Official Statement prior to receipt of Board approval for the issuance of the Series 2023 Bonds.

Section 12. Appointment of Trustee, Registrar and Paying Agent. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed the Trustee, Paying Agent and Registrar under the Indenture. The Trustee Fee Agreement between the Authority and the Trustee, attached hereto as Exhibit F, is hereby authorized and approved by the Authority, and the Chair or the Vice Chair of the Authority is hereby authorized to execute and deliver the Trustee Fee Agreement and the Secretary or the Assistant Secretary of the Authority is hereby authorized to place the Authority’s

seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 13. Sale of the Series 2023 Bonds. The Series 2023 Bonds are hereby sold and awarded to the Underwriters pursuant to the terms of the Bond Purchase Agreement. The Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority are authorized to make any and all changes to the forms of the Series 2023 Bonds which shall be necessary to conform the same to the Bond Purchase Agreement.

Section 14. Registration. It is in the best interest of the Authority and the Borrower that the Series 2023 Bonds be issued utilizing a book-entry system of registration.

Section 15. Subordinate Financing. The Authority hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of a loan from Broward County in the approximate principal amount of not to exceed \$2,000,000 (the "County Loan"). Given the need for additional affordable rental units in the County, the high development costs associated with the Project, and the favorable financing terms of the Subordinate Financing, the Authority hereby determines that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the Authority (i) authorizes the Chair or the Vice Chair of the Authority to consent to such Subordinate Financing, approve such other principal amounts of Subordinate Financing that may be necessary to complete the financing, and to execute and deliver any agreements that may be necessary in connection with such consent, including, but not limited to, certain subordination agreements, with the advice of

and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Trustee to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate.

Section 16. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by the Borrower for the services of the Authority's auditor to audit the Project and the Series 2023 Bonds annually. The Authority waives such audit fee in connection with the Project.

Section 17. Further Actions and Ratifications of Prior Actions. The officers, agents and employees of the Authority and the officers, agents, and employees of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Series 2023 Bonds, the Land Use Restriction Agreement, the Indenture, the Financing Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Trustee Fee Agreement, and this Resolution (collectively, the "Authority Documents"), and to execute and deliver any and all additional documents necessary or advisable to effectuate the foregoing. All actions heretofore undertaken by the officers, agents, and employees of the Authority with respect to the provisions of the Authority Documents are hereby ratified and approved.

Section 18. Repeal. Resolution No. 2022-017 adopted on August 17, 2022 is hereby repealed.

Section 19. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.

and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Trustee to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate.

Section 16. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by the Borrower for the services of the Authority's auditor to audit the Project and the Series 2023 Bonds annually. The Authority waives such audit fee in connection with the Project.

Section 17. Further Actions and Ratifications of Prior Actions. The officers, agents and employees of the Authority and the officers, agents, and employees of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Series 2023 Bonds, the Land Use Restriction Agreement, the Indenture, the Financing Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Trustee Fee Agreement, and this Resolution (collectively, the "Authority Documents"), and to execute and deliver any and all additional documents necessary or advisable to effectuate the foregoing. All actions heretofore undertaken by the officers, agents, and employees of the Authority with respect to the provisions of the Authority Documents are hereby ratified and approved.

Section 18. Repeal. Resolution No. 2022-017 adopted on August 17, 2022 is hereby repealed.

Section 19. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.

Section 20. Resolution Effective. This Resolution shall take effect immediately upon its passage.

Upon motion of _____, seconded by _____, the foregoing Resolution was adopted by the following votes:

AYES: _____

NAYS: _____

Approved on June ____, 2023 as to form and legal sufficiency by:

Bryant Miller Olive P.A., Bond Counsel

STATE OF FLORIDA)
)ss:
COUNTY OF BROWARD)

I, Ruth Cyrus, Assistant Secretary of the Housing Finance Authority of Broward County, Florida, DO HEREBY CERTIFY that the foregoing is an accurate copy of the Resolution of the Housing Finance Authority adopted at a meeting held on June 21, 2023, as set forth in the official minutes of the Housing Finance Authority, related to approval of certain actions to be taken in connection with the proposed issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2023 (M-TEBS - Federation Plaza) of the Housing Finance Authority.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this _____ day of June, 2023.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Ruth Cyrus, Assistant Secretary

(SEAL)

ATTACHMENT 3

EXHIBIT A

FORM OF LAND USE RESTRICTION AGREEMENT

This document prepared by
(and after recording return to):
JoLinda Herring
Bryant Miller Olive P.A.
One SE 3rd Avenue, Suite 2200
Miami, Florida 33131

LAND USE RESTRICTION AGREEMENT

<u>Owner's</u> <u>Name and Address:</u>	Federation Plaza Preservation, L.P. c/o Related Affordable, LLC 30 Hudson Yards, 72 nd Floor New York, New York 10001
<u>Location of Property:</u>	See legal description attached hereto as <u>Exhibit "A"</u>
<u>Name of Project:</u>	Federation Plaza
<u>Issuer's</u> <u>Name and Address:</u>	Housing Finance Authority of Broward County, Florida 110 N.E. 3 rd Street, Suite 300 Fort Lauderdale, Florida 33301

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement"), made and entered into as of _____, 2023, by and among the Housing Finance Authority of Broward County, Florida (the "Issuer"), a public body corporate and politic created, organized and existing under the laws of the State of Florida, The Bank of New York Mellon Trust Company, N.A., a national banking association, in its capacity as trustee (including its successors and assigns, the "Trustee") and Federation Plaza Preservation, L.P., a Florida limited partnership and its successors and assigns (the "Owner").

WITNESSETH:

WHEREAS, the Owner intends to acquire, rehabilitate and equip a multifamily residential housing development located in Hollywood, Broward County, Florida (the "County") to be occupied by Lower-Income Persons and Eligible Persons, all for the public purpose of assisting persons or families of low, moderate or middle income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Issuer has authorized the issuance and delivery of the Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza), in the principal amount of \$[_____] pursuant to an Indenture of Trust dated as of August 1, 2023 between the Issuer and the Trustee in order to provide for a loan (the "Loan") to the Owner pursuant to a Financing Agreement dated as of August 1, 2023 (the "Financing Agreement"), by and among the Issuer, the Trustee, Wells Fargo Bank, National Association, as lender, and the Owner to finance the Project (as hereinafter defined) and certain costs incurred in connection with the issuance of the Bonds, all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Indenture and the Financing Agreement requires, as a condition of making the Loan, the execution and delivery of this Agreement; and

WHEREAS, in order to satisfy such requirement, the Issuer, the Trustee and the Owner have determined to enter into this Agreement to set forth certain terms and conditions relating to the operation of the Project, which is located on the lands described in Exhibit "A" hereto; and

WHEREAS, this Agreement shall be properly filed and recorded by the Owner within the official records of the County and shall constitute a restriction upon the use of the property subject to and in accordance with the terms contained herein.

NOW THEREFORE, in consideration of providing the financing by the Issuer to the Owner, acknowledging that compliance with this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds, covenants and agrees with the other parties hereto as follows:

Section 1. Definitions and Interpretation.

(a) The following terms shall have the respective meanings set forth below (undefined terms shall be given the meanings set forth in the Indenture):

"Affiliated Party" of a person means a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (ii) such persons are members of the same controlled group of corporations as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least

80 percent” each place it appears therein or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code.

“Applicable Income Limit” means sixty percent (60%) of area median gross income (within the meaning of Section 142(d) of the Code) for Broward County, Florida, Standard Metropolitan Statistical Area, as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination), including adjustments for family size.

“Bond Counsel” means any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income of interest on bonds for federal income tax purposes issued by states and political subdivisions selected by the Issuer.

“Bond Loan Note” means the promissory note executed by the Owner to evidence the obligation to repay the Loan.

“Bonds” means Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza).

“Certificate of Continuing Program Compliance” means the certificate required to be delivered by the Owner to the Issuer and the Trustee pursuant to Section 4(e) of this Agreement.

“Closing Date” means the delivery date of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations or temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“Compliance Agent” shall mean initially, the Issuer, and thereafter such other organization subsequently designated by the Issuer to serve as Compliance Agent for the Project.

“County” means Broward County, Florida.

“Current Annual Family Income” is determined in accordance with Section 8 of the Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination), and includes wages and salaries, overtime pay, commissions, fees, tips and bonuses and other forms of compensation for personal services, net income from operation of a business or a profession, interest, dividends and other net income of

any kind from real or personal property, periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits or similar types of periodic receipts, payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay, welfare assistance, periodic and determinable allowances such as alimony and child support and regular pay, special pay and allowances of a member of the Armed Forces, and other forms of income described in the Income Certification (as promulgated by the Issuer from time to time in accordance with Section 8 of the Housing Act of 1937, as amended) but does not include earnings of children under 18, payments received for care of foster children or adults, lump sum insurance payments, inheritances, capital gains and settlements for personal or property losses, amounts received specifically for, or in reimbursement of, the cost of medical expenses, income of a live-in aide, certain student financial assistance, special pay to a member of the Armed Forces who is exposed to hostile fire, amounts received under certain training programs and other social service programs, temporary, nonrecurring or sporadic income or other forms of income that the Income Certification specifies may be excluded.

"Elderly Persons" means persons 62 years of age or older; however, this definition does not prohibit housing from being deemed "housing for the elderly" as defined herein. "Housing for the elderly" means any nonprofit housing community that is financed by a mortgage loan made or insured by the United States Department of Housing and Urban Development ("HUD") under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4), or s. 236 of the National Housing Act, as amended, and that is subject to income limitations established by HUD, or any program funded by the Rural Development Agency of the United States Department of Agriculture ("USDA") and subject to income limitations established by the USDA. A project which qualifies for exemption under the Florida Fair Housing Act as "housing for older persons" as defined by Section 760.29(4), Florida Statutes, shall qualify as housing for the elderly for purposes of this Agreement.

"Eligible Persons" means one or more natural persons or a family, irrespective of race, creed, religion, color, national origin, familial status, mental or physical handicap or sex, who are either Lower-Income Persons or whose Current Annual Family Income does not exceed one hundred fifty percent (150%) of the area median gross income (within the meaning of Section 142(d) of the Code) for Broward County, Florida, Standard Metropolitan Statistical Area, subject to family size adjustment, as indicated in the latest published Decile Distributions of Family Income by Standard Metropolitan Statistical Areas and Non-Metropolitan Counties prepared and published from time to time by HUD, or such other reliable compilation of income statistics as the Issuer may determine to employ, as adjusted by the Issuer according to the most recent Consumer Price Index statistics; provided that persons of 65 years of age or older shall be defined as "Eligible Persons" regardless of their income.

"Financing Agreement" means that certain Financing Agreement entered into among the Issuer, the Trustee, Wells Fargo Bank, National Association, and the Owner dated as of August 1, 2023, as amended or supplemented from time to time.

"Financing Documents" means the Indenture, the Financing Agreement, this Agreement, the Tax Certificate, the Bond Loan Note and all other instruments, documents and certificates evidencing and securing the Loan.

"HUD" means the United States Department of Housing and Urban Development or any successor agency.

"Income Certification" means the certification required to be obtained from each Lower-Income Tenant by the Owner pursuant to Section 4(a) hereof.

"Indenture" means the Indenture of Trust dated as of August 1, 2023 between the Issuer and the Trustee relating to the issuance of the Bonds, as amended or supplemented from time to time.

"Issuer's Compliance Fee" means a compliance monitoring fee in an annual amount (without proration for any partial year) equal to \$25.00 per rental unit in the Project (or such other amount as is implemented by the Issuer) to be paid to the Issuer, if, but only if, at any time during the Qualified Project Period or for such longer period if the set-aside requirements required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force and there are no Bonds outstanding. Such fee will be due in a lump sum payment on the date the Bonds are paid in full. The fee will be calculated for the period commencing on the date the Bonds are paid in full and ending on the last date of the Qualified Project Period, or such longer period if the set-aside required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force after there are no Bonds outstanding.

"Land" means the real property located in Broward County, Florida, described in Exhibit "A" attached hereto.

"Loan" means the loan to the Owner made in connection with the issuance and delivery of the Bonds, evidenced by the Bonds and secured by the Mortgage, and further defined in the Financing Agreement.

"Lower-Income Persons" means Eligible Persons whose Current Annual Family Income does not exceed the Applicable Income Limit; provided, however, that the occupants of a unit shall not be considered to be Lower-Income Persons if all of the occupants of such unit are students (as defined in Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code. Notwithstanding the foregoing, a dwelling unit shall not fail to be treated as a dwelling unit that is occupied by Lower-Income Persons merely because such dwelling unit is occupied (a) by an individual who is a student and (i) receiving assistance under Title IV of the Social Security Act, (ii) was previously under the care and placement responsibility of the State agency program responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act, or (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State or local laws, or (b) entirely by full-time students if such students are (i) single parents and their children and such parents are not dependents of another individual and such

children are not dependents of another individual other than a parent of such children, or (ii) married and file a joint return.

“Project” means the acquisition, rehabilitation and equipping of a multi-family senior residential housing development in Hollywood, Broward County, Florida known as the Federation Plaza, located on the Land and financed with proceeds of the Bonds pursuant to the Financing Agreement.

“Qualified Project Period” means the period beginning on the date the Bonds are issued, and ending on the latest of (a) the date that is fifteen years after the date on which at least 50% of the units in the Project are first occupied; (b) the first date on which no tax-exempt private activity bond issued with respect to the Project is outstanding (within the meaning of the Code) or (c) the date that any assistance provided for the Project under Section 8 of the Housing Act of 1937, as amended, terminates.

“Regulations” means the Income Tax Regulations issued under the Code, as applicable (including applicable final regulations or temporary regulations).

“State” means the State of Florida.

“Tax Credit Investor” means Wells Fargo Community Investment Holdings, LLC, and its permitted successors and assigns.

(b) Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

(c) The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees that:

(a) (1) The Owner will acquire, rehabilitate, equip, own and operate the Project for the purpose of providing a “qualified residential rental project” as such phrase is used in Sections 142(a)(7) and 142(d)(1) of the Code, (2) the Owner shall own the entire Project for federal tax purposes, and (3) the Project shall be owned, managed and operated as multifamily residential rental property, comprised of a building or structure or several buildings or structures containing similarly constructed units, together with any functionally related and subordinate facilities and no other facilities, in accordance with Section 142(d) of the Code and

Sections 1.103-8(b)(4) and 1.103-8(a)(3) of the Regulations, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) Each residential unit in the Project shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished and constructed (except as to number of bedrooms), each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range or microwave oven, refrigerator and sink, all of which are separate and distinct from the other units.

(c) None of the units in the Project will at any time be (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer court or park, or (3) rented for initial lease periods of less than six (6) months. No part of the Project will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.

(d) All of the units will be rented or available for rent on a continuous basis to members of the general public who are Elderly Persons (other than units for a resident manager or maintenance personnel), and the Owner will not give preference to any particular class or group of persons in renting the units in the Project, except to the extent that units are required to be leased or rented to Lower-Income Persons, Eligible Persons, or Elderly Persons, or except as required by HUD. Lower-Income Persons, Eligible Persons, and Elderly Persons who are residents of the Project will have equal access to and enjoyment of all common facilities of the Project at all times. Except to the extent required by HUD, the Owner will not discriminate against children of any age when renting the units in the Project.

(e) The Land consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Project comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance or security personnel) are functionally related and subordinate to the Project and are commensurate with its size and intended use.

(f) The Owner or an Affiliated Party of the Owner shall not occupy any of the units in the Project; provided, however, that the Owner or an Affiliated Party of the Owner may occupy a unit in a building or structure in the Project that contains five or more units if the Owner or an Affiliated Party of the Owner is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.

(g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

(h) On (i) the Closing Date for an acquisition/rehabilitation in which at least fifty percent (50%) of the residential units in the Project are occupied on such Closing Date, or (ii) the first day on which fifty percent (50%) of the residential units in the Project are first occupied for (a) new construction, and/or (b) an acquisition/rehabilitation in which less than fifty percent (50%) of the residential units in the Project are occupied on the Closing Date, the Owner shall submit to the Issuer and the Trustee a signed certificate for purposes of the calculation of the commencement and termination of the Qualified Project Period. Such certificate shall set forth the dates on which the Project achieved ten percent (10%) occupancy and fifty percent (50%) occupancy. In the event Owner does not submit the above-described certificate as required in this Section 2(h), Issuer shall utilize information provided to it by or on behalf of the Owner in satisfaction of the monthly data reporting requirements for purposes of calculating the commencement and termination of the Qualified Project Period.

The requirements of this Section 2 shall remain in effect during the term of this Agreement (as defined in Section 13 below).

Section 3. Lower-Income Persons, Eligible Persons and Elderly Persons. The Owner hereby represents, warrants and covenants as follows:

(a) At all times during the Qualified Project Period, not less than forty percent (40%) of the residential units in the Project shall be occupied (or held available for occupancy) on a continuous basis by persons or families who at the time of their initial occupancy of such units are Lower-Income Persons. This occupancy requirement is referred to herein as the "Lower-Income Requirement".

(b) At all times during the term of this Agreement (as defined in Section 13 below), at least sixty percent (60%) of the completed units in the Project shall be rented to or be available for rent by Eligible Persons or Elderly Persons.

(c) For purposes of paragraphs (a) and (b) of this Section 3, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person (or Eligible Person or Elderly Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person or Elderly Person) during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Person (or Eligible Person or Elderly Person). However, a Lower-Income Person whose income as of the most recent Income Certification (as described in Section 4(a) below) exceeds one hundred forty percent (140%) of the Applicable Income Limit shall not continue to be treated as a Lower-Income Person if after delivery of such Income Certification, but before the delivery of the next Income Certification, any residential unit in the Project of comparable or smaller size is

occupied by a new resident who is not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person (or Eligible Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person) until it is reoccupied other than for a temporary period of not more than thirty-one (31) days, at which time the unit shall be considered to be occupied by a Lower-Income Person (or Eligible Person) only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person (or Eligible Person or Elderly Person).

Section 4. Reporting Requirements; Payment of Issuer's Compliance Fee and Late Reporting Fee; Maintenance.

(a) The Owner shall obtain and maintain on file an Income Certification from each Lower-Income Person and Eligible Person dated immediately prior to the initial occupancy of such tenant in the Project in the form and containing such information as may be required by Section 142(d) of the Code, as the same may be from time to time amended by the Issuer on the advice of Bond Counsel in the exercise of its opinion that any such amendment is necessary, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Photocopies of each such Income Certification and any verifications of such income, to the extent requested by the Issuer, shall be submitted to the Issuer (i) within 10 days following the end of the calendar month during which the tenant first occupies a unit in the Project, (ii) within 10 days following the end of the calendar month thereafter in which the lease is renewed or extended, and (iii) as reasonably requested by the Issuer or the Trustee, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Issuer, such submissions may be made electronically.

(b) The Owner shall file with the Issuer, on the tenth business day of each month, copies of the Income Certifications specified in Section 4(a) hereof obtained by the Owner during the previous month.

(c) At all times during the term of this Agreement, the Owner will obtain and maintain on file from each Lower-Income Person residing in the Project the information demonstrating each tenant's income eligibility.

(d) The Owner shall maintain complete and accurate records pertaining to the incomes of (as of the date of initial occupancy of each tenant) and rentals charged to Lower-Income Persons and Eligible Persons residing in the Project, and shall permit, upon 5 business days' notice to the Owner, any duly authorized representative of the Issuer or the Trustee to inspect the books and records of the Owner pertaining to the incomes of and rentals charged to all tenants residing in the Project.

(e) The Owner shall prepare and submit to the Trustee at the beginning of the Qualified Project Period, and on the 10th day of each month thereafter, rent rolls and to the Issuer and the Trustee, a Certificate of Continuing Program Compliance in the form and content approved by the Issuer, executed by the Owner stating (i) the percentage of residential units that were occupied by Lower-Income Persons and Eligible Persons as of the 20th day of the previous month, (ii) that at all times during the previous month 60% of the residential units, were occupied (or held available for occupancy) by Eligible Persons (as determined in accordance with Section 3 of this Agreement), (iii) that at all times during the previous month at least 40% of the residential units were occupied (or held available for occupancy) by Lower- Income Persons (as determined in accordance with Section 3 of this Agreement), and (iv) that no default has occurred under this Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Owner has taken or proposes to take to correct such default.

(f) The Owner shall render a yearly report to the Secretary of the Treasury as required by Section 142(d)(7) of the Code and shall provide such report (IRS Form 8703) to the Issuer no later than January 31 of each year.

(g) In the event the Issuer transfers responsibility for compliance monitoring to the Trustee or a newly designated Compliance Agent under Section 23 hereof, the Issuer may direct the Owner to provide, and the Owner shall provide to the Trustee or the newly designated Compliance Agent, copies of all of the reports, documents and certificates required under this Section. The Owner shall pay all reasonable fees and expenses of the Trustee or the newly designated Compliance Agent in connection with such responsibilities. Upon the designation of the Trustee or the Compliance Agent as the compliance monitor under this Agreement, all references herein to the Issuer as the recipient of reports and filings shall be deemed to be the Trustee and/or the Compliance Agent, as applicable.

(h) The Owner shall immediately notify the Trustee and the Issuer of any change in the management of the Project.

(i) If at any time during the term of this Agreement there are no Bonds Outstanding (as provided in the Indenture), the Owner shall pay the Issuer's Compliance Fee.

(j) The Owner will keep the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other improvements of any kind now or hereafter erected as part of the Project, in good condition and repair (normal wear and tear excepted), will not commit or suffer any waste and will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Project or any part thereof. In order to ensure the Owner's compliance with this covenant, the Issuer or its representatives are hereby authorized to enter upon and inspect the Project at any time during normal business hours upon reasonable notice and subject to the rights of tenants. Notwithstanding the foregoing, the Issuer has no affirmative duty to make such inspection.

(k) The Owner will acquire, rehabilitate and operate the Project so that it conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990.

(l) The Owner hereby agrees to pay a late fee in the amount of \$100 per day (including weekends) for each day that the Owner fails to timely submit (in the sole, reasonable opinion of the Issuer) any of the information, Income Certifications, rent rolls, Certificates of Continuing Program Compliance, reports, documents and/or certificates (collectively, the "Compliance Reporting Information") required by this Section 4, as may be amended from time to time (the "Late Reporting Fee"). The Owner acknowledges and hereby agrees that, notwithstanding anything in this Agreement to the contrary, a Late Reporting Fee shall apply to and be payable in connection with each separate instance in which any of the Compliance Reporting Information (including individual components thereof) is not timely submitted pursuant to this Section 4, as may be amended from time to time.

Section 5. Indemnification. The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, the County and the Trustee and their respective officers, directors, officials, employees and agents from and against any and all claims by or on behalf of any person arising from any cause whatsoever in connection with this Agreement, the Loan, the Project or the sale of the Bonds to finance the Project, any and all claims arising from any act or omission of the Owner or any of its agents, contractors, servants, employees or licensees in connection with the Project or the sale of the Bonds to finance the Project, and all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Owner shall not be required to indemnify any person for damages caused by the negligence or willful misconduct or breach of contract of such person or for losses relating to principal and interest. In the event that any action or proceeding is brought against the Issuer, the County, the Trustee or any of their respective officers, directors, officials, employees or agents, with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the indemnified party (which notice shall be given in a timely manner so as not to impair Owner's rights to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably acceptable to the indemnified party and the payment of all expenses. The indemnified party shall have the right to employ separate counsel in any such action or proceedings and to participate in the defense thereof, but, unless such separate counsel is employed with the approval and consent of the Owner, or because of a conflict of interest between the Owner and the indemnified party, the Owner shall not be required to pay the fees and expenses of such separate counsel. The Owner agrees to execute any additional documents deemed necessary by the Issuer, the County or the Trustee to evidence the indemnification provided for in this Section 5. At the request of the Issuer or County, Owner agrees, in addition to the above indemnification, to pay the reasonable costs and expenses of the County Attorney of Broward County in connection with the action or proceeding giving rise to the indemnification.

While the Owner has possession of the Project, the Owner also shall pay and discharge and shall indemnify and hold harmless the Issuer and the Trustee from (a) any lien or charge upon payments by the Owner to the Issuer and the Trustee hereunder, and (b) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges other than income and other similar taxes in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges other than income and other similar taxes, are sought to be imposed, the Issuer or the Trustee shall give prompt notice to the Owner and the Owner shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion.

In addition thereto, the Owner will pay upon demand all of the reasonable fees and expenses paid or incurred by the Trustee and/or the Issuer in enforcing the provisions hereof.

Section 6. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by the holders from time to time of the Bonds, the County, Bond Counsel and the other parties to transactions involving the issuance, sale or remarketing of the Bonds and their respective counsel. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Owner, Lower-Income Persons and Eligible Persons reasonably believed by the Owner, its agents and employees to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Lower-Income Persons and Eligible Persons reasonably believed to be genuine and to have been executed by the proper person or persons.

Section 7. Fair Housing Laws.

The Owner will comply with all fair housing laws, rules, regulations or orders applicable to the Project and shall not discriminate on the basis of race, creed, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project, except as permitted herein with respect to occupancy by Elderly Persons. All advertising and promotional material used in connection with the Project shall contain the phrase "Fair Housing Opportunity."

Section 8. Tenant Lists. All tenants' lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner which is unrelated to the Project, and shall be maintained, as required by the Issuer from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer or the Trustee. Failure to keep such lists and

applications or to make them available to the Issuer or Trustee after written request therefor will be a default hereunder.

Section 9. Tenant Lease Restrictions. All tenant leases shall be expressly subordinate to the Mortgage, and shall contain clauses, among others, wherein each individual lessee:

- (a) Certifies the accuracy of the statements made in the Income Certification;
- (b) Agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of such lessee's tenancy; that such lessee will comply promptly with all requests for information with respect thereto from the Owner, the Trustee or the Issuer, and that such lessee's failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of such lessee's tenancy; and
- (c) Agrees not to sublease to any person or family who does not execute and deliver an Income Certification.

Section 10. Sale and Conversion of Project. The Owner shall not sell, assign, convey or transfer any material portion of the land, fixtures or improvements constituting a part of the Land or Project, or any material portion of the personal property constituting a portion of the Project during the term of this Agreement without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes, and (iii) except for transfer permitted by the terms of this Section 10 of the Agreement, upon receipt by the Issuer of a fee from the Owner upon transfer of ownership in excess of fifty percent (50%) interest in the Project or the Owner (which fee shall be refunded by the Issuer to the Owner in the event the Issuer does not approve the transfer of the Project to the proposed purchaser or assignee thereof, or in the event such transfer is not consummated) as follows:

- (a) Ten percent (10%) of the amount of Bonds outstanding if up to ten percent (10%) of the units are rented.
- (b) Two percent (2%) of the amount of Bonds outstanding if eleven percent (11%) to sixty percent (60%) of the units are rented.
- (c) One percent (1%) of the amount of Bonds outstanding if over sixty percent (60%) of the units are rented.

(d) One-half percent (.05%) of the amount of Bonds outstanding after one (1) year from the date of completion of rehabilitation, regardless of occupancy.

Items (a) through (d) above are referred to herein as the "Transfer Fee" on the date of the written transfer request. Provided that the above conditions have been satisfied, upon request, the Issuer will provide to the Owner and the purchaser or transferee, its written consent to any transfer, in accordance with this Section, and an estoppel certificate. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 10 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Agreement. Nothing contained in this Section 10 shall affect any provision of the Mortgage or any other document or instrument to which the Owner is a party which requires the Owner to obtain the consent of the holder of the Bonds or any other person as a precondition to sale, transfer or other disposition of the Project. The Transfer Fee will apply if a material portion of the Project financed with proceeds from the Loan is sold during the term hereof and such material portion of such Project consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Owner to purchase property of similar function to be used in connection with the Project, otherwise, the proceeds from such sale shall be applied in accordance with the Mortgage. If such material portion of such Project consists of real property and improvements, the purchaser thereof must execute and deliver to the Owner and the Trustee a document in form and substance reasonably satisfactory to the Issuer pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of this Agreement.

The Owner shall not sell or otherwise transfer the Project in whole, nor shall there be substituted a new general partner of the Owner or a change in the controlling ownership in the general partner of the Owner, or other merger, transfer or consolidation of the Owner, unless (a) the Owner has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Issuer and its professionals have been paid, including the Transfer Fee, (c) the Owner shall not be in default hereunder, (d) it is reasonably expected that continued operation of the Project will comply with the requirements of this Agreement, (e) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer with respect to assuming the obligations of the Owner under this Agreement, (f) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (g) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (h) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of this Agreement, (i) the Trustee and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under this Agreement are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Trustee and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to

such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes.

It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section shall be ineffective to relieve the Owner of its obligations under this Agreement or the Financing Agreement. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Mortgage, the Financing Agreement and this Agreement, the Owner shall be released from its obligations thereunder and hereunder, other than its obligations hereunder arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

Notwithstanding the foregoing, ownership of the Project may be transferred in connection with a foreclosure thereof under the Mortgage, or the acceptance of the Project by the mortgagee or its designee in lieu of foreclosure under the Mortgage, without complying with this Section 10; provided, however, that this sentence shall cease to apply if, at any time during that part of the Qualified Project Period subsequent to such transfer, the Owner or an Affiliated Party with respect to any of such parties obtains an ownership interest in the Project for federal tax purposes.

Notwithstanding anything in this Section 10 to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Project or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units and applicable commercial spaces, as contemplated by this Agreement, (ii) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Project, providing same are granted in connection with the operation of the Project as contemplated by this Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (iv) the placing of a subordinate mortgage lien, assignment of leases and/or rents or security interest on or pertaining to the Project which is made expressly subject and subordinate hereto and to the Mortgage, or (v) subject to the provisions of the Mortgage, any transfer of partnership interests in the Owner or in the entities which are partners in the Owner.

Notwithstanding anything herein to the contrary, the Owner's limited partners may transfer all or any portion of their partnership interest in Owner without prior consent from the Issuer. Owner's limited partners retain the right to remove and replace the Owner's general partner pursuant to the terms and conditions of the Owner's organizational documents, without prior consent from the Issuer.

Section 11. Negative Covenants. During the term of this Agreement, the Owner shall not:

(a) Except pursuant to the provisions of this Agreement, or except upon a sale or transfer of the Project in accordance with the terms of this Agreement, the Financing Agreement and the Mortgage, encumber any of the mortgaged property, including the grant of commercial leases (other than for commercial spaces uses, vending machines, coin operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day to day operation of an apartment complex), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for apartment leases) for the Qualified Project Period. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project.

(b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or

(c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

Section 12. Covenants to Run with the Land. This Agreement and the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 13 hereof, shall pass to and be binding upon the Owner's assigns and successors and all subsequent owners of the Land or the Project or any interest therein; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided in Section 13 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Project.

Section 13. Term. This Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that this Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of this Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions hereof, or condemnation or a similar event (as determined by Bond Counsel), but only if within a reasonable period thereafter (i) the Bonds are retired in full or (ii) the proceeds received as a result of such event are used to finance a project that complies with the provisions hereof and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Owner

or an Affiliated Party to the Owner, obtains an ownership interest in the Project for federal tax purposes.

Upon the termination of the Qualified Project Period, and the satisfaction by the Owner of all obligations under this Agreement, the Issuer, the Trustee and the Owner shall, upon the written request of the Owner, and at Owner's sole expense, execute and record a Notice of Termination of Land Use Restriction Agreement (the "Termination"), the form of which is attached hereto as Exhibit "B." The Chair or Vice-Chair of the Issuer is authorized to execute the Termination.

Section 14. Correction of Noncompliance. The failure of the Owner to comply with any of the provisions of this Agreement shall not be deemed a default hereunder unless such failure has not been corrected within a period of 60 days following the date that the Owner, or with respect to the requirements of Sections 2 or 3 hereof, any of the parties hereto, learned of such failure or should have learned of such failure by the exercise of reasonable diligence (which 60-day period may be extended if (i) such failure cannot reasonably be corrected within such 60-day period, (ii) diligent action to correct such failure commences within such 60-day period, (iii) such action is diligently pursued until such failure is corrected, and (iv) with respect to a failure to comply with any of the requirements of Sections 2 or 3 hereof, the Owner delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes). After the Trustee learns of such failure, the Trustee shall attempt with reasonable diligence to notify the Owner and the Issuer of such failure by telephonic and written communication. Notwithstanding anything to the contrary contained herein, the limited partners of the Owner shall have the right, but not the obligation, to cure an event of default hereunder and the Issuer agrees to accept or reject such cure on the same basis as if provided by Owner itself.

Section 15. Modification of Tax Covenants. Notwithstanding the provisions of Section 22(b) hereof, to the extent any amendments, modifications or changes to the Regulations or the Code shall, in the written opinion of Bond Counsel addressed to the Issuer, the Owner and the Trustee, impose requirements upon the ownership, occupancy or operation of the Project different than those imposed by the Regulations or the Code and stated herein, and the Owner's failure to comply with such different requirements would produce a material and substantial risk that interest on the Bonds will become subject to federal income taxation, then this Agreement shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Bond Counsel to effectuate the intent of this Section 15.

Section 16. Burden and Benefit. The Issuer, the Trustee and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Trustee, the Issuer and the Owner hereby further declare their

understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project by Lower-Income Persons and Eligible Persons, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued. The Owner hereby expressly acknowledges that this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds issued by the Issuer to finance the Loan and covenants and agrees that in connection with the acquisition, rehabilitation, ownership and operation of the Project, it shall, and shall require any subsequent purchaser of the Project to, fully comply with all terms and conditions of this Agreement.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project.

Section 18. Application of Insurance and Condemnation Proceeds. If during the Qualified Project Period, the Project is damaged or destroyed or if all or a portion of the Land or Project is taken through eminent domain proceedings, or under the threat thereof, proceeds from insurance on the Project or any condemnation awards pertaining to such eminent domain proceedings shall be applied as provided in the Mortgage.

Section 19. Remedies; Enforceability. The benefits of this Agreement shall inure to, and may be enforced by, respectively, the Issuer and the Trustee and its successors, the holders of the Bonds and their successors and assigns to the extent permitted by the Indenture, and solely as to Sections 2, 3 and 7 of this Agreement, the Lower-Income Persons and Eligible Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to Section 3 of this Agreement for the period set forth in Section 13 hereof, whether or not the Mortgage or Loan may be paid in full, and whether or not the Bonds are Outstanding. If a material violation of any of the provisions hereof occurs and is not cured within the period provided by Section 14 hereof, any or all of such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to compel specific performance hereunder, it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default. The remedies of the beneficiaries of this Agreement other than the Issuer shall be limited to those described in the preceding sentence. In addition to such other remedies as may be provided for herein, if a violation of any of the provisions hereof occurs which is not corrected during the period provided in Section 14 hereof, the Issuer shall have the right (but not the obligation), and is specifically authorized by the Owner, to terminate the manager and appoint a new manager of the Project to operate the Project in accordance with this Agreement and the Financing Agreement and take all actions necessary, in the reasonable judgment of the Issuer, to cure any default by the Owner hereunder, and such new manager assuming such management hereunder shall be paid by or on behalf of the Owner, from the rents, revenues, profits and income from the Project, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of Broward County, Florida. Subject to Section 13 hereof, the provisions hereof are imposed upon and made applicable to the Land and shall run with the

Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times. All rights and remedies provided in this Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the parties and beneficiaries hereof may otherwise have.

Notwithstanding anything contained in this Agreement to the contrary, without the prior written consent of the Issuer, the Trustee or any person under their control shall not exercise any remedies or direct any proceeding hereunder other than to enforce rights of specific performance hereunder, provided that such enforcement shall not include seeking monetary damages. The Issuer shall provide, and shall cause the Trustee to provide, the Tax Credit Investor with a copy of any notice of default sent to the Borrower hereunder at the Tax Credit Investor's address as set forth in the Indenture, and the Issuer and the Trustee agree that the Tax Credit Investor shall have the right, but not the obligation, to cure any default hereunder on behalf of the Borrower on the same terms provided to the Borrower and shall be accepted or rejected hereunder on the same basis as if made or tendered by the Borrower.

Section 20. Filing. Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the official public deed records of Broward County, Florida, and in such manner and in such other places as the Issuer or the Trustee may reasonably request, and shall pay all fees and charges incurred in connection therewith.

Section 21. Governing Law. This Agreement shall be governed by the laws of the State. The venue for any proceeding hereunder shall be a court of appropriate jurisdiction in Broward County, Florida.

Section 22. Amendments.

(a) The Owner shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 10 hereof.

(b) This Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto (or their successors in title), and duly recorded in the official public records for Broward County, Florida. Anything to the contrary notwithstanding, the parties hereby agree to amend this Agreement to the extent required in the opinion of Bond Counsel, in order for interest on the Bonds to remain exempt from federal income taxation under Section 103 of the Code. The Owner agrees, from time to time, to take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and amendments to this Agreement to the extent required by federal law, by any amendment to the Code or by any Regulation

promulgated thereunder, in each case so that interest on the Bonds remains exempt from federal income taxes. Any such amendment, revision or termination shall be effected only in accordance with the Indenture.

Section 23. Trustee or Compliance Agent to Monitor Compliance Upon Request of Issuer. The Trustee shall deliver to the Issuer on or prior to the 20th day of each month a statement as to whether the Trustee has received the Certificate of Continuing Program Compliance required to be delivered by the Owner on the 10th day of such month. Additionally, if the Issuer requests in writing that the Trustee or Compliance Agent assume the role of compliance monitoring, the Trustee or Compliance Agent shall receive and examine all other reports, certifications and other documents required to be delivered to the Issuer or the Trustee or Compliance Agent hereunder and shall notify the Issuer promptly of non-compliance with this Agreement. In such event the Trustee or Compliance Agent shall include in its monthly statement described above a statement as to whether it has received the rent rolls and whether any of the information in any such documents received by the Trustee or Compliance Agent indicates the Owner has failed to comply with any of the requirements contained in this Agreement. The Trustee or Compliance Agent shall be authorized to charge reasonable fees and expenses to the Owner if it assumes such role.

Section 24. Notice. All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed to have been duly given (i) when delivered, if sent by registered or certified mail (return receipt requested), (ii) when delivered, if delivered personally, (iii) when transmitted, if sent by facsimile or electronic mail if a confirmation of transmission is produced by the sending machine (and a copy of each facsimile or electronic mail promptly shall be sent by first class United States mail, postage fully prepaid) or (iv) when delivered, if sent by overnight mail or overnight courier, in each case to the parties at the addresses listed in the first paragraph of this Agreement. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Owner to the others, shall also be given to the Trustee.

With respect to any notice required to be given to the Owner hereunder, a copy of such notice shall also be given by certified or registered mail, postage prepaid, return receipt requested, to the following parties:

Southeast Housing Preservation, Inc.
69 Newport Avenue
Suite 200
Bend, OR 97703
Attention: Legal

Wells Fargo Community Investment Holdings, LLC
550 S. Tryon Street
23rd Floor, D1086-239
Charlotte, NC 28202-4200

Attention: Director of Tax Credit Asset Management

With a copy to:

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attention: David Boccio, Esq.

And a copy to:

Related Affordable
30 Hudson Yards, 72nd Floor
New York, NY 10001
Attention: Matthew Finkle

Section 25. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 26. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 27. Release of Trustee. Notwithstanding anything in this Agreement to the contrary, on and after the date the Bonds are no longer outstanding, the Trustee shall be released as a party to this Agreement and discharged from any duties or obligations hereunder, and all provisions throughout this Agreement related to the duties of, or notice to or from, the Trustee shall be of no further force and effect. If any approval or consent of the Trustee is required, such approval or consent shall be obtained from the Issuer; however, multiple notices need not be provided. Notwithstanding the foregoing, any such references shall remain in effect when needed to construe land use restriction obligations under this Agreement or to provide definitions. The Trustee's rights to indemnification provided for in the Indenture and this Agreement shall survive such release and discharge.

Section 28. Fannie Mae Rider. The provisions of this Agreement are subject to the provisions of the Fannie Mae Rider attached hereto as Exhibit "C" and made a part hereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Owner have executed this Agreement by duly authorized representatives, all as of the Closing Date.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

(SEAL)

By: _____
Scott Ehrlich, Chair

ATTEST:

By: _____
Milette Manos, Secretary

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023 by Scott Ehrlich, Chair of the Housing Finance Authority of Broward County, Florida, a public body corporate and politic, on behalf of said Authority. He is personally known to me or have produced a valid driver’s license as identification.

(SEAL)

Printed/Typed Name:
Notary Public-State of Florida
Commission Number:

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023 by Milette Manos, Secretary, of the Housing Finance Authority of Broward County, Florida, a public body corporate and politic, on behalf of said Authority. She is personally known to me or have produced a valid driver’s license as identification.

(SEAL)

Printed/Typed Name:
Notary Public-State of Florida
Commission Number:

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023 by _____, as _____ of The Bank of New York Mellon Trust Company, N.A., a national banking association, on behalf of said bank, who is personally known to me or has produced a valid driver's license as identification.

(SEAL)

Printed/Typed Name:
Notary Public-State of Florida
Commission Number:

FEDERATION PLAZA PRESERVATION, L.P., a
Florida limited partnership

By: Southeast Housing Preservation, Inc., a
Florida nonprofit corporation,
its general partner

By: _____
Name: Darrin Willard
Title: President

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this _____ day of _____, 2023 by Darrin Willard, President of Southeast Housing Preservation, Inc., a Florida nonprofit corporation, its general partner, on behalf of Federation Plaza Preservation, L.P., a Florida limited partnership. He is personally known to me or has produced a valid driver's license as identification.

(SEAL)

Printed/Typed Name:
Notary Public-State of _____
Commission Number:

EXHIBIT A

LEGAL DESCRIPTION OF LAND

EXHIBIT "B"

**FORM OF
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Federation Plaza)

RESERVED FOR
ONLY

ABOVE SPACE
RECORDING PURPOSES

This NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT (the "Termination") is executed as of _____, 20____, with an effective date of _____, 20____, by the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Authority"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as Trustee (the "Trustee"), and _____, a Florida _____ (the "Current Owner").

1. That certain Land Use Restriction Agreement dated as of _____, 2023 and recorded _____, 2023, in Official Records Book _____, Page _____, of the Public Records of Broward County, Florida (the "Land Use Restriction Agreement").
2. The Qualified Project Period, as defined in the Land Use Restriction Agreement, ended on _____, and the Authority has authorized the execution and delivery of this Termination.
3. By execution of this Termination, the Land Use Restriction Agreement will be terminated.
4. All payments of any amounts due under the Land Use Restriction Agreement are fully paid and all obligations thereunder have been met. There is currently no default under the Land Use Restriction Agreement.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Federation Plaza)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

CURRENT OWNER:

WITNESSES:

Print: _____

Print: _____

By: _____

Name: _____

Title: _____

Address: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ___ day of _____ 20__ by _____, as _____, of _____, on behalf of the corporation. They are personally known to me or have produced _____ as identification.

[SEAL]

(Signature of person taking acknowledgment)

(Name typed, printed or stamped)

(Title or rank)

(Serial number, if any)

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Federation Plaza)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

THE AUTHORITY:

WITNESSES:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

Print: _____

Print: _____

By: _____
Chair

WITNESSES:

[SEAL]

Print: _____

Attest:

Print: _____

By: _____
Secretary

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____ 20__ by _____ and _____, as Chair and Secretary, respectively, of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, on behalf of the Authority. They are personally known to me or have produced _____ as identification.

[SEAL]

(Signature of person taking acknowledgment)

(Name typed, printed or stamped)

(Title or rank)

(Serial number, if any)

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Federation Plaza)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

TRUSTEE:

WITNESSES:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

Print: _____

Print: _____

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ___ day of _____ 20__ by _____, as _____, of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., on behalf of the corporation. They are personally known to me or have produced _____ as identification.

[SEAL]

(Signature of person taking acknowledgment)

(Name typed, printed or stamped)

(Title or rank)

(Serial number, if any)

EXHIBIT "C"
FANNIE MAE RIDER

THIS FANNIE MAE RIDER TO REGULATORY AGREEMENT ("Rider") is attached to and forms a part of the **LAND USE RESTRICTION AGREEMENT ("Regulatory Agreement")**, dated as of _____, 2023, by and among the Housing Finance Authority of Broward County, Florida (the "Issuer"), The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee (including its successors and assigns, the "Trustee") and Federation Plaza Preservation, L.P., a Florida limited partnership and its successors and assigns (the "Owner").

1. **Definitions.** All capitalized terms used in this Rider have the meanings given to those terms in the Regulatory Agreement or the Indenture, as applicable. In addition, when used in this Rider, the following terms shall have the meanings given to them in this Rider unless the context clearly indicates otherwise:

"Lender" means Wells Fargo Bank, National Association, a national banking association, and its successors and assigns.

"Lender Loan" means the loan made by Lender in the amount of \$_____ pursuant to the terms of the Lender Loan Agreement.

"Lender Loan Agreement" means the Multifamily Loan and Security Agreement dated as of _____, 2023, between the Lender and the Owner.

"Lender Note" means that certain Multifamily Note from the Owner payable to the order of the Lender and endorsed by the Lender, without recourse, to the order of Fannie Mae, evidencing the Owner's obligation to repay the Lender Loan.

"Lender Security Instrument" means that Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of _____, securing the obligations of Owner pursuant to the Lender Loan Agreement.

"Lender Loan Documents" means the Lender Note, the Lender Loan Agreement, the Lender Security Instrument and any other documents executed in connection with the Lender Loan.

2. **Applicability.** This Rider shall amend and supplement the Regulatory Agreement. In the event any provision of this Rider conflicts with the Regulatory Agreement, this Rider shall supersede the conflicting provision of the Regulatory Agreement. This Rider shall apply in spite of the fact that the covenants, reservations and restrictions of the Regulatory Agreement run with the land and may be deemed applicable to any successor in interest to the Owner.

3. **Obligations not Secured by the Project.** The Regulatory Agreement shall not constitute a mortgage, equitable mortgage, deed of trust, deed to secure debt or other lien or security interest in the Project, other than for establishing the priority of the Regulatory Agreement covenants. None of the obligations of the Owner or any subsequent owner of the Project under the Regulatory Agreement shall be secured by a lien on, or security interest in, the Project. All such obligations are expressly intended to be and shall remain unsecured obligations. The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Lender Security Instrument.

4. **Subordination.** The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 2, 3, 19, 22 and 23 of the Regulatory Agreement, and this Rider are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Lender Loan Documents. Upon a conveyance or other transfer of title to the Project by foreclosure, deed in lieu of foreclosure or comparable conversion of the Lender Loan, the Person who acquires title to the Project pursuant to such foreclosure, deed in lieu of foreclosure or comparable conversion of the Lender Loan (unless such person is the Owner or a person related to the Owner within the meaning of Section 1.103-10(e) of the Regulations, in which event the Regulatory Agreement shall remain in full force and effect in its entirety) and from and after the date on which such person acquires title to the project, the terms, covenants and restriction of the Regulatory Agreement shall automatically terminate and be of no force and effect.

5. **Obligations Personal.** The Issuer agrees that no owner of the Project (including Fannie Mae) subsequent to the Owner will be liable for, assume or take title to the Project subject to:

(a) any failure of any prior owner of the Project to perform or observe any representation or warranty, affirmative or negative covenant or other agreement or undertaking under the Regulatory Agreement; and

(b) the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by any prior owner of the Project under the Regulatory Agreement.

The Owner and each subsequent owner of the Project shall be responsible under the Regulatory Agreement for its own acts and omissions occurring during the period of its ownership of the Project. All such liability and obligations shall be and remain personal to such person even after such person ceases to be the owner of the Project.

6. **Sale or Transfer.**

(a) **Restrictions Not Applicable to Certain Transfers.** All provisions of the

Regulatory Agreement regarding the sale or transfer of the Project or of any interest in the Owner, including any requirement, limitation or condition precedent for any of (i) the consent of the Issuer or the Trustee to such transfer, (ii) an agreement by any transferee to abide by the requirements and restrictions of the Regulatory Agreement, (iii) transferee criteria or other similar requirements, (iv) an opinion of legal counsel and (v) the payment of any assumption fee, transfer fee, penalty or other charges, shall not apply to any of the following:

(1) any transfer of title to the Project to Fannie Mae or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Project or to any subsequent transfer by Fannie Mae (or a third party) following such foreclosure, deed in lieu of foreclosure or comparable conversion.

(2) notwithstanding the foregoing, so long as the Bonds are Outstanding, the Owner and Fannie Mae agree that a purchaser may not succeed to the interest of the Owner in the project pursuant to a foreclosure sale or otherwise as described above, if the proposed transferee is ineligible to participate in the Issuer's program pursuant to Section 420.507(35), Florida Statutes, and the regulations promulgated thereunder.

(3) provided that no Bonds are then Outstanding or all Bonds are to be simultaneously fully paid, redeemed or defeased, any execution and delivery of a mortgage, deed of trust, deed to secure debt or other lien by the Owner to secure any indebtedness incurred by the Owner which effectively refinances the Lender Loan.

(b) **Incurrence of Additional Indebtedness.** All the provisions of the Regulatory Agreement relating to the incurrence of additional indebtedness, including but not limited to any requirement, limitation or condition precedent for the consent of the Issuer to such incurrence of additional indebtedness, will not apply to any "Supplemental Loan" or similar loan, originated by a Fannie Mae DUS lender and sold and/or assigned to Fannie Mae, which is secured by the property and subordinate in priority of lien to the Lender Loan.

(c) **Fannie Mae Rights to Consent Not Impaired.** Nothing contained in the Regulatory Agreement shall affect any provision of the Lender Security Instrument or any of the other Lender Loan Documents which requires the Owner to obtain the consent of Fannie Mae as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Owner, excluding transfers permitted by the Lender Security Instrument. In addition, the Issuer shall not exercise its right under Section 19 of the Regulatory Agreement to change the property manager without obtaining the prior written consent of the Lender, which such consent shall be governed by the terms and conditions of the Lender Loan Documents.

(d) **Conclusive Evidence.** Any written consent to a sale or transfer obtained from the Issuer shall constitute conclusive evidence that the sale or transfer is not a violation of the

transfer provisions of the Regulatory Agreement.

7. **Damage, Destruction or Condemnation of the Project.** In the event that the Project is damaged or destroyed or title to the Project, or any part thereof, is taken through the exercise or the threat of the exercise of the power of eminent domain, the Owner shall comply with all applicable requirements of the Lender Security Instrument and the other Lender Loan Documents.

8. **Regulatory Agreement Default.** Notwithstanding anything contained in the Regulatory Agreement to the contrary:

(a) The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Lender Security Instrument.

(b) The occurrence of an event of default under the Regulatory Agreement shall not be or be deemed to be a default under the Lender Loan Documents, except as may be otherwise specified in the Lender Loan Documents.

(c) Upon any default by the Owner under the Regulatory Agreement, the Subordination Agreement shall govern the remedies and other actions which the Issuer may take on account of such default.

9. **Amendments.** The Issuer shall not consent to any amendment, supplement to, or restatement of the Regulatory Agreement without the prior written consent of Fannie Mae.

10. **Termination.** The Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee, the Lender and the Owner upon receipt of an opinion of a nationally recognized bond counsel selected by the Issuer and acceptable to the Trustee that such termination will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income purposes. So long as the Bonds have been redeemed or are redeemed within a reasonable period thereafter, the Regulatory Agreement shall terminate and be of no further force or effect from and after the date of any transfer of title to the Project by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Project; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Regulatory Agreement shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes.

11. **Third-Party Beneficiary.** The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Fannie Mae and are entered into for the benefit of various parties,

including Fannie Mae. Fannie Mae shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Issuer and/or the Trustee, or to cause the Issuer or the Trustee to enforce, the terms of the Regulatory Agreement. In addition, the Owner and the Issuer intend that Fannie Mae be a third-party beneficiary of the Regulatory Agreement.

12. **Copies of Notices under the Regulatory Agreement.** Copies of all notices under the Regulatory Agreement shall be sent to the Loan Servicer at the address set forth below or to such other address as the Loan Servicer may from time to time designate:

[TBD]

13. **Notices.** Any notice to be given to Fannie Mae shall be sent to Fannie Mae at the address set forth below or to such other address as Fannie Mae may from time to time designate:

Fannie Mae
1100 15th Street NW
Drawer AM
Washington, DC 20005
Attention: Director, Multifamily Asset Management
Telephone: (301) 204-8008
Facsimile: (301) 280-2065

RE: Federation Plaza – _____ Bank

with a copy to:

Fannie Mae
1100 15th Street, NW
Drawer AM
Washington, DC 20005
Attention: Vice President, Multifamily Operations
Telephone: (301) 204-8422
Facsimile: (202) 752-8369

RE: Federation Plaza – _____ Bank

EXHIBIT B

FORM OF INDENTURE OF TRUST

INDENTURE OF TRUST

BY AND BETWEEN

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

AS ISSUER

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

AS TRUSTEE

Dated as of August 1, 2023

Securing

[\$33,025,000]

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, is made and entered into as of August 1, 2023, by and between the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (together with its successors and assigns, the "Issuer"), a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "State"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, duly organized and existing under the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth in the State, including such entity's successors or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder (the "Trustee").

W I T N E S S E T H:

WHEREAS, pursuant to Ordinance 79-41, enacted by the Board of County Commissioners of Broward County, Florida (the "County") on June 20, 1979, as amended and a resolution adopted by the County on August [___], 2023, Resolution Nos. 2022-002, 2022-008, and 2023-[___] adopted by the Issuer on January 19, 2022, April 20, 2022 and June 21, 2023 respectively, and in accordance with Florida Housing Finance Authority Law, Sections 159.601 through 159.623, Florida Statutes, as amended (the "Act"), the Issuer is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition, rehabilitation, and equipping of multifamily senior rental housing facilities for persons of low, moderate and middle income at prices or rentals they can afford; and

WHEREAS, in order to provide the funds necessary for the acquisition and rehabilitation of the Project (as hereinafter defined, along with any other capitalized term used but not defined in the Recitals or Granting Clauses of this Indenture, in Section 1.01), the Issuer has, pursuant to the Act and this Indenture authorized the issuance of its revenue bonds designated as Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza), in the principal amount of \$[33,025,000] (the "Bonds"); and

WHEREAS, the Issuer, Federation Plaza Preservation, L.P., a Florida limited partnership (the "Borrower"), Wells Fargo Bank, National Association, a national banking association (the "Lender"), and the Trustee have entered into a Financing Agreement, dated as of the date hereof, as it may from time to time be amended pursuant to which the Issuer has agreed to use the proceeds of the Bonds to assist in financing the Project (the "Financing Agreement"); and

WHEREAS, the Lender has further agreed to make a mortgage loan to the Borrower (the "Mortgage Loan") and the Borrower has agreed to use the proceeds of the Mortgage Loan to secure the Bonds and to purchase the Pass-Through Certificate in exchange for the Issuer applying the proceeds of the Bonds to the costs of the Project; and

WHEREAS, the Borrower's repayment obligations in respect of the Mortgage Loan will be evidenced by (i) a Multifamily Note dated the Closing Date (the "Mortgage Note") delivered to the Lender and (ii) a Multifamily Loan and Security Agreement (Non-Recourse) dated the Closing Date (the "Loan Agreement") by and between the Borrower and the Lender; and

WHEREAS, to secure the Borrower's obligations under the Mortgage Note, the Borrower will execute and deliver to the Lender a mortgage on the Project (the "Mortgage"), which will be recorded in the Official Public Records of Broward County, Florida; and

WHEREAS, pursuant to the terms hereof, Fannie Mae, as trustee under the Fannie Mae Trust Indenture, shall provide to the Lender the Pass-Through Certificate for sale to the Trustee at the Pass-Through Certificate Purchase Price; and

WHEREAS, the Pass-Through Certificate is to be held in trust by the Trustee and pledged under the terms of this Indenture to secure payment of the Bonds; and

WHEREAS, the Issuer has authorized the execution of this Indenture in order to secure the payment of the principal of and interest on the Bonds and the observance of the covenants and conditions herein contained; and

WHEREAS, the Issuer has determined that all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the Revenues and other amounts pledged to the payment of the principal of and interest on the Bonds and a valid and binding agreement for the uses and purposes herein set forth, have been duly taken, and the creation, execution and delivery of this Indenture and the creation, execution and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

The Issuer, in order to secure the payment of the principal of and the interest on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, sell, warrant, convey, confirm, assign, transfer in trust, grant a security interest in, pledge and set over unto the Trustee, the property of the Issuer, real and personal, hereinafter described, for the benefit of the Bondholders, subject only to the provisions hereof permitting the application thereof for or to the purposes and on the terms and conditions set forth herein (said property being herein sometimes referred to as the "Trust Estate"):

GRANTING CLAUSES

I.

All right, title and interest of the Issuer in and to amounts on deposit in the Collateral Security Fund to be funded at closing in an amount equal to the principal amount of the Bonds and interest to the Mandatory Redemption Date;

II.

The Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee in exchange for amounts on deposit in the Collateral Security Fund;

III.

All right, title and interest of the Issuer now owned or hereafter acquired in, to and under the Financing Agreement (except Reserved Rights, as hereinafter defined) and the Regulatory Agreement;

IV.

All Revenues; and

V.

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

TO HAVE AND TO HOLD all and singular with all privileges and appurtenances hereby given, granted, bargained, sold, conveyed, assigned, pledged, mortgaged and transferred or agreed or intended so to be, whether now owned or hereafter acquired, including any and all additional property that by virtue of any provision hereof or of any indenture supplemental hereto shall hereafter become subject to this Indenture and to the trusts hereby created, unto the Trustee and its successors in trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the registered owners from time to time of any of the Bonds authenticated and delivered under this Indenture and issued by the Issuer and Outstanding, without preference, priority or distinction as to lien, or otherwise of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or of any other cause, and for the benefit of Fannie Mae as herein provided;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof and hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay, cause to be paid or make provision for payment to the Trustee of all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall remain in full force and effect;

AND IT IS HEREBY COVENANTED that all of the Bonds shall be issued, authenticated and delivered, and that the Trust Estate shall be held by the Trustee, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the Issuer agrees and covenants with the Trustee and with the registered owners from time to time of the Bonds, as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the following meanings:

“Act” has the meaning given to such term in the Recitals hereto.

“Actual/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

“Attesting Officer” means such officer or official of the Issuer who in accordance with the Bond Resolution, the laws of the State, the bylaws or other governing documents of the Issuer or practice or custom, regularly certifies official acts and records of the Issuer, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“Authorized Officer” means the Chairperson or Vice Chairperson of the Governing Body and the Executive Director of the Issuer.

“Bankruptcy Code” means the Federal Bankruptcy Code, Title 11 of the United States Code.

“Beneficial Owner” means the purchaser of a beneficial interest in the Bonds.

“Bonds” means the Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) in the principal amount of \$[33,025,000] issued pursuant to this Indenture.

“Bond Counsel” means any counsel nationally recognized as having an expertise in connection with the excludability of interest on obligations of states and local governmental units from gross income for federal income tax purposes and appointed by the Issuer, and initially means Bryant Miller Olive, P.A.

“Bond Documents” means the Financing Agreement, the Regulatory Agreement, the Fee Guaranty, the Tax Certificate, the Indenture and the Bond Purchase Agreement.

“Bond Fund” means the Fund created and so designated in Section 5.02 hereof.

“Bondholder” or “holder” or “owner” of any Bond or any similar term shall mean the person in whose name any Bond is registered.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated [_____] [____], 2023, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the registration books of the Issuer maintained by the Trustee as provided in this Indenture on which registration and transfer of the Bonds is to be recorded.

“Bond Registrar” has the meaning given to such term in Section 2.08 hereof.

“Bond Resolution” means the resolutions of the Issuer adopted on January 19, 2022, April 20, 2022 and June 21, 2023 authorizing the issuance and sale of the Bonds.

“Book Entry Bonds” means the Bonds for which a Depository or its Nominee is the Bondholder.

“Borrower” has the meaning given to such term in the Recitals hereto.

“Business Day” means, with respect to the Pass-Through Certificate and the Bonds, any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent for the Pass-Through Certificate is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a certificate account is located if the related withdrawal is being made from that certificate account, and, with respect to the Bonds, any such day that is also a day on which the Trustee is open for business.

“City” means the City of Hollywood, Florida, a municipal corporation of the State.

“Class B Limited Partner” means Federation Plaza Preservation Class B, LLC, a New York limited liability company.

“Closing Date” means the date the Bonds are initially issued and delivered to the original purchaser or purchasers thereof.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Collateral Security Fund” means the Fund of that name created and so designated in Section 5.02 hereof.

“Collateral Security Interest Account” means the Account of that name created and so designated in Section 5.13 hereof.

“Collateral Security Principal Account” means the Account of that name created and so designated in Section 5.13 hereof.

“Completion Certificate” means the certificate attached as Exhibit B to the Financing Agreement.

“Completion Date” means the date the Project is substantially completed and available and suitable for use as multifamily housing, as set forth in the Completion Certificate completed by the Borrower and delivered to the Trustee and the Issuer.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of the date hereof between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” has the meaning given to such term in the Tax Certificate.

“Costs of Issuance Fund” means the Fund created and so designated in Section 5.02 hereof.

“Counsel’s Opinion” means a written opinion, including opinions supplemental thereto, signed by an attorney or firm of attorneys (who may be counsel for the Issuer, the Borrower or Fannie Mae) acceptable to the Trustee.

“County” means Broward County, Florida.

“County Loan” means a loan from the County to the Borrower in the amount of \$[2,000,000]

“County Loan Documents” means any document entered into by the County and the Borrower relating to the County Loan.

“Depository” means, initially, DTC and any replacement securities depository appointed under this Indenture.

“Dissemination Agent” means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

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

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder and approved in writing by Fannie Mae.

“Event of Default” means any occurrence or event specified in Section 8.01 hereof.

“Extension Deposit” means the deposit of Preference Proof Moneys described in Section 5.13(e) hereof.

“Fannie Mae” means Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., § 1716 et seq., and its successors.

“Fannie Mae Trust Indenture” means the 2021 Multifamily Master Trust Agreement, dated January 1, 2021 (as amended or replaced from time to time) and the related trust issue supplement.

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not adversely affect the Federal Tax Status of the Bonds (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon the original issuance of the Bonds or other customary exceptions acceptable to the recipient(s) thereof).

“Federal Tax Status” means, as to the Bonds, the status under existing law of the interest on the Bonds as excludable from gross income for federal income tax purposes (except on any Bond for any period during which it is held by a “substantial user” of the Project or by a “related person” to such a “substantial user,” each within the meaning of Section 147(a) of the Code).

“Fee Guaranty” means that certain Fee Guaranty and Environmental Indemnity Agreement dated as of [_____] [___], 2023 by and among the Issuer, the Trustee, the Borrower, the Class B Limited Partner and [_____].

“Final Payment Date” means the Business Day after the receipt of the final payment on the Pass-Through Certificate scheduled for [[September] [___], 20[___],] or the following Business Day if such date is not a Business Day.

“Financing Agreement” has the meaning given to such term in the Recitals hereto.

“First Payment Date” means [[September] [___], 20[___]].

“Fund” or “Account” means a fund or account created by or pursuant to this Indenture.

“General Partner” means Southeast Housing Preservation, Inc., a Florida not-for-profit corporation and its successors and assigns.

“Governing Body” means the members of the board of the Issuer, or any governing body that succeeds to the functions of the governing board of the Issuer.

“Government Obligations” means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

“Indenture” means this Indenture of Trust as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

“Issuer” has the meaning given to such term in the Recitals hereto.

“Issuer Extraordinary Fees and Expenses” means the expenses and disbursements payable to the Issuer under this Indenture for extraordinary services and extraordinary expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Financing Agreement.

“Issuer Fees” means, collectively, the Issuer Ordinary Fees, Issuer Ordinary Expenses and the Issuer Extraordinary Fees and Expenses.

“Issuer Indemnified Party” or “Issuer Indemnified Parties” means the Issuer, the past, present and future members of the Issuer, executives, employees and agents, individually and collectively.

“Issuer Ordinary Expenses” means the reasonable expenses of the Issuer with respect to the Bonds and related transactions which are not Issuer Extraordinary Fees and Expenses.

“Issuer Ordinary Fees” means collectively, the Issuer’s (i) one (1) time initial issuance fee payable to the Issuer on or before the Closing Date in the amount of \$[_____] equal to [_____] (___) basis points of the original par amount of Bonds; and (ii) the annual fee of the Issuer, payable by the Borrower in the amount of [___] basis points [(__%)] of the original principal amount of the Bonds payable in semiannual installments in arrears on each [_____] 1 and [_____] 1, commencing [_____] 1, 20__]. Issuer Ordinary Fees do not include Issuer Ordinary Expenses.

“Lender” has the meaning given to such term in the Recitals hereto.

“Loan Agreement” means the Multifamily Loan and Security Agreement between Borrower and the Lender, and dated the Closing Date, as the same may be supplemented, amended or modified from time to time.

“Mandatory Redemption Date” means [[_____], as further described in Section 3.01(b) hereof, as such date may be extended pursuant to Section 5.13(e).

[“Maturity Date” means [September] [___], 20[___]. The final payment of principal with respect to the Pass-Through Certificate will be made on September] [___], 20[___] (or the next Business Day if such day is not a Business Day) and will be passed through to the Bondholders on the Final Payment Date.]

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“Mortgage” means the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated the Closing Date, together with all riders and exhibits, securing the Mortgage Note, executed by the Borrower with respect to the property described in the Mortgage, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Mortgage Loan” or “Loan” means the mortgage loan made to the Borrower by the Lender with respect to the Project on the Closing Date.

“Mortgage Loan Documents” means, collectively, the Mortgage Note, the Mortgage and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Mortgage Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. None of the Financing Agreement, the Regulatory Agreement, or the Fee Guaranty is a Mortgage Loan Document and no such document is secured by the Mortgage.

“Mortgage Note” means that certain Multifamily Note from the Borrower payable to the order of the Lender and endorsed by the Lender, without recourse, to the order of Fannie Mae, evidencing the Borrower’s obligation to repay the Mortgage Loan.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant hereto.

“Officer’s Certificate” means a certificate signed by an Authorized Officer or, if such certificate pertains to official action taken by the Issuer or official records of the Issuer, by an Attesting Officer.

“Operating Fund” means the Fund created and so designated in Section 5.02 hereof.

“Operating Revenues” means all amounts deposited into the Operating Fund from amounts paid under the Financing Agreement.

“Original Issue Price” means the price of \$[33,025,000] paid upon the issuance of the Bonds.

“Outstanding” means, when used with reference to the Bonds and as of any particular date, all Bonds theretofore and thereupon being delivered except (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation; (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Permitted Investments or moneys in the amounts, of the maturities and otherwise as described and required under the provisions of Sections 3.01 and 3.03 hereof, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with Section 3.02 hereof, and (c) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Indenture.

“Participant” means a member of, or a participant in, the Depository.

“Pass-Through Certificate” means the Guaranteed Mortgage Pass-Through Certificate with respect to the Mortgage Loan bearing interest at the Pass-Through Rate, to be issued to and registered in the name of the Trustee by Fannie Mae pursuant to Section 4.03 hereof, not including any portion thereof liquidated or exchanged pursuant to Section 3.05 hereof.

“Pass-Through Certificate Purchase Price” means the principal amount outstanding on the Mortgage Loan plus accrued interest on the Pass-Through Certificate at the Pass-Through Rate to but not including the date of purchase. Such amount shall equal the original principal amount of the Mortgage Loan (\$[33,025,000]) less any scheduled principal payments on or any prepayments of the Mortgage Loan prior to the Purchase Date.

“Pass-Through Certificate Revenues” means all payments made under and pursuant to the Pass-Through Certificate.

“Pass-Through Rate” means [_____] % per annum.

“Payment Date” means (i) one Business Day after each date a principal or interest payment is made (or, prior to the Purchase Date, would have been made assuming the Pass-Through Certificate had been issued on the Closing Date) pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (ii) with respect to any redemption in lieu of exchange of the Bonds for the Pass-Through Certificate pursuant to Section 3.01(c), the Business Day on which the Trustee receives funds pursuant to the transfer of the applicable principal amount of the Pass-Through Certificate to or upon the order of the Issuer. The payment of interest on a Payment Date shall relate to the interest accrued during the preceding calendar month. There shall be no further accrual of interest from the Maturity Date to the Final Payment Date.

“Permitted Investments” means, to the extent authorized by law for investment of moneys of the Issuer:

(a) Government Obligations; and

(b) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAM-G or AAA by S&P or Aaamf by Moody’s so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAM-G or AAA by S&P, if S&P is a Rating Agency, or Aaamf by Moody’s, if Moody’s is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAM-G or AAA by S&P or Aaamf by Moody’s.

“Preference Proof Moneys” means (i) moneys drawn on a letter of credit, (ii) proceeds of the Bonds, (iii) proceeds of the Mortgage Loan or (iv) moneys in connection with which the Trustee shall have been delivered an opinion of bankruptcy counsel acceptable to it to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code.

“Proceeds Fund” means the Fund created and so designated in Section 4.02 hereof.

“Project” means the multifamily senior rental housing development known as Federation Plaza located in Hollywood, Florida, on the site described in the Mortgage.

“Purchase Date” means the date on which funds in the Collateral Security Fund are applied by the Trustee to the purchase of the Pass-Through Certificate.

“Rating Agency” means Moody’s or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns.

“Rebate Fund” means the Fund created and so designated in Section 5.02 hereof.

“Record Date” means the close of business on the last Business Day of the month immediately preceding each Payment Date.

“Redemption Price” means the amount required to be delivered to pay principal of and interest on the Bonds in connection with a redemption of the Bonds in accordance with the provisions of Article III hereof. A redemption premium may be payable to a Beneficial Owner pursuant to Section 3.05 hereof.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Regulatory Agreement” means the Land Use Restriction Agreement relating to the Project, dated as of the date hereof, by and among the Issuer, the Trustee and the Borrower, as it may be amended, supplemented or restated from time to time.

“Rehabilitation Account” means the Account of that name created and so designated within the Proceeds Fund in Section 4.02 hereof.

“Rehabilitation Agreement” means the provisions relating to rehabilitation of the Project set forth in Section 18.01(a) of the Loan Agreement.

“Related Factor” means the applicable factor posted by Fannie Mae with respect to the Pass-Through Certificate from time to time as the Mortgage Loan amortizes.

“Representation Letter” has the meaning given to such term in Section 2.12 hereof.

“Reserved Rights” of the Issuer means (a) all of the Issuer’s right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts payable to it pursuant to Section 4.02 of the Financing Agreement, including the Issuer Fees; (c) all rights of the Issuer to receive any Rebate Amount (as defined in the Tax Certificate) required to be rebated to the United States of America under the Code in connection with the Bonds, as described in the Tax Certificate; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent hereunder and under the Financing Agreement, the Regulatory Agreement, the Fee Guaranty and the Tax Certificate; (e) all rights of the Issuer of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Financing Agreement, in the Tax Certificate and in the Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in this Indenture, the Financing Agreement, the Regulatory Agreement, the Fee Guaranty, or the Tax Certificate, as applicable, regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act, this Indenture, the Financing Agreement, the Regulatory Agreement, the Fee Guaranty, or the Tax Certificate, (4) no liability of the Issuer to third parties, and (5) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to or modification of this Indenture, the Financing Agreement, the Regulatory Agreement, the Fee Guaranty or the Tax Certificate; (h) any and all limitations of the Issuer’s liability and the Issuer’s disclaimers of warranties set forth in this Indenture, the Regulatory Agreement, the Fee Guaranty, the Tax Certificate or the Financing Agreement; and (i) the Issuer’s right to inspect and audit the books, records and permits of the Borrower and the Project.

“Responsible Officer” means any Vice President or Assistant Vice President of the Trustee having regular responsibility for corporate trust matters and direct responsibility for the administration of this Indenture.

“Revenues” means the Pass-Through Certificate Revenues and the Operating Revenues.

“Seltzer” shall mean Seltzer Management Group, Inc., and its permitted successors and assigns.

“S&P” means S&P Global Ratings, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, as assigns credit ratings.

“State” means the State of Florida.

“Subordinate Debt Fund” means the Subordinate Debt Fund established pursuant to Section 5.14 hereof.

“Substitute Depository” means a securities depository appointed as successor to DTC hereunder.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Issuer and the Trustee amending or supplementing this Indenture in accordance with the provisions hereof.

“Tax Certificate” shall mean, collectively, (a) the Arbitrage and Tax Certificate dated the Closing Date and executed by the Issuer, (b) the Arbitrage Rebate Agreement dated as of August [___], 2023, executed by the Issuer, the Trustee and the Borrower, and (c) the Proceeds Certificate dated the Closing Date and executed and delivered by the Borrower, in each case including all exhibits and other attachments thereto and in each case as may be amended or supplemented from time to time.

“Tax Credit Investor” means Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company and its permitted successors and assigns.

“Term Sheet” means the Term Sheet relating to the terms of the Mortgage Loan and, when and if issued, the Pass-Through Certificate, dated the Closing Date and attached as Exhibit A to the Financing Agreement.

“Trust Estate” means all the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

“Trustee” has the meaning given to such term in the Recitals hereto.

“Underwriter” means, collectively, RBC Capital Markets, LLC and Raymond James & Associates.

Section 1.02. Rules of Construction.

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

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

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

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

(e) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent” or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(f) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Indenture and the Financing Agreement. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Indenture or the Financing Agreement or any amendment or supplement or exhibit hereto or thereto.

(g) Whenever Fannie Mae is required to give its consent or approval to any matter, whether stated as “consent,” “written consent,” “prior written consent,” “approval,” “written approval,” “prior written approval” or otherwise, the giving of such consent or approval by Fannie Mae shall be in its sole and complete discretion.

(h) Whenever Fannie Mae shall have any right or option to exercise any discretion, to determine any matter, to accept any presentation or to approve or consent to any matter, such exercise, determination, acceptance, approval or consent shall, without exception, be in Fannie Mae’s sole and absolute discretion.

ARTICLE II THE BONDS

Section 2.01. Authorization of Bonds. Bonds of the Issuer, to be entitled Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) are hereby authorized to be issued in an aggregate principal amount of \$[33,025,000] and shall be issued subject to the terms, conditions and limitations established in this Indenture as hereinafter provided. The Bonds may be executed by or on behalf of the Issuer, authenticated by the Trustee and delivered or caused to be delivered by the Trustee to the original purchasers thereof upon compliance with the requirements set forth in this Indenture.

Section 2.02. Terms of Bonds.

(a) The Bonds shall be dated as of August [___], 2023, and shall bear interest at the Pass-Through Rate in the amounts as accrued and for the periods interest is paid (except as described below in connection with a redemption of Bonds under Section 3.01(b)) pursuant to the terms of the Pass-Through Certificate, payable on each Payment Date, and shall mature (subject to prior redemption as herein set forth) on the Maturity Date. Interest shall be calculated on the basis of Actual/360. The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest on the Bonds during the period from the Maturity Date to the Final Payment Date. Notwithstanding anything herein to the contrary, on and after the Purchase Date, the principal and interest payable on the Bonds will be calculated, except with respect to interest payable on the Bonds if redeemed pursuant to Section 3.01(b) hereof, at the same rate and for the same periods as interest and principal is payable on the Pass-Through Certificate, and will be paid, except with respect to interest payable on the Bonds if redeemed pursuant to Section 3.01(b) hereof (which will be paid on the Mandatory Redemption Date), one Business Day following receipt by the Trustee pursuant to the Pass-Through Certificate.

(b) The Bonds shall be issued as registered bonds without coupons in the denominations of \$1,000.00 or any integral multiples of \$1.00 in excess thereof. The Bonds shall be lettered "R" and shall be numbered separately from "1" consecutively upwards. The Bonds shall be issued initially as Book Entry Bonds.

(c) Payment of the principal of and interest on any Bond shall be made on each Payment Date to the person appearing on the Bond Register as the registered owner thereof as of the applicable Record Date at the Pass-Through Rate. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Bonds are Book Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except no presentation is required in connection with a redemption of Bonds pursuant to Section 3.01(a)(i), 3.01(a)(iii) and 3.01(b) hereof) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book Entry Bonds, payments of interest on the Bonds and redemption of the Bonds shall be paid by check or

draft mailed to the registered owner thereof as of the applicable Record Date at such owner's address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. The Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of interest, principal or Redemption Price made to such owners, whether such payment is made by check or wire transfer. All payments of principal of and interest on Book Entry Bonds shall be made and given at the times and in the manner set out in the Representation Letter, as more fully specified in Sections 2.11 and 2.12 hereof.

(d) The Bonds shall be subject to redemption prior to maturity as provided in Article III.

(e) The date of authentication of each Bond shall be the date such Bond is registered.

Section 2.03. Execution; Limited Obligation. The Bonds shall be signed by, or bear the facsimile signature of, the Chairperson or Vice Chairperson of the Issuer, with the corporate seal or a facsimile of the corporate seal of the Issuer imprinted on the Bonds, and attested to by the manual or facsimile signature of the Secretary or Assistant Secretary or Executive Director of the Issuer. In case any one or more of the officers of the Issuer who shall have signed or sealed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually authenticated or delivered or caused to be delivered by the Trustee or issued by the Issuer, such Bonds may, nevertheless, be authenticated and issued and, upon such authentication, delivery and issue, shall be as binding upon the Issuer as if the persons who signed or sealed such Bonds or whose signatures appear on any of the Bonds had not ceased to hold such offices until such delivery. Any Bond may be signed and sealed on behalf of the Issuer by such persons as at the actual time of execution of the Bonds shall be duly authorized or hold the proper office in the Issuer, although at the date of issuance and delivery of the Bonds such persons may not have been so authorized or have held such office.

THE BONDS, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE REVENUE OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF FLORIDA, THE CITY, THE

COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE, THE CITY, THE COUNTY, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. **THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF FLORIDA, THE CITY, THE COUNTY, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.** THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES. The foregoing statement of limitation shall appear on the face of each Bond.

Section 2.04. Authentication. The Bonds shall bear thereon a certificate of authentication, substantially in the form set forth in Exhibit A hereto and executed by the Trustee. Only Bonds which bear thereon such executed certificates of authentication by the Trustee shall be entitled to any right or benefit under the Indenture, and no Bond shall be valid for any purpose under this Indenture until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of authentication upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly issued under this Indenture and that the holder thereof is entitled to the benefits of this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an Authorized Officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder. The certificate of authentication on all Bonds delivered by the Trustee hereunder shall be dated the date of its authentication.

Section 2.05. Form of Bonds. The form of the Bonds issued pursuant to this Indenture shall be in substantially the form set forth in Exhibit A hereto, with such variations, omissions or insertions as are permitted by this Indenture.

Section 2.06. Delivery of Bonds. After the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to the original purchaser or purchasers thereof as directed by the Issuer.

Prior to the delivery by the Trustee of any of the Bonds, there shall be filed with the Trustee:

- (a) a copy of the Bond Resolution duly certified by an Authorized Officer;
- (b) executed counterparts of this Indenture, the Financing Agreement, the Fee Guaranty, the Regulatory Agreement, and the Tax Certificate;
- (c) an opinion of Bond Counsel or counsel to the Issuer stating that the Issuer has duly adopted the Bond Resolution and has duly authorized, executed and delivered this Indenture and that this Indenture and the Bonds each constitute a legal, valid and binding

obligation of the Issuer, subject to any applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors;

(d) an opinion of Bond Counsel to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under existing law (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 by a "related person" to such a "substantial user," each within the meaning of Section 147(a) of the Code);

(e) a request and authorization to the Trustee by the Issuer and signed by an Authorized Officer to authenticate and deliver the Bonds to or at the direction of the purchasers thereof upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization, plus accrued interest thereon, if any, to the date of delivery. The proceeds of such payment shall be paid over to the Trustee and deposited in the various Funds and Accounts pursuant to, and as specified in, Article IV hereof; and

(f) evidence that the Bonds have been rated "Aaa" by the Rating Agency.

Upon receipt of these documents, the Trustee shall authenticate and deliver the Bonds to or upon the order of the purchaser thereof but only upon payment to the Trustee of the purchase price of the Bonds, together with accrued interest thereon, if any.

Section 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Issuer, at the expense of the owner of such Bond shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Issuer. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to the Trustee shall be given, the Issuer, at the expense of the owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered under this Section and of the expenses which may be incurred by the Issuer and the Trustee in the premises. Any Bond authenticated and delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Issuer whether or not the Bond so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture. If any such Bond shall have matured, or is about to mature, instead of issuing a new Bond the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity. If any lost or stolen Bond is found or recovered, it shall be cancelled.

Section 2.08. Registration, Transfer and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration, transfer and exchange of the Bonds as provided in this Indenture to be kept by the Trustee, which is hereby constituted and appointed the bond registrar with respect to the Bonds (the “Bond Registrar”) and the paying agent with respect to the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said books may be inspected and copied by the Issuer or by owners (or a designated representative thereof) of a majority in aggregate principal amount of the Bonds then Outstanding.

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and authorized denomination for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefor a Bond of equal aggregate principal amount of the same maturity and authorized denomination.

All Bonds presented for registration of transfer, exchange or payment (if so required by the Issuer or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by its duly authorized attorney.

The Issuer, the Bond Registrar and the Trustee shall not be required (i) to issue, register the transfer of or exchange any Bonds during a period beginning at the Trustee’s opening of business on the applicable Record Date and ending at the Trustee’s close of business on the applicable Payment Date; or (ii) to register the transfer of or exchange any Bond selected, called or being called for redemption as provided herein. No charge shall be made to any Bondholder for the privilege of registration of transfer as herein provided, but any Bondholder requesting any such registration of transfer shall pay any tax or governmental charge required to be paid therefor.

New Bonds delivered upon any registration of transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered shall be deemed the owner thereof by the Issuer and the Trustee, and any notice to the contrary shall not be binding upon the Issuer or the Trustee. Notwithstanding anything herein to the contrary, to the extent the Bonds are Book Entry Bonds, the provisions of Section 2.11 shall govern the exchange and registration of Bonds.

Section 2.09. Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the

principal amount and interest represented thereby, for replacement pursuant to Section 2.07 or for transfer or exchange pursuant to Section 2.08 or 3.05 hereof, such Bond shall be canceled and destroyed by the Trustee and, upon written request of the Issuer, counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer.

Section 2.10. Pledge Effected by Indenture. The Pass-Through Certificate held pursuant to this Indenture, all amounts that may be received under a Fannie Mae trust agreement, all rights of the Issuer or the Trustee under a Fannie Mae trust agreement, the Pass-Through Certificate Revenues and all amounts held in any Fund or Account (except for the Proceeds Fund, after the Collateral Security Fund has been funded, the Rebate Fund and proceeds of the County Loan) under this Indenture are hereby ratably pledged to secure the payment of the principal of and the interest on the Bonds, subject only to the provisions of this Indenture permitting the application thereof for other purposes. Such pledge shall, pursuant to the Act, constitute a pledge, assignment, lien and security interest or grant made pursuant to the Act and shall be valid and binding and immediately effective, upon its being made or granted, without any physical delivery, filing, recording or further act, and shall be valid and binding as against, and superior to any claims of all others having claims of any kind against the Issuer or any other person, irrespective of whether such other parties have notice of the pledge.

Section 2.11. Book-Entry System; Limited Obligation. The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten). Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.13, all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a Substitute Depository or to another nominee of the Depository or of a Substitute Depository. Each global Bond shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b)

the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the Pass-Through Certificate, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of giving redemption notices pursuant to Section 3.02 and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid hereunder with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Issuer of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

The Issuer and the Trustee will recognize the Depository or its nominee as the Bondholder of Book Entry Bonds for all purposes, including receipt of payments, notices and voting, provided the Trustee may recognize votes by or on behalf of Beneficial Owners as if such votes were made by the Bondholders of a related portion of the Bonds when such votes are received in compliance with an omnibus proxy of the Depository or otherwise pursuant to the rules of the Depository or the provisions of the Representation Letter or other comparable evidence delivered to the Trustee by the Bondholders.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SO LONG AS A BOOK ENTRY SYSTEM OF EVIDENCE OF TRANSFER OR OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS INDENTURE RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED TO GIVE FULL EFFECT TO SUCH BOOK ENTRY

SYSTEM AND ALL DELIVERIES OF ANY SUCH BONDS SHALL BE MADE PURSUANT TO THE DELIVERY ORDER PROCEDURES OF DTC, AS IN EFFECT FROM TIME TO TIME.

Section 2.12. Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, if necessary, any Authorized Officer is hereby authorized to execute, seal, countersign and deliver on behalf of the Issuer to such Depository a letter from the Issuer in substantially the Depository's standard form representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The Representation Letter includes such letter as it may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor. The execution by the Issuer and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.11 or in any other way impose upon the Issuer any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the registered owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee shall agree, and hereby agrees, to take all actions necessary for all representations of the Issuer in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, any Authorized Officer is hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

The terms and provisions of the Representation Letter shall govern in the event of any inconsistency between the provisions of this Indenture and the Representation Letter. The Representation Letter may be amended without Bondholder consent.

Section 2.13. Transfers Outside Book-Entry System. If at any time the Depository notifies the Issuer and the Trustee that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation or, if the Issuer notifies the Depository or the Trustee that it no longer wishes the Depository to continue in such capacity with respect to the Bonds and a Substitute Depository is not appointed by the Issuer within 90 days after the Issuer and the Trustee receive notice or become aware of such condition, as the case may be, Section 2.11 shall no longer be applicable and the Issuer shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. Bonds issued in exchange for global bonds pursuant to this Section shall be registered in such names and delivered in such authorized denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Issuer and the Trustee. The Trustee shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered. To the extent that the holder of the Bonds under this Indenture is not an exempt recipient under Treas. Reg. § 1.6045-1(c)(3), such holder shall provide or cause to be provided to the Trustee information regarding the amount paid for the Bonds, any brokers' fees or commissions, and any other capitalized costs relating to the Bonds, in each case to the extent necessary for the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code.

The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.14. Payments and Notices to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Trustee as provided in the Representation Letter or as otherwise instructed by the Depository, with duplicate information transmitted by the Trustee to Bloomberg at its notice address set forth herein.

Section 2.15. Initial Depository and Nominee. The initial Depository under this Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

ARTICLE III REDEMPTION OF BONDS

Section 3.01. Terms of Redemption.

General. The Bonds shall be subject to redemption prior to the stated maturity thereof only as set forth in this Section.

(a) Mandatory Redemption from Principal Payments or Prepayments. The Bonds are subject to mandatory redemption, in whole or in part, (i) one (1) Business Day after the dates scheduled principal payments are received pursuant to the Pass-Through Certificate at a Redemption Price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest received pursuant to the Pass-Through Certificate, (ii) one (1) Business Day after the dates unscheduled principal payments are received with respect to the Pass-Through Certificate as a result of a partial or full prepayment of the Mortgage Loan or a purchase of the Mortgage Loan from the applicable MBS pool, at a Redemption Price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest received pursuant to the Pass-Through Certificate, or (iii) prior to the Purchase Date, on which redemption is required under the provisions of Section 5.13(g) hereof. Notwithstanding Section 3.02 hereof, no prior notice shall be a prerequisite to the effectiveness of any redemption under clause (i) or (iii) of this paragraph, and, with respect to clause (ii), such redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to such redemption required by Section 3.02(a) hereof.

(b) Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate. The Bonds are subject to mandatory redemption in whole on the Mandatory Redemption Date (as such date may be extended hereunder) at a Redemption Price equal to the Original Issue Price plus interest accrued thereon to but not including the Mandatory Redemption Date upon five (5) Business Days' notice if (i) a Purchase Date has not occurred by the last date on which timely notice of such redemption may be given preceding such Mandatory Redemption Date and (ii) an Extension Deposit has not been made pursuant to Section 5.13(e) hereof, such that the balance in the Collateral Security Fund is equal to 100% of the Outstanding

principal amount of the Bonds plus interest accrued on the Bonds to but not including the new proposed Mandatory Redemption Date. If the notice for any such mandatory redemption was conditioned upon the Purchase Date not having occurred before the close of business on the second Business Day preceding the Mandatory Redemption Date and such Purchase Date does in fact occur, the noticed mandatory redemption shall not occur. In the event that the Pass-Through Certificate has not been purchased by the Trustee ten (10) Business Days prior to the Mandatory Redemption Date, the Trustee shall provide written notice to the Borrower, the Tax Credit Investor and the Issuer of such non-purchase.

(c) Mandatory Redemption in Lieu of Exchange. The Bonds are subject to mandatory redemption in whole or in part in the event the Issuer elects pursuant to Section 3.05 hereof to redeem a Beneficial Owner's Bonds for an amount equal to the Cash Value (as hereinafter defined) in lieu of delivering to the Beneficial Owner of the Bonds its proportional interest in the Pass-Through Certificate based upon its proportional interest in the Bonds. Any such redemption shall be made in accordance with the provisions of Section 3.05 hereof.

(d) Optional Redemption. The Bonds are not subject to optional redemption other than in connection with a prepayment of the Mortgage Loan.

Section 3.02. Notice of Redemption.

(a) When the Trustee receives notice that the Pass-Through Certificate will be prepaid, the Trustee, in accordance with the provisions of this Indenture, shall use its best efforts to give the Bondholders not less than 20 nor more than 30 days' notice of the redemption of the Bonds pursuant to Section 3.01(a)(ii) hereof, which notice shall specify the following: (i) the maturity dates and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Such notice for the Bonds other than Book Entry Bonds shall be sent to the holders of the Bonds by first-class mail, postage prepaid, at their respective addresses appearing on the Bond Register. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

(b) Notwithstanding anything herein to the contrary, no notice of redemption shall be required for any redemption of Bonds pursuant to clause (i) or (iii) of Section 3.01(a) hereof. Notices of redemption pursuant to Section 3.01(b) hereof shall be governed by Section 3.02(c) below. Notices of redemption pursuant to Section 3.01(c) hereof shall be governed by Section 3.05 hereof.

(c) The Trustee shall give the Bondholders not less than five (5) Business Days' notice of the redemption of the Bonds pursuant to Section 3.01(b) hereof, which notice shall

specify the following: (i) the maturity dates and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption (which may include a condition to the effect that if the Purchase Date occurs not later than the close of business on the second Business Day preceding such Mandatory Redemption Date (as such date may be extended hereunder), the redemption shall not occur); (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. For Bonds other than Book-Entry Bonds such notice shall be sent to the holders of the Bonds by first class mail, postage prepaid, at their respective addresses appearing on the Bond Register. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

(d) Except as otherwise provided in Section 3.05 hereof, the Bonds to be redeemed pursuant to Section 3.01 will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant to Section 3.05 shall be made in accordance with the "Pro Rata Pass-Through Distributions of Principal" procedures of DTC or comparable procedures of any successor Substitute Depository. A notice of redemption given pursuant to the provisions described under this subsection (d) will be given in accordance with the operational arrangements of DTC or any successor Substitute Depository.

Notwithstanding this Section 3.02, no prior notice shall be a prerequisite to the effectiveness of any redemption under Section 3.01 which redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to certain redemptions required by Section 3.01 pursuant to this Section 3.02.

Section 3.03. Payment of Redemption Price. With respect to any redemption pursuant to Section 3.01 hereof, notice having been given in the manner provided in Section 3.02 hereof (or not required to be given as a result of a redemption pursuant to Section 3.01(a)(i) or (a)(iii)), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, and upon presentation and surrender thereof (except in connection with a redemption of Bonds pursuant to Sections 3.01(a)(i), 3.01(a)(iii), and 3.01(b) hereof), at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter, as more fully specified in Sections 2.11 and 2.12 hereof, and for Bonds redeemed pursuant to Section 3.05 hereof, such redemption shall be made in accordance with the procedures of said Section 3.05. If, on the redemption date, moneys for the redemption of the Bonds to be redeemed, together with all interest received pursuant to the Pass-Through Certificate comprising the Redemption Price, shall be held by the Trustee so as to be available

therefor on said date and if notice of redemption shall have been given as aforesaid (if required), then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

Section 3.04. Cancellation. All Bonds which have been redeemed, paid or retired or received by the Trustee for exchange shall not be reissued but shall be canceled and held by the Trustee in accordance with Section 2.09 hereof.

Section 3.05. Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds. A Beneficial Owner of Bonds may file with the Trustee a written request, in the form attached hereto as “Exhibit C – NOTICE OF REQUEST TO EXCHANGE” (the “Request Notice”), to exchange Bonds for a like principal amount of the Pass-Through Certificate, provided, that (i) the Pass-Through Certificate will be, when delivered pursuant to any Exchange (as defined in the second paragraph of this Section 3.05), in a face amount equal to \$1,000.00 or any integral multiples of \$1.00 in excess thereof, and (ii) the Project is complete and placed in service by the Borrower as evidenced by a letter from the Borrower to the Trustee confirming that the Project is placed in service for purposes of Section 42 of the Code. The Request Notice must be delivered to the Trustee at least ten (10) Business Days prior to the Exchange Date (as defined in the Request Notice).

Upon receipt of a Request Notice, the Trustee shall promptly provide a copy to the Issuer and the Lender. The Issuer shall then have up to six (6) Business Days, in its sole discretion, to provide written direction to the Trustee to either (i) deliver to the Beneficial Owner its proportional interest in the Pass-Through Certificate based upon such Beneficial Owner’s proportional interest in the Bonds (the “Exchange”) or (ii) redeem the Beneficial Owner’s Bonds under Section 3.01(c) hereof for an amount equal to the Cash Value (as defined in this section) as of the Exchange Date (as defined in the Request Notice). The Issuer shall have no obligation to exercise either option, and failure by the Issuer to exercise either option is not an Event of Default; provided, however, that any failure of the Issuer to provide written direction to the Trustee within the six (6) Business Day period set forth above shall be deemed a direction to deliver the proportionate interest in the Pass-Through Certificate in lieu of redeeming the Bonds. The Trustee shall notify such Beneficial Owner of the Issuer’s direction within four (4) Business Days of receipt or a deemed direction from the Issuer. Upon receipt of the Bonds in the principal amount set forth in the Request Notice from the requesting Beneficial Owner and compliance with the requirements of this Section, the Trustee will promptly cancel the Bonds being exchanged or redeemed. Any Bonds so exchanged or redeemed will not be reissued.

Cash Value = original face amount of the Pass-Through Certificate x Related Factor x (1 + Redemption Premium (R) + (Initial Offering Premium (I) x Related Factor)) – an amount equal to the principal to be received by such Beneficial Owner on the next Payment Date (if the date of redemption occurs between the Record Date and such Payment Date). The Issuer shall engage, at the cost of the Borrower, one of the underwriters on the Issuer’s approved list to determine the Cash Value and shall communicate the same to the Trustee.

Where $R = 5\%$ if the exchange occurs during the first five years from the Closing Date;

= 4% during the sixth year;

= 3% during the seventh year;

= 2% during the eighth year;

= 1% during the ninth year; and

= 0% thereafter

and $I =$ initial offering price of the Bonds - 100%

In the event that the Issuer elects to deliver the Beneficial Owner's proportional interest in the Pass-Through Certificate in lieu of redeeming the Bonds, after validating the exchange request, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee's beneficial ownership interest in the Beneficial Owner's proportional interest in the Pass-Through Certificate as of the date specified in the Request Notice promptly following (i) delivery to the Trustee (via DTC withdrawal or Deposit/Withdrawal At Custodian ("DWAC")) of the Bonds being exchanged and (ii) payment by the requesting Beneficial Owner of the Trustee's exchange fee (\$1,000 as of the date of this Indenture) and the Issuer's exchange fee (\$1,000 as of the date of this Indenture). Such Pass-Through Certificate will be (1) in book-entry form and (2) transferred in accordance with (a) the operational arrangements of DTC or any successor Substitute Depository and (b) current market practices, including the applicable provisions of the SIFMA's *Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities* (if in effect at such time). If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the exchanged Bonds to the Beneficial Owner using the wire transfer instructions set forth on the Request Notice.

In the event that the Issuer elects to redeem Bonds in lieu of an Exchange, the Trustee shall transfer a like principal amount of its interest in the Pass-Through Certificate to or upon the order of the Issuer in exchange for an amount equal to the Cash Value plus accrued interest to the date of redemption (less any interest to be received by the Beneficial Owner on the next Payment Date if the redemption occurs between the Record Date and such Payment Date) and apply the proceeds of such transfer to the payment of the Redemption Price of the Bonds on the Payment Date by wiring such amount to the Beneficial Owner at its wire transfer instructions set forth on the Request Notice. The Issuer reserves the right to sell all or a portion of its interest in the Pass-Through Certificate in order to pay the Cash Value.

None of Fannie Mae, the Trustee or the Issuer shall have any liability to the Beneficial Owner arising from (i) any Exchange or redemption of Bonds effected hereby or (ii) any of the costs or expenses thereof. Interest on such Pass-Through Certificate is not excludable from gross income for federal income tax purposes.

**ARTICLE IV
APPLICATION OF BOND PROCEEDS**

Section 4.01. Initial Deposits. On the Closing Date, the Trustee shall make the following deposits:

(a) \$[_____], representing accrued interest on the net proceeds of the Bonds, shall be deposited to the Collateral Security Interest Account as provided in Section 5.13(a)(ii); and

(b) \$[_____], representing a portion of the net Bond proceeds advanced to the Borrower under the Financing Agreement in the amount set forth in Section 5.13(a)(iii) shall be deposited to the Collateral Security Interest Account; and

(c) [Reserved]

(d) \$[_____], representing the balance of the net proceeds of the Bonds shall be deposited to the Proceeds Fund; and

(e) \$[____], representing funds received by or on behalf of the Borrower shall be deposited to the Costs of Issuance Fund (see Section 5.12 hereof); and

(f) \$[33,025,000], representing proceeds of the Mortgage Loan in an amount required by Section 5.13(a)(i) shall be deposited to the Collateral Security Principal Account pending application to purchase the Pass-Through Certificate by the Trustee.

(g) \$[____], representing proceeds of the County Loan shall be deposited into the County Loan Account of the Subordinate Debt Fund.

Section 4.02. Proceeds Fund. The Trustee shall establish, create and maintain a Proceeds Fund under this Indenture, and within the Proceeds Fund, there shall be established the Rehabilitation Account, and amounts on deposit in the Proceeds Fund shall be disbursed by the Trustee to fund the Project costs pursuant to requisitions in the form of Exhibit B attached to this Indenture. The Trustee shall be entitled to conclusively rely on each requisition signed by the Borrower and approved by the Lender without further investigation. The Proceeds Fund shall not be a part of the Trust Estate upon the funding of the Collateral Security Fund. After the initial disbursement from the Proceeds Fund and other disbursements pursuant to the terms of this Indenture on the Closing Date, the balance left in the Proceeds Fund for rehabilitation purposes shall be deposited in the Rehabilitation Account. Moneys in the Rehabilitation Account shall be held by the Trustee under said Account for reasons of convenience and tax accounting only. Such balance shall, pending disbursement to the Borrower at the written direction of the Lender, pursuant to the terms of the Rehabilitation Agreement within the Loan Agreement, be pledged by the Borrower to the Lender until the Purchase Date, and thereafter to Fannie Mae. The Trustee shall hold such funds as custodian for Lender as the pledgee and not for the Bondholders.

Section 4.03. Delivery of Pass-Through Certificate. The obligation of the Trustee to purchase the Pass-Through Certificate on the Purchase Date shall be subject to satisfaction of the following conditions:

The Trustee shall have received written notification from the Lender upon which the Trustee may conclusively rely and act without further investigation certifying that the Pass-Through Certificate duly executed by Fannie Mae is available for purchase by the Trustee at the Pass-Through Certificate Purchase Price, has terms consistent with the Term Sheet, and meets the following requirements:

(a) has a Stated Principal Balance (as defined in the Fannie Mae Trust Indenture) which is equal to the outstanding Mortgage Loan balance shown in the amortization schedule on the Purchase Date as included in the Term Sheet;

(b) bears interest at the Pass-Through Rate payable on the 25th day of each month, commencing on the 25th day of the month following the month in which the Trustee purchases the Pass-Through Certificate, or if any such 25th day is not a Business Day, the next succeeding Business Day, and have a final maturity date, which is the same as the Maturity Date of the Bonds;

(c) provides that timely payment of principal (whether on any scheduled Payment Date or prior thereto upon any mandatory prepayment of the Mortgage Note or upon any optional prepayment of the Mortgage Note or upon declaration of acceleration following a default thereunder upon Fannie Mae's determination that the Mortgage Loan is or is to be deemed a Fully Prepaid Mortgage Loan (as defined in the Fannie Mae Trust Indenture)) and interest on the Pass-Through Certificate is guaranteed to the record owner of the Pass-Through Certificate, regardless of whether corresponding payments of principal and interest on the Mortgage Loan are paid when due; and

(d) otherwise reflects Mortgage Loan terms consistent with the Term Sheet attached as Exhibit A to the Financing Agreement, taking into account any changes in such terms as may be reflected in any written notice delivered to the Issuer and the Trustee by the Lender pursuant to Section 4.04 of the Financing Agreement; provided, however, that such changes may only be made to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Term Sheet.

Upon purchase of the Pass-Through Certificate on the Purchase Date, the Trustee, as Dissemination Agent, shall post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

ARTICLE V REVENUES AND FUNDS

Section 5.01. Pledge of Revenues and Assets. The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses hereof for the

payment of the principal of and interest on the Bonds, in accordance with their terms and provisions, and for the payment of all other amounts due hereunder, shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Section 5.02. Establishment of Funds. In addition to the Proceeds Fund established under Section 4.02, the Trustee shall establish, maintain and hold in trust the following funds, each of which shall be disbursed and applied only as herein authorized:

- (a) Bond Fund;
- (b) Operating Fund;
- (c) Costs of Issuance Fund;
- (d) Collateral Security Fund;
- (e) Rebate Fund; and
- (f) Subordinate Debt Fund, including therein a County Loan Account.

The Trustee shall, at the written direction of the Lender and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to a deposit or use of money in the Funds and Accounts or the Rebate Fund, or result in commingling of funds not permitted hereunder.

Section 5.03. Application of Revenues. All Pass-Through Certificate Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the Bond Fund.

Section 5.04. Application of Operating Fund. All Operating Revenues shall be deposited into the Operating Fund. Amounts in the Operating Fund shall be withdrawn by the Trustee and used solely to pay first, any amount required to be deposited in the Rebate Fund in accordance with the provisions of the Tax Certificate to the extent sufficient funds are not otherwise made available to the Trustee for such purposes; second, the Issuer Ordinary Fees and Expenses on the dates specified in the definition of such term in this Indenture; third, on each

Payment Date the fees and expenses of the Trustee; and fourth, the fees and expenses incurred in connection with the determination of rebatable arbitrage in accordance with the provisions of the Tax Certificate. In the event the amounts in the Operating Fund are not equal to the amounts payable from the Operating Fund on any date on which such amounts are due and payable to fund such deficiency, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within five Business Days to the Trustee of the amount of such deficiency. No amount shall be charged against the Operating Fund except as expressly provided in this Section.

Section 5.05. Application of Bond Fund. The Trustee shall disburse from the Bond Fund, on each Payment Date an amount equal to the amount of the principal, including prepayments and interest received on the Pass-Through Certificate on or immediately prior to such Payment Date.

Section 5.06. Investment of Funds. The moneys held by the Trustee shall constitute trust funds for the purposes hereof, which moneys shall be managed, invested, disbursed and administered as provided in this Indenture and in the Tax Certificate. Any moneys attributable to each of the Funds hereunder shall be invested by the Trustee at the written direction of the Borrower in Permitted Investments which mature or are redeemable at par on the date on which such funds are expected to be needed for the purposes for which they are held, subject in all cases to the restrictions of the Tax Certificate. Notwithstanding anything herein to the contrary, (i) all amounts in the Bond Fund shall be invested in Permitted Investments, (ii) the Proceeds Fund shall be held uninvested, and (iii) all amounts in the Collateral Security Fund shall be invested solely in Permitted Investments, provided, however, that following the Purchase Date, payments received with respect to the Pass-Through Certificates shall remain uninvested. If the Trustee does not receive written direction from the Borrower regarding the investment of funds from a list of investments provided by the Trustee to the Borrower, the Trustee shall invest in an investment described in subparagraph (b) of the definition of Permitted Investments or, if such investment is not available or no longer qualifies as a Permitted Investment, shall hold funds uninvested. The Trustee may conclusively rely upon the Borrower's written instructions as to the legality and suitability of the directed investments. In no event shall the Trustee be responsible for the selection of investments made in accordance with the terms of this Section 5.06 or liable for any investment losses incurred thereon. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Borrower to provide timely written investment direction. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees; provided, however, in no event may such fees be paid from amounts on deposit in the Collateral Security Fund. Notwithstanding any provision of this Indenture to the contrary, at no time shall the Borrower direct that any funds constituting Gross Proceeds of the Bonds (as defined in the Tax Certificate) be used in any manner as would constitute failure of compliance with Section 148 of the Code. Notwithstanding the foregoing, in no event shall the Trustee be released from liability

for its own negligence or willful misconduct. Notwithstanding anything herein to the contrary, funds in the County Loan Account shall be held uninvested by the Trustee. The Trustee may conclusively rely upon the Borrower's written direction as to both the suitability and legality of directed investments.

Permitted Investments representing an investment of moneys attributable to any Fund shall be deemed at all times to be a part of such Fund. Such investments shall be sold at the best price obtainable whenever it shall be necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from such Fund. In the case of any required transfer of moneys to another such Fund, such investments may be transferred to that Fund in lieu of the required moneys if permitted hereby as an investment of moneys in that Fund.

All Permitted Investments acquired by the Trustee pursuant hereto shall be purchased in the name of the Trustee and shall be held for the benefit of the holders of the Bonds pursuant to the terms of this Indenture. The Trustee shall take such actions as shall be necessary to assure that such Permitted Investments are held pursuant to the terms of this Indenture.

The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance herewith. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established hereunder, but shall account for each separately.

In computing for any purpose hereunder the amount in any Fund on any date, obligations so purchased shall be valued at the lower of cost or par exclusive of accrued interest, and may be so valued as of any time within four days prior to such date.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Borrower specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

Section 5.07. Moneys Held for Particular Bonds. The amounts held by the Trustee for the payment of the interest or principal, if any, due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the holders of the Bonds entitled thereto, and for the purposes hereof such interest or principal after the due date thereof, shall no longer be considered to be unpaid.

Section 5.08. Funds Held in Trust. All moneys held by the Trustee, as such, at any time pursuant to the terms of this Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Indenture and the Tax Certificate.

Section 5.09. Accounting Records. The Trustee shall maintain accurate books and records for all Funds and Accounts established hereunder. Pursuant to the Tax Certificate, the Trustee shall cause to be kept and maintained adequate records pertaining to the investment of

all proceeds of the Bonds sufficient to permit the Borrower, on behalf of the Issuer, to determine the Rebate Amount (as defined in the Tax Certificate), if any, with respect to the Bonds required to be paid to the United States of America pursuant to Section 148 of the Code. The Trustee shall have no responsibility to make such determination.

Section 5.10. Amounts Remaining in Funds. After full payment of the Bonds (or provision for payment thereof having been made in accordance with Section 7.01) and full payment of the fees and expenses of the Trustee and other amounts required to be paid hereunder and under the Financing Agreement including fees payable to the Issuer and Fannie Mae, any amounts remaining in any Fund hereunder other than the Rebate Fund shall be paid to the Lender for the payment of any amounts due and payable to the Lender and/or Fannie Mae and thereafter, to the Borrower; provided, however, that after the Purchase Date if a default shall have occurred and remain uncured under the Mortgage Loan of which the Trustee shall have received written notice from Fannie Mae or the Lender, then any such amounts remaining in any Fund or Account hereunder shall be paid to Fannie Mae.

Section 5.11. Rebate Fund. The Rebate Fund is for the sole benefit of the United States of America and shall not be subject to the claim of any other person, including without limitation, the Issuer and shall not be part of the Trust Estate. The Rebate Fund is established for the purpose of complying with Section 148 of the Code. The money deposited in the Rebate Fund, together with all investments thereof and income from investments therefrom, is held in trust and applied solely as provided in the Tax Certificate. Moneys and securities held by the Trustee in the Rebate Fund are not pledged or otherwise subject to any security interest in favor of the Trustee to secure the Bonds or any other payments required to be made hereunder or any other document executed and delivered in connection with the issuance of the Bonds. The Trustee will make deposits to and disbursements from the Rebate Fund, as well as investments of the amounts therein, in accordance with the written directions received from the Borrower, all in accordance with the provisions of the Tax Certificate. Notwithstanding the foregoing, the Trustee with respect to the Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder.

Section 5.12. Costs of Issuance Fund. No moneys shall be deposited into the Costs of Issuance Fund. On or before the Closing Date, the Borrower shall deliver to First American Title Insurance Company (the "Title Company") amounts to pay Costs of Issuance. Such amounts deposited with the Title Company shall be used to pay the Costs of Issuance on the Closing Date or as soon as practicable thereafter in accordance with written instructions to be given to the Title Company, upon delivery to the Title Company of appropriate invoices for such expenses. Any unexpended amounts attributable to deposits made by the Borrower remaining on deposit with the Title Company one month after the Closing Date shall be returned to the Borrower.

Section 5.13. Collateral Security Fund. There shall be established within the Collateral Security Fund two Accounts: (i) a Collateral Security Principal Account, and (ii) a Collateral Security Interest Account.

(a) On the Closing Date, (i) proceeds of the Mortgage Loan in an amount equal to the principal amount of the Bonds shall be deposited to the Collateral Security Principal Account, (ii) the amount received under the Bond Purchase Agreement representing accrued interest on the Bonds from August 1, 2023 to but not including the Closing Date shall be deposited to the Collateral Security Interest Account, and (iii) Bond proceeds in an amount equal to the interest on the Bonds from the Closing Date to but not including the initial Mandatory Redemption Date shall be deposited to the Collateral Security Interest Account (for a total deposit to the Collateral Security Interest Account equal to 87 days' interest on the Bonds).

(b) Moneys on deposit in the Collateral Security Fund (derived from the amount on deposit in the Collateral Security Principal Account and an amount on deposit in the Collateral Security Interest Account equal to the accrued interest on the Pass-Through Certificate) shall be applied by the Trustee to purchase the Pass-Through Certificate on the Purchase Date.

(c) If the Purchase Date occurs in the same month as the Closing Date (i.e., August 2023) or in a subsequent month following the Payment Date for such month then following the Purchase Date the Trustee shall transfer the remaining balance in the Collateral Security Interest Account to the Rehabilitation Account of the Proceeds Fund (after application of moneys therein to pay the accrued interest on the Pass-Through Certificate).

(d) If the Purchase Date (i) occurs in a month following the Closing Date (e.g., September, 2023) and (ii) on or prior to the Payment Date for such month, then the Trustee shall retain the amount on deposit in the Collateral Security Interest Account and apply moneys from such Account to pay the interest on the Bonds on the next Payment Date. So long as payment has already been made or provided for with respect to the Payment Date in the month in which the Purchase Date occurs, any balance in the Collateral Security Interest Account following such Payment Date shall be transferred to the Rehabilitation Account of the Proceeds Fund (after application of moneys therein to pay the accrued interest on the Pass-Through Certificate).

(e) The Borrower or the Tax Credit Investor may at any time (not later than the last day for which notice of redemption must be given pursuant to Section 3.01(b)) extend the Mandatory Redemption Date by depositing Preference Proof Moneys (excluding proceeds of the Mortgage Loan, which shall remain on deposit in the Collateral Security Fund) to the credit of the Collateral Security Interest Account in an amount sufficient to pay the interest on the Bonds from the last Payment Date to the extended Mandatory Redemption Date (an "Extension Deposit"). Upon the extension of the Mandatory Redemption Date, the Trustee, as Dissemination Agent, shall post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board

(f) Extension Deposits shall continue to be made by the Borrower or the Tax Credit Investor until the Purchase Date occurs or the Borrower or the Tax Credit Investor declines to make an Extension Deposit resulting in the mandatory prepayment of the Bonds pursuant to Section 3.01(b) hereof.

(g) If a Purchase Date has not yet occurred and the Borrower or the Tax Credit Investor has extended the Mandatory Redemption Date by making an Extension Deposit, the Trustee shall apply amounts on deposit in the Collateral Security Interest Account to pay the preceding month's accrual of interest on the Bonds on the next Payment Date. Whether or not the Mandatory Redemption Date has been extended, on any Payment Date, the Trustee shall also apply amounts on deposit in the Collateral Security Principal Account equal to the amount set forth in the Mortgage Loan amortization schedule as included in Exhibit A to the Financing Agreement on the first day of the month in which such Payment Date occurs as to redeem principal of the Bonds on such Payment Date; such redemption shall be in an amount equal to the preceding month's principal amortization on the Mortgage Loan as set forth in the Mortgage Loan amortization schedule included in Exhibit A to the Financing Agreement. Notwithstanding the foregoing in the event of any unscheduled principal prepayment prior to or on the Purchase Date, the Trustee shall redeem the Bonds in an amount equal to such unscheduled principal prepayment.

(h) After the Purchase Date, and after making the transfers set forth in Sections 5.13(c) and (d), the Trustee shall remit to the Borrower any moneys on deposit in the Bond Fund deriving from the Mortgage Loan that are not needed to pay debt service on or the Redemption Price of the Bonds due to the operation of the Collateral Security Interest Account.

(i) Moneys on deposit in the Collateral Security Fund shall be invested as provided for in Section 5.06 of this Indenture and the Tax Certificate.

Section 5.14. Subordinate Debt Fund. The County shall deposit or cause to be deposited with the Trustee monies from the County Loan into the County Loan Account of the Subordinate Debt Fund to be used solely for Project Costs. Notwithstanding anything herein to the contrary, no monies from the County Loan Account shall be disbursed without the written approval of Seltzer and receipt by the Trustee of a signed requisition in the form attached hereto as Exhibit B.

Further, notwithstanding anything herein, the Financing Agreement or in any of the related documents to the contrary, funds disbursed by the Trustee from the County Loan Account shall be used only for the purposes set forth in the loan agreement between the County and the Borrower. Further, notwithstanding anything herein, the Financing Agreement or any of the related documents to the contrary, any County Loan funds deposited with the Trustee and not drawn down within 6 months after the completion of the Project shall be returned to the County upon the written direction of either the County or Seltzer to the Trustee.

Section 5.15. Reports From the Trustee. The Trustee shall furnish to the Borrower and Tax Credit Investor (and to Fannie Mae and the Lender upon written request) quarterly and to the Issuer monthly statements of the activity and assets held in each of the Funds and Accounts maintained by the Trustee hereunder.

ARTICLE VI COVENANTS OF ISSUER

Section 6.01. Payment of Bonds. Subject to the other provisions of this Indenture, the Issuer shall duly and punctually pay or cause to be paid from the Revenues the principal and interest on the Bonds, at the dates and places and in the manner described in the Bonds, according to the true intent and meaning thereof solely from amounts available in the Trust Estate. The Bonds are not a general obligation of the Issuer, but are payable solely from the Trust Estate.

The payment and other obligations of the Issuer with respect to the Bonds are intended to be, and shall be, independent of the payment and other obligations of the Issuer or maker of the Mortgage Note and the Pass-Through Certificate, even though the principal amount of all three instruments is expected to be identical, except in the case of a default with respect to one or more of the instruments.

Section 6.02. Performance of Covenants by Issuer.

(a) In General. The Issuer covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto; provided, however, that, except for the matters set forth in Section 6.01 hereof relating to payment of the Bonds, the Issuer will not be obligated to take any action or execute any instrument pursuant to any provision hereof until it has been requested to do so by the Borrower or by the Trustee, or has received the instrument to be executed and, at the option of the Issuer, has received from the party requesting such execution assurance satisfactory to the Issuer that the Issuer will be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer covenants that it is duly authorized under the Constitution and the laws of the State, including particularly the Act and the Bond Resolution, to issue the Bonds authorized hereby and to execute this Indenture, to grant the security interest herein provided, to assign and pledge the Trust Estate (except as otherwise provided herein) and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and that the Bonds in the hands of the owners thereof are and will be valid and enforceable special, limited obligations of the Issuer according to the terms thereof and hereof. Anything contained in this Indenture to the contrary notwithstanding, it is hereby understood that none of the covenants of the Issuer contained in this Indenture are intended to create a general or primary obligation of the Issuer. The Issuer has no taxing power.

(b) Rights Under Financing Agreement. The Financing Agreement sets forth covenants and obligations of the Issuer and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations. The Issuer agrees to cooperate in the enforcement of all covenants and obligations of the Borrower under the Financing Agreement and agrees that the Trustee, in its name, may enforce all rights of the Issuer (other

than the Reserved Rights) and all obligations of the Borrower under and pursuant to the Financing Agreement and on behalf of the holders, whether or not the Issuer has undertaken to enforce such rights and obligations.

(c) Issuer's Further Assurance. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered by the parties within its control, such instruments supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning, and confirming unto the Trustee, the Issuer's interest in and to all interests, revenues, proceeds, and receipts pledged hereby to the payment of the principal of and interest on the Bonds in the manner and to the extent contemplated herein. The Issuer shall be under no obligation to prepare, record, or file any such instruments or transfers.

(d) Unrelated Bond Issues. The Issuer, prior to the issuance of the Bonds, has issued, and subsequent to the issuance of the Bonds, the Issuer expects to issue various series of bonds in connection with the financing of other projects (said bonds together with any bonds issued by the Issuer between the date hereof and issuance of the Bonds shall be referred to herein as the "Other Bonds"). Any pledge, mortgage, or assignment made in connection with any Other Bonds shall be protected, and any funds pledged or assigned for the payment of principal or interest on the Other Bonds shall not be used for the payment of principal or interest on the Bonds. Correspondingly, any pledge, mortgage, or assignment made in connection with the Bonds shall be protected, and any funds pledged or assigned for the payment of the Bonds shall not be used for the payment of principal or interest on the Other Bonds.

Section 6.03. Tax Covenants. The Issuer represents, covenants and agrees that:

(a) the Issuer will comply with all applicable requirements of the Code that are necessary to preserve the Federal Tax Status of the Bonds, as further set forth in the Tax Certificate; and

(b) the Issuer will not take any action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Section 6.04. Compliance with Conditions Precedent. Upon the Closing Date, all conditions, acts and things required by law regarding the Issuer to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, shall have happened and shall have been performed, and such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by law.

Section 6.05. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of the principal due on any of the Bonds or the time of payment of interest due on the Bonds, and if the time for payment of any such claims for interest shall be extended through any other means, such Bonds or claims for interest shall not be

entitled in case of any default hereunder to any payment out of the Trust Estate or the funds (except funds held in trust for the payment of particular Bonds pursuant hereto) held by the Trustee, except subject to the provisions of Section 7.02 and subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds which is not represented by such extended claims for interest.

Section 6.06. Further Assurances. At any time and at all times the Issuer shall, at the expense of the Borrower, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances and enter into such further agreements as may be necessary or desirable for the better assuring, conveying, granting, assigning or confirming all and singular the rights in, pledge and grant of a security interest in the Trust Estate hereby pledged or assigned in trust, or intended so to be, or which the Issuer may hereafter become bound to pledge or assign in trust.

Section 6.07. Powers as to Bonds and Pledge. The Issuer is duly authorized pursuant to law to authorize and issue the Bonds, to enter into this Indenture and to pledge, assign, transfer and set over unto the Trustee in trust the Trust Estate herein purported to be so pledged, assigned, transferred and set over unto the Trustee in trust hereby in the manner and to the extent provided herein. The Trust Estate so pledged, assigned, transferred and set over in trust is and will be free and clear of any pledge, lien, charge or encumbrance thereon with respect thereto prior to, or of equal rank with, the pledge and assignment in trust created hereby, and all action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions hereof are and will be the valid and binding limited obligations of the Issuer in accordance with their terms and the terms hereof. The Bonds shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof, other than the Issuer to the limited extent herein provided, or a pledge of the faith and credit or the taxing power of the State or of any such political subdivision, but shall be payable solely from funds provided therefor pursuant hereto. The Issuer has no taxing power.

Section 6.08. Preservation of Revenues; Amendment of Agreements. The Issuer shall not take any action to interfere with or impair the pledge and assignment hereunder of the Trust Estate, or the Trustee's enforcement of any rights hereunder or under the Financing Agreement or the Regulatory Agreement without the prior written consent of the Trustee. The Trustee may give such written consent, and may itself take any such action or consent to an amendment or modification to the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate, only with the written consent of Fannie Mae and following receipt by the Trustee of written confirmation from the Rating Agency that the taking of such action or the execution and delivery of such amendment or modification will not adversely affect the rating then assigned to the Bonds by the Rating Agency, and if the Trustee shall have received a Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, Fannie Mae and the Borrower may amend the Mortgage Note and the Mortgage without the consent of the Issuer, the Trustee or the holders of

the Bonds so long as any such amendment does not reduce or modify the payments due under the Pass-Through Certificate.

Section 6.09. Assignment. Any assignment of the Issuer's rights in favor of the Trustee shall not include Reserved Rights.

Section 6.10. Request and Indemnification. Where the consent of or other action on the part of the Issuer is required in this or any other document, the Issuer shall have no obligation to act unless first requested to do so, and the Issuer shall have no obligation to expend time or money or to otherwise incur any liability unless indemnity or payment satisfactory to the Issuer has been first furnished to it.

Section 6.11. Limitations on Liability. Notwithstanding anything in this Indenture or in the Bonds, the Issuer shall not be required to advance any money derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes of this Indenture.

No agreements or provisions contained in this Indenture, nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except from the application of Revenues or proceeds pledged to the payment of the Bonds and the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement herein or in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other financial and pecuniary charge except to the extent that the same can be paid or recovered from the Financing Agreement or the Revenues or other assets pledged to the payment of the Bonds or the proceeds of the Bonds.

ARTICLE VII DISCHARGE OF INDENTURE

Section 7.01. Defeasance. If all Bonds shall be paid and discharged as provided in this Section, then all obligations of the Trustee and the Issuer under this Indenture with respect to all Bonds shall cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to Section 2.08 and 3.05 hereof, (ii) the obligation of the Issuer to pay the amounts owing to the Trustee under Section 9.02 from the Trust Estate, and (iii) the obligation of the Issuer to comply with Section 6.03 hereof and with the Tax Certificate. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer, shall be paid as provided in Section 5.10.

(a) Any Bond or portion thereof in an authorized denomination shall be deemed no longer Outstanding under this Indenture if paid or discharged in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest on such Bond which have become due and payable; or

(ii) by depositing with the Trustee, in trust, cash which, together with the amounts then on deposit in the Bond Fund and dedicated to this purpose, is fully sufficient to pay when due all principal of and interest on such Bond to the maturity or earlier redemption date thereof; or

(iii) by depositing with the Trustee, in trust, any investments listed in subparagraph (a) under the definition of Permitted Investments in Section 1.01 in such amount as in the written opinion of a certified public accountant will, together with the interest to accrue on such Permitted Investments without the need for reinvestment, be fully sufficient to pay when due all principal of and interest on such Bond to the maturity or earlier redemption date thereof, notwithstanding that such Bond shall not have been surrendered for payment.

(b) Notwithstanding the foregoing, no deposit under clauses (ii) and (iii) of subsection (a) above shall be deemed a payment of such Bond until the earlier to occur of:

(i) if such Bond is by its terms subject to redemption within 45 days, proper notice of redemption of such Bond shall have been previously given in accordance with Section 3.02 to the holder thereof or, in the event such Bond is not by its terms subject to redemption within 45 days of making the deposit under clauses (ii) and (iii) of subsection (a) above, the Issuer shall have given the Trustee irrevocable written instructions to mail by first-class mail, postage prepaid, notice to the holder of such Bond as soon as practicable stating that the deposit required by clauses (ii) or (iii) of subsection (a) above, as applicable, has been made with the Trustee and that such Bond is deemed to have been paid and further stating such redemption date or dates upon which money will be available for the payment of the principal and accrued interest thereon; or

(ii) the maturity of such Bond.

(c) The Trustee shall be entitled to receive a report from a nationally recognized accounting firm verifying the mathematical calculations of the sufficiency of monies or investments so deposited to provide for the payment of all Bonds to be defeased pursuant to this Section.

Section 7.02. Unclaimed Moneys. Anything herein to the contrary notwithstanding, and subject to applicable escheatment laws of the State, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at maturity or by call for redemption, if such moneys are held by the Trustee at said date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such Bonds became due and payable, shall be paid by the Trustee to the Issuer as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the holders

of such Bonds shall look only to the Issuer for the payment thereof; provided, however, that before being required to make any such payment to the Issuer, the Trustee shall cause to be mailed to the holders of such Bonds, at their addresses shown on the Bond Register, notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 nor more than 60 days after the date of mailing such notice, the balance of such moneys then unclaimed will be paid to the Issuer; and provided further, that the provisions of this Section shall not apply to the extent disposition of any moneys so held by the Trustee shall be governed by any laws applicable to the Trustee or the Issuer dealing with the disposition of such unclaimed property.

Section 7.03. No Release of Pass-Through Certificate. Except as provided in this Section, Section 3.05 and in Section 7.04, the Trustee shall not release and discharge the Pass-Through Certificate from the lien of this Indenture until the principal of and interest on the Bonds shall have been paid or duly provided for under this Indenture. The Trustee shall not release or assign its beneficial interest in the Pass-Through Certificate other than as provided in Section 3.05 hereof to any person other than a successor Trustee so long as Fannie Mae shall not be in default thereunder.

Section 7.04. Transfer of Pass-Through Certificate. The Trustee shall maintain the Pass-Through Certificate in book entry form, in the book entry system maintained by the United States Federal Reserve Banks, in the name of the Trustee and may not sell, assign, transfer or otherwise dispose of its beneficial interest in the Pass-Through Certificate except as provided in Sections 7.03 and 8.02 and in accordance with Section 3.05.

Section 7.05. Issuance of Additional Obligations. The Issuer shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness secured by a charge and lien on the Pass-Through Certificate Revenues or other moneys, securities, funds and property pledged by this Indenture, other than the Bonds authorized under Section 2.01 hereof.

Section 7.06. Modification of Mortgage Terms. The consent of the Issuer shall not be required in connection with any modification of the Mortgage Loan, including any modification of the amount of time for payment of any installment of principal or interest on the Mortgage Loan or the security for or any terms or provisions of the Mortgage Loan or Mortgage or the security for the same or the rate or rates of interest on the Mortgage Loan.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 8.01. Events of Default. Each of the following shall constitute an Event of Default under this Indenture:

(a) Failure by Fannie Mae to pay principal, interest or premium, if any, due under the Pass-Through Certificate;

(b) Failure to pay the principal or interest on the Bonds when the same shall become due; or

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in this Indenture or the Tax Certificate and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of at least 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee, upon any failure by Fannie Mae to distribute to the Trustee any payment required to be made under the terms of the Pass-Through Certificate, shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) requiring the failure to be remedied.

The Trustee will immediately notify the Issuer, the Bondholders, the Lender and Fannie Mae after a Responsible Officer obtains knowledge or receives notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Section 8.02. Acceleration; Rescission of Acceleration. Upon (i) the occurrence of an Event of Default under Section 8.01(a) hereof or (ii) prior to the purchase of the Pass-Through Certificate, the occurrence of an Event of Default under Section 8.01(b) hereof, the Trustee may, and upon the written request of the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, which written request shall acknowledge that the amounts due on the Pass-Through Certificate cannot be accelerated solely by virtue of acceleration of the Bonds, and upon receipt of indemnity satisfactory to it, shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. An Event of Default (i) following the purchase of the Pass-Through Certificate, under Section 8.01(b) hereof, or (ii) under Section 8.01(c) hereof shall not give rise to an acceleration pursuant to this Section 8.02; provided, however, that following such an Event of Default, the holders of 100% of the Bonds then Outstanding may direct the Trustee in writing to transfer the Pass-Through Certificate to them or their designee, in which case, the Trustee shall cancel the Bonds upon such release and transfer of the Pass-Through Certificate, and upon such transfer, the Bonds will no longer be Outstanding. In the event any payments are received by the Trustee after the transfer of the Pass-Through Certificate and cancellation of the Bonds, all such payments shall belong to and be transferred to the owner of the Pass-Through Certificate.

The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the Pass-Through Certificate.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the

Issuer, the Borrower or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults hereunder have been made good or cured or waived in writing by the holders of a majority in principal amount of the Bonds then Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

Section 8.03. Other Remedies; Rights of Bondholders. Subject to Section 8.13, upon the happening and continuance of an Event of Default the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Bonds, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under this Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

(a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate, and prior to the Purchase Date, the Mortgage;

(b) Upon an Event of Default under 8.01(a) only, by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder (including the sale or disposition of the Pass-Through Certificate); and

(c) By action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

If an Event of Default shall have occurred, and if requested by the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above and in this Indenture.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders hereunder or under the Financing

Agreement, the Regulatory Agreement or the Pass-Through Certificate or now or hereafter existing at law or in equity.

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

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

Section 8.04. Representation of Bondholders by Trustee. The Trustee is hereby irrevocably appointed (and the Bondholders, by accepting and holding their Bonds, shall be conclusively deemed to have so appointed the Trustee and to have mutually covenanted and agreed, each with the other, not to revoke such appointment) the true and lawful attorney in fact of the Bondholders with power and authority, in addition to any other powers and rights heretofore granted the Trustee, at any time in its discretion to make and file, in any proceeding in bankruptcy or judicial proceedings for reorganization or liquidation of the affairs of the Issuer, either in the respective names of the Bondholders or on behalf of all the Bondholders as a class, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the Bondholders, and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

In the enforcement of any rights and remedies hereunder, the Trustee in its own name and as trustee of an express trust on behalf of and for the benefit of the holders of all Bonds, shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Issuer for principal, interest or other moneys, under any provision hereof or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders.

Section 8.05. Action by Trustee. All rights of action hereunder or upon any of the Bonds enforceable by the Trustee may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee may be brought in its name for the ratable benefit of the holders of such Bonds subject to the provisions hereof.

In any action, suit or other proceeding by the Trustee, the Trustee shall be paid fees, counsel fees and expenses in accordance with Section 9.02.

Section 8.06. Accounting and Examination of Records After Default. The Issuer covenants with the Trustee and the Bondholders that, if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer relating to the Bonds and the Project shall at all times during normal business hours be subject to the inspection and use of the Trustee and of its agents and attorneys.

Section 8.07. Restriction on Bondholder Action. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision hereof or for the execution of any trust hereunder or for any other remedy hereunder, unless (a)(i) such holder previously shall have given to the Issuer and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and (ii) after the occurrence of such Event of Default, a written request shall have been made of the Trustee to institute such suit, action or proceeding by the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding and there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (iii) the Trustee shall have been enjoined or restrained from complying or shall have refused or neglected or otherwise failed to comply with such request within a reasonable time; or (b)(i) such holder previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (ii) such suit, action or proceeding is brought for the ratable benefit of the holders of all Bonds subject to the provisions hereof.

Nothing in this Article contained shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his or her Bonds or the obligation of the Issuer to pay the principal of and interest on each Bond to the holder thereof, at the time and place and from the source expressed in such Bonds and pursuant to the terms of the Bonds and this Indenture.

No holder of any Bond shall have any right in any manner whatever by his or her action to affect, disturb or prejudice the pledge of Revenues or of any other moneys, funds or securities hereunder, or, except in the manner and on the conditions in this Section provided, to enforce any right or duty hereunder.

Section 8.08. Application of Moneys After Default. All moneys collected by the Trustee at any time pursuant to this Article shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee to the Bond Fund. Such moneys so credited to the Bond Fund and all other moneys from time to time credited to the Bond Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article V and this Section.

Subject in all instances to the provisions of Section 8.11, in the event that at any time the moneys credited to the Bond Fund, or any other funds held by the Trustee available for the payment of interest or principal then due with respect to the Bonds, shall be insufficient for such payment, such moneys and funds (other than funds held for the payment or redemption of particular Bonds as provided in Section 5.07) shall be applied as follows:

(a) Only in the event that there has been an Event of Default hereunder pursuant to Section 8.01(a) as a result of a failure by Fannie Mae to make payments under the Pass-Through Certificate, for payment of all amounts due to the Trustee incurred in performance of its duties under this Indenture and the other documents executed in connection therewith, including, without limitation, the payment of all reasonable fees and expenses of the Trustee incurred in exercising any remedies under this Indenture and the other documents executed in connection herewith;

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

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

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order in which they became due and payable, and, if the amount available is not sufficient to pay in full all the principal of the Bonds so due on any date, then to the payment of principal ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference.

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

(d) Any remaining moneys after application in subparagraphs (a) – (c) shall be paid to the Issuer in the amount equal to any unpaid Issuer Fee and/or Issuer Extraordinary Fees and Expenses.

Section 8.09. Control of Proceedings. In the case of an Event of Default pursuant to Section 8.01(a), the holders of 75% in aggregate principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of Section 8.07, by an instrument in writing executed and delivered to the Trustee, to direct 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; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may

not be taken lawfully, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or otherwise adversely affect the Trustee or be unjustly prejudicial to Bondholders not parties to such direction.

Section 8.10. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then Outstanding with respect to which there is an Event of Default; provided, however, that there shall not be waived (a) any default in the payment of the principal amount 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 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 Event of Default shall have occurred on overdue installments of interest or all arrears of payments of principal 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 in connection with such monetary default, shall have been paid or provided for, and in case of any such waiver or rescission, the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively.

No such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto; and no delay or omission of the Trustee or of any Bondholders to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

Section 8.11. Subordination. No claim for interest on any of the Bonds which claim in any way at or after maturity shall have been transferred or pledged by the holder thereof separate and apart from the Bond to which it relates, unless accompanied by such Bond, shall be entitled in case of an Event of Default hereunder to any benefit by or from this Indenture except after the prior payment in full of the principal of all of the Bonds then due and of all claims for interest then due not so transferred or pledged.

Section 8.12. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or determined adversely to the Trustee, then in every such case the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 8.13. No Interference or Impairment of Pass-Through Certificate. Notwithstanding any other provision of this Indenture to the contrary, so long as the Pass-Through Certificate remains outstanding and Fannie Mae is not in default in its payment obligations thereunder, neither the Issuer, the Trustee nor any person under their control shall, without the prior written consent of Fannie Mae, exercise any remedies or direct any proceedings

under the Indenture other than to (a) enforce rights under the Pass-Through Certificate, (b) enforce the tax covenants in this Indenture, the Tax Certificate and the Financing Agreement, (c) enforce rights of specific performance under the Regulatory Agreement; or (d) enforce its rights under the Fee Guaranty, provided, however, that any enforcement under (b), (c) or (d) above shall not include seeking monetary damages other than actions for Issuer Fees or the Trustee's fees and expenses and indemnification amounts.

Nothing contained in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at the maturity thereof or the obligation of the Trustee to pay the principal of and interest on the Bonds issued hereunder to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed herein and in said Bonds.

ARTICLE IX THE TRUSTEE

Section 9.01. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions and no implied covenants or conditions shall be read into this Indenture against the Trustee:

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

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if appointed with reasonable care, and shall be entitled to advice of counsel concerning all matters of the trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer, the Borrower or Fannie Mae) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or for insuring the Project or collecting any insurance moneys, or for the registration, filing or recording or re-registration, re-filing or re-recording of this Indenture or the Mortgage or any financing

statements relating hereto or thereto or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project or otherwise as to the maintenance of the security hereof. The Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds on which it is listed as a secured party, and which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings (copies of which shall be provided to the Trustee by the Issuer) were made. The Borrower shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code, and unless the Trustee shall have been notified by the Issuer or the Borrower that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 9.01 and in filing any continuation statements in the same filing offices as the initial filings were made. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Borrower under the Financing Agreement, except as hereinafter set forth; but the Trustee may require of the Issuer or the Borrower full information and advice as to their performance of the covenants, conditions and agreements aforesaid. The Trustee acknowledges it has assumed certain duties of the Issuer under the Financing Agreement, the Tax Certificate and the Regulatory Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder and shall have no responsibility for the use of any Bond proceeds paid out in accordance with the Indenture provisions. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if it were not Trustee hereunder. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the holders of a majority in aggregate principal amount of the Bonds Outstanding.

(e) The Trustee shall be fully protected in acting under any notice, request, consent, certificate, opinion, order, affidavit, letter, facsimile transmission, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request, authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely (unless other evidence in respect thereof is herein specifically prescribed) upon an Officer's Certificate as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept an Officer's Certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate signed by an Attesting Officer of the Issuer as conclusive evidence that a resolution of the governing body of the Issuer has been duly adopted and is in full force and effect.

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

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except a default in payment when due of the principal of or interest on any Bond or the failure of the Issuer or the Borrower to file with the Trustee any documents required by this Indenture, the Financing Agreement, the Tax Certificate or the Regulatory Agreement to be so filed subsequent to the issuance of the Bonds unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Issuer or by the holders of at least 75% in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default or Event of Default except as aforesaid.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right fully to inspect any and all of the property herein conveyed, including the Project and all books, papers and records of the Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired, provided that such inspection be made and any such memoranda be taken and used on a basis that will insure the confidentiality thereof and of any results thereof.

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

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture (other than enforcement of the Regulatory Agreement), any

showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee, but the resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warranty, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

(l) Before taking any action under Article VIII of this Indenture the Trustee may require that a satisfactory indemnity bond or other indemnity satisfactory to the Trustee be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in conjunction with any action so taken.

(m) All moneys received by the Trustee, until used, applied or invested as herein provided, shall be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(o) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and the final payment or the defeasance of the Bonds (or the discharge of the Bonds or the defeasance of the lien of this Indenture).

(p) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(q) The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(r) The Trustee shall have no duty to review any financial statements and is not considered to have notice of the content of such statements, a default or Event of Default based on such content and does not have a duty to verify the accuracy of such statements.

Section 9.02. Fees, Charges and Expenses of Trustee. Notwithstanding any provision to the contrary herein, the Trustee shall be entitled to payment for reasonable fees for its services rendered hereunder and under the Regulatory Agreement, the Tax Certificate and the Financing Agreement and reimbursement for all advances, counsel fees and other expenses reasonably made or incurred by the Trustee (including any co-Trustee) in connection with such services which shall be paid from time to time as provided in Section 5.04 from moneys available therefor

and as provided in the Financing Agreement; provided that no such amounts shall be paid to the Trustee from the proceeds of the Pass-Through Certificate. Upon an Event of Default under Section 8.01(a) as a result of a failure by Fannie Mae to make payment under the Pass-Through Certificate, but only upon such an Event of Default or, prior to the purchase of the Pass-Through Certificate, an Event of Default occurs under Section 8.01(b), the Trustee shall have a lien upon the Trust Estate for extraordinary fees, charges and expenses incurred by it. The Trustee shall continue to perform its duties and obligations hereunder until such time as its resignation or removal is effective pursuant to Section 9.05 or Section 9.06, respectively.

Section 9.03. Intervention By Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the owners of at least 75% in aggregate principal amount of Bonds then Outstanding, subject to receipt of indemnity as provided in Section 9.01(l). The rights and obligations of the Trustee under this Section are subject to receipt of any approval of a court of competent jurisdiction which may be required by law as a condition to such intervention.

Section 9.04. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 9.05. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 60 days' written notice to the Issuer and Fannie Mae, and such resignation shall only take effect upon the appointment, pursuant to Section 9.07, of, and acceptance by, a successor Trustee. The successor Trustee shall give notice of such succession by first class mail, postage prepaid, to each Bondholder at the address of such Bondholder shown on the Bond Register.

Section 9.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to Fannie Mae, and signed by the Issuer (or if an Event of Default shall have occurred and be continuing, by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, in which event such instrument or instruments in writing shall also be delivered to the Issuer) provided that such removal shall not take effect until the appointment of a successor Trustee by the Issuer (or by the Bondholders).

Section 9.07. Appointment of Successor Trustee. In case at any time upon thirty days' notice the Trustee or any successor thereto shall resign or shall be removed or shall become

incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Trustee or of its property shall be appointed, or if any public officer shall take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Issuer with the approval of Fannie Mae (if it is not in default in its obligations under the Pass-Through Certificate), or if Fannie Mae does not approve a successor the Issuer proposes to appoint, or if the Issuer is in default hereunder, by the holders of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders, or their attorneys duly authorized in writing, and delivered to such successor Trustee, notification thereof being given to the Issuer, Fannie Mae, the Borrower, the Tax Credit Investor and the predecessor Trustee. If in a proper case no appointment of a successor Trustee shall have been made pursuant to the foregoing provisions of this Section within 60 days after the Trustee shall have given to the Issuer written notice as provided in Section 9.05 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, having a designated office within the State, having trust powers, with prior experience as trustee under indentures under which multifamily housing revenue bonds of public agencies or authorities are issued, and having a capital and surplus of at least \$50,000,000, willing and able to accept the office on reasonable and customary terms in light of the circumstances under which the appointment is tendered and authorized by law to perform all the duties imposed upon it hereby, if there be such an institution meeting such qualifications willing to accept such appointment.

Section 9.08. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer and Fannie Mae, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if named herein as such Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, Fannie Mae or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request, and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Issuer.

Section 9.09. Successor Trustee as Bond Registrar, Custodian of Funds and Paying Agent. In the event of a change in the Trustee, the Trustee which has resigned or been removed shall cease to be bond registrar, custodian of the Funds and Accounts created under this Indenture and paying agent for the Bonds, and the successor Trustee shall become such registrar, custodian and paying agent.

Section 9.10. Collection of Pass-Through Certificate Payments. The Trustee shall cause the Pass-Through Certificate to be registered in the name of the Trustee or in the name of the nominee of the Trustee with such additional recitals as appropriate to indicate that the Pass-Through Certificate is to be held by the Trustee in its capacity as Trustee hereunder subject to the provisions of Section 7.03 and Section 7.04. In the event that any amount payable to the Trustee under the Pass-Through Certificate is not received by the Trustee within one Business Day of the date such payment is due, the Trustee shall notify Fannie Mae or (if directed by Fannie Mae) the paying agent for the Pass-Through Certificate by telephone (such notification to be immediately confirmed by telegram, teletype, Electronic Means or other means of instantaneous written communication) that such payment has not been received in a timely manner and request that such payment be made by wire transfer of immediately available funds to the account of the Trustee or such custodian, as the case may be.

Section 9.11. Requests from Rating Agency. The Trustee shall promptly respond in writing, or in such other manner as may be reasonably requested, to requests from the Rating Agency for information deemed necessary by the Rating Agency in order to maintain the rating assigned thereby to the Bonds. The Trustee shall promptly furnish any such requested information in its possession to the Rating Agency and shall, as may be reasonably requested by the Rating Agency, assist in efforts to obtain any necessary information from the Issuer or the Borrower or Fannie Mae as applicable.

Section 9.12. Tax Covenants.

(a) The Trustee will invest funds held under this Indenture in accordance with the terms of this Indenture, the Tax Certificate (to the extent it applies to the Trustee) and the written instructions of the Borrower.

(b) The Trustee will not take any action inconsistent with its obligations expressly stated in the Tax Certificate and will comply with the covenants and requirements of the Trustee stated therein and incorporated by reference herein.

Section 9.13. Compliance of Borrower Under Regulatory Agreement. The Trustee shall give written notice to the Issuer, the Lender, the Tax Credit Investor and Fannie Mae of any failure by the Borrower to comply with the terms of the Regulatory Agreement. The Trustee shall not be responsible for providing such notice, except as such notice is provided to the Trustee pursuant to the terms of this Indenture.

Section 9.14. Reserved.

ARTICLE X
SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Effective Upon Acceptance. For any one or more of the following purposes and at any time or from time to time, the Issuer and the Trustee may enter into a Supplemental Indenture which, upon the execution and delivery thereof by an Authorized Officer and by the Trustee, and with the prior written consent of Fannie Mae, but without the necessity of consent of the Bondholders, shall be fully effective in accordance with its terms:

(a) To add to the covenants or agreements of the Issuer herein contained other covenants or agreements to be observed by the Issuer or to otherwise revise or amend this Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;

(b) To add to the limitations or restrictions herein contained other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the provisions hereof as theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Issuer herein, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained herein and is not materially adverse to the interests of the Bondholders;

(d) To confirm, as further assurance, any pledge of the Trust Estate hereunder and the subjection to any lien on or pledge of the Trust Estate created or to be created hereby;

(e) To appoint a co-trustee or successor Trustee or successor co-trustee;

(f) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision herein;

(g) To insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable and are not materially adverse to the interests of the Bondholders; and

(h) To make such changes and modifications that are necessary or desirable to provide for all interest and principal paid with respect to the Bonds are in the exact respective amounts of the payments of interest and principal paid under and pursuant to the Pass-Through Certificate.

Section 10.02. Supplemental Indentures Requiring Consent of Bondholders. In addition to those amendments to the Indenture which are authorized by Section 10.01, any modification or amendment of the Indenture, may be made by a Supplemental Indenture with the written consent, given as hereinafter provided in Section 10.03, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such

consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, or the rate of interest on, any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under this Indenture prior to or on a parity with the lien of this Indenture, (d) deprive the holders of the Bonds of the lien created by this Indenture upon the Trust Estate (except as expressly provided in this Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

Section 10.03. Consent of Bondholders. The Issuer and the Trustee may, at any time, execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.02, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to the Bondholders. Such Supplemental Indenture shall not be effective unless there shall have been filed with the Trustee (a) the written consents of Fannie Mae and the holders of the proportion of Outstanding Bonds specified in Section 10.02, and (b) an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully entered into by the Issuer in accordance with the provisions of this Indenture, is authorized or permitted by the provisions of this Indenture, and, when effective, will be valid and binding upon the Issuer. Each such consent of the Bondholders shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 11.01. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient under the provisions of Section 11.01 shall be conclusive that the consents have been given by the holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the holder of the Bonds giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof). At any time after the holders of the required proportion of Bonds shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the holders of such required proportion of Bonds have filed and given such consents. Such written statement shall be conclusive that such consents have been so filed and have been given. Within 90 days after filing such statement, the Trustee shall mail to the Bondholders a notice stating in substance that such Supplemental Indenture (which may be referred to as a Supplemental Indenture executed by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of the required proportion of Bonds and will be effective as provided in this Section, but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 10.03 provided. The Trustee shall file with the Issuer proof of the mailing of such notice to the Bondholders. A record, consisting of the papers required or

permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such modification or amendment shall be deemed conclusively binding upon the Issuer, the Trustee and the holders of all Bonds upon the execution thereof and the filing by the Trustee with the Issuer of the statement that the required proportion of Bondholders have consented thereto.

The Issuer may conclusively rely upon the Trustee's determination that the requirements of this Section have been satisfied.

Section 10.04. Modification By Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and provisions hereof and the rights and obligations of the Issuer and the holders of the Bonds hereunder, in any particular, may be modified or amended in any respect upon execution and delivery of a Supplemental Indenture by the Issuer and the Trustee making such modification or amendment and the consent to such Supplemental Indenture of Fannie Mae and the holders of all of the Bonds then Outstanding, such consent to be given and proved as provided in Section 10.03 except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the written assent thereto of the Trustee, in addition to the consent of the Bondholders.

Section 10.05. Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer or the Borrower shall be excluded and shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, unless all of the Bonds are owned or held by or for the account of the Issuer or the Borrower. In the event that not all of the Bonds are owned or held by or for the account of the Issuer or the Borrower, then neither the Issuer nor the Borrower, as the case may be, shall be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action under this Article, in the event that any Bonds (but not all of the Bonds) are then owned by or for the account of the Issuer, the Issuer shall furnish to the Trustee an Officer's Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded. The Trustee shall be obligated to exclude as aforesaid only such Bonds as are shown by the Bond Register or are otherwise known by the Trustee to be so owned or held.

Section 10.06. Notation on Bonds. Bonds delivered after the effective date of any action taken as provided in this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the holder of any Bond Outstanding at such effective date and presentation of such Bond for such purpose at the designated office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds notated as in the opinion of the Trustee and the Issuer may be required to conform to such action shall be prepared and delivered, and upon demand of the holder of any Bond then Outstanding, shall be exchanged, without cost to such Bondholder, for Bonds of the same series, designation, maturity and interest rate then Outstanding upon surrender of such Bonds.

Section 10.07. Additional Contracts or Indentures. The Issuer, so far as it may be authorized by law, may enter, and if requested by the Trustee, shall enter into additional contracts or indentures with the Trustee giving effect to any modification or amendment of this Indenture as provided in this Article.

Section 10.08. Favorable Opinion of Bond Counsel Concerning Supplemental Indentures. The Trustee shall not execute or consent to any Supplemental Indenture unless prior to the execution and delivery thereof the Trustee shall have received a Favorable Opinion of Bond Counsel and a written opinion of Bond Counsel to the effect that the modification or amendments are authorized and permitted under the provisions of this Indenture.

Section 10.09. Modification to Mortgage Loan Documents. Notwithstanding anything herein to the contrary each and every Mortgage Loan Document may be amended, modified or restated, without the consent of the Bondholders, but subject to and only in the manner and to the extent such modification, amendment or restatement is permitted and made pursuant to the terms of the Fannie Mae Trust Indenture pursuant to which the Pass-Through Certificate was issued.

ARTICLE XI MISCELLANEOUS

Section 11.01. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, or the holding by any person of any Bonds, shall be sufficient for any purpose hereof if made in the following manner or in any other manner satisfactory to the Trustee which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Bondholder or his or her attorney of any such instrument (other than the Bond) may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act that the individual signing such instrument acknowledged to him or her the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer, or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, trust company or duly licensed securities broker or dealer satisfactory to the Trustee that the individual signing such instrument acknowledged to such bank, trust company, broker or dealer the execution thereof;

(b) The authority of an individual to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is authorized

by a corporate resolution (a copy of which shall be delivered to the Trustee) and signed by a person purporting to be the president or a vice president of such corporation; and

(c) The holding of Bonds, the amount, numbers and other identification thereof, and the date of holding the same, shall be proved by the Bond Register.

Any request, consent or other instrument executed by the registered owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Trustee in accordance herewith in reliance on such request, consent or other instrument.

Section 11.02. Details of Documents Delivered to Trustee. Matters required to be stated in any document signed by any Authorized Officer or in any accountant's certificate, Counsel's Opinion or Officer's Certificate may be stated in separate documents of the required description or may be included in one or more thereof.

Section 11.03. Preservation and Inspection of Documents. All reports, certificates, statements and other documents received by the Trustee under the provisions hereof shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer, Fannie Mae or any Bondholder and their agents and representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time six years after such date as the pledge of the Trust Estate created hereby shall be discharged as provided in Section 7.01.

Section 11.04. No Recourse on Bonds. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any of its officers or employees or members of its governing body, past, present or future, in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or hereunder against any such officer or employee of the Issuer or member of its governing body or any natural person executing the Bonds.

Section 11.05. Severability. If any one or more of the provisions, covenants or agreements in this Indenture on the part of the Issuer or the Trustee to be performed should be illegal, inoperative, unenforceable or contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements, shall be deemed severable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions hereof or of the Bonds.

Section 11.06. Notices. Unless otherwise specified in this Indenture, it shall be sufficient service or giving of any notice, request certificate, demand or other communication if the same is sent by (and all notices required to be given by mail will be given by) first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery, or sent by Electronic Means which produces evidence of transmission, and in each case will be deemed to have been given on the date evidenced by the

postal or courier receipt or other written evidence of delivery or electronic transmission. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To the Issuer: Housing Finance Authority of Broward County,
Florida
110 N.E. 3rd Street, Suite 300
Ft. Lauderdale, Florida 33301
Attention: Executive Director
Telephone: (954-357-5728

with a copy to: Broward County Attorney's Office
115 South Andrews Avenue, Room 423
Fort Lauderdale, Florida 33301
Attention: Annika Ashton, Esq.
Facsimile: (954) 357-5728

To the Trustee: The Bank of New York Mellon Trust Company,
N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Corporate Trust Department
Email: thomas.radicioni@bnymellon.com
Telephone: 904-645-1985

If to the County with
respect to the County Loan:

Broward County Attorney's Office
115 South Andrews Avenue, Room 423
Fort Lauderdale, Florida 33301
Attention: Annika Ashton, Esq.
Telephone: (954) 357-5728

With a copy to:

Broward County Attorney's Office
115 South Andrews Avenue, Room 423
Fort Lauderdale, Florida 33301
Attention: Annika Ashton, Esq.
Facsimile: (954) 357-5728

To the Borrower and Class
B Limited Partner:

Federation Plaza Preservation, L.P.
c/o Related Affordable
30 Hudson Yards, 72nd Floor
New York, NY 10001
Attn: Matthew Finkle
Telephone: (212) 801-1073

with a copy to:

[Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attn: David Boccio, Esq.
Telephone: (212) 801-3769
Email: Dboccio@levittboccio.com]

with a copy to:

[Stearns Weaver Miller Weissler Alhadeff &
Sitterson, P.A.
150 W. Flagler Street
Miami, FL 33130
Attn: Brian McDonough, Esq.
Telephone: (305) 789-3350
Email: bmcdonough@stearnsweaver.com]

To the General Partner:

[_____

Attn: _____
E-mail: [_____](#)]

To the Lender:

Wells Fargo Bank, National Association

[150 E. 42nd Street, 36th Floor,
New York, NY 10017
Attn: Justin Shackelford
E-mail: justin.shackelford@wellsfargo.com]

With a copy to: Blank Rome LLP
1271 Avenue of the Americas, New York, NY 10020
Attn: Toni Jordan, Esq.
E-mail: Toni.Jordan@blankrome.com

To the Tax Credit Investor: Wells Fargo Community Investment Holdings,
LLC
550 S. Tryon Street
23rd Floor, D1086-230
Charlotte, NC 28202
Attn: Director of Tax Credit Asset Management
E-mail: _____

With a copy to: Sidley Austin LLP
One South Dearborn, Chicago, IL 60603
Attn: Philip Spahn, Esq.
E-mail: Pspahn@sidley.com

To the Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, NY 10007
Attention: Public Finance Group – Housing Team
E-mail: Housing@moodys.com

To Fannie Mae: Fannie Mae
[1100 15th Street, N.W.
Drawer AM
Washington, DC 20005
Attn: Director, Multifamily Asset Management
Telephone: (202) 752-6634
Facsimile: (240) 699-3880]
RE: Housing Finance Authority of Broward
County, Florida Multifamily Housing
Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

with a copy to:

[_____]
_____]

To Bloomberg:

Newcsni@bloomberg.net
fbialos@bloomberg.net

Copies of all notices given to Fannie Mae must be given concurrently to the Lender. By notice given under this Indenture, any entity whose address is listed in this Section may designate any different address to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity (except for Fannie Mae) will be required to be sent to more than two addresses. All approvals required under this Indenture will be given in writing.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means; provided, however, that Borrower, the Issuer or and such other party giving such instruction (the “Sender”) shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Borrower, the Issuer and any other Sender understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. Each Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties, except to the extent resulting from the negligence or willful misconduct of the Trustee or its agents; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Borrower for use by the Borrower, the Issuer and the other parties who may give instructions to the Trustee under this Indenture; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree

of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.07. Certain Notices to be Provided to the Rating Agency and Issuer. In addition, the Trustee shall provide notice to the Rating Agency and the Issuer under the following circumstances: (i) any change in the account or accounts representing the Proceeds Fund from the account or accounts established on or about Closing Date; (ii) any mandatory tender of the Bonds; (iii) redemption of the Bonds in whole; (iv) following the Purchase Date, prepayments with respect to the Pass-Through Certificate, in whole; (v) defeasance of the Bonds or discharge of the Indenture; (vi) release from the Trust Estate of (A) the pledge of the Pass-Through Certificate or (B) the assignment of the Pass-Through Certificate Revenues received; (vii) supplements or amendments to the Bond Documents (or, following the Purchase Date, the Mortgage Note); (ix) extension of the Mandatory Redemption Date; (x) appointment of a successor Trustee; (xi) any sale of Permitted Investments in the Collateral Security Fund at a price below par; and (xii) the occurrence of an Event of Default.

Section 11.08. Action Required to be Taken on a Non Business Day. In any case where any Payment Date, any other date fixed for the payment of interest on or principal of the Bonds, any maturity date or any date fixed for redemption of any Bonds, shall be a day other than a Business Day, then any payment of interest or principal required to be made on such date need not be taken or made on such date but may be taken or made on the next succeeding Business Day with the same force and effect as if made or taken on the date herein otherwise provided and, in the case of any Payment Date, no interest shall accrue for the period from and after such date.

Section 11.09. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Issuer, the Trustee, Fannie Mae and the holders of the Bonds, any right, remedy or claim under or by reason hereof, and any covenants, stipulations, obligations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, Fannie Mae and the holders of the Bonds.

Section 11.10. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.11. Applicable Provisions of Law; Venue. This Indenture shall be construed in accordance with and governed by the laws of the State applicable to contracts made and performed in the State, without regard to conflict of laws principles.

Section 11.12. Notification of Issuer of Amount of Outstanding Bonds. On or before each [_____] 1, beginning [_____] 1, 20[___], the Trustee shall notify the Issuer, via mutually acceptable Electronic Means or by mail, of the aggregate principal amount of Outstanding Bonds as of such [___] 1 or that no Bonds remain Outstanding.

Section 11.13. Tax Certificate. In the event of any conflict between this Indenture and the Tax Certificate, the requirements of the Tax Certificate shall control.

Signature Pages to Follow

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed on its behalf by its Authorized Officers and the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized signatories, all as of the day and year first above written.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY FLORIDA**, as Issuer

By: _____
Scott Ehrlich, Chair

ATTEST:

By: _____
Milette Manos, Secretary

Signature Page to Trust Indenture

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Authorized Officer

Counterpart Signature Page to Trust Indenture

EXHIBIT A

FORM OF BOND
UNITED STATES OF AMERICA
STATE OF FLORIDA

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BOND
(M-TEBS), SERIES 2023 (FEDERATION PLAZA)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-1 \$[33,025,000]

<u>Pass-Through</u> Rate	<u>Bond Maturity</u> Date ¹	<u>Dated Date</u>	<u>CUSIP</u>
[___]%	[September 1, 20[___]]	August [___], 2023	115031[___]

REGISTERED OWNER: -----CEDE & CO.-----

PRINCIPAL AMOUNT: THIRTY-THREE MILLION TWENTY-FIVE THOUSAND DOLLARS

THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Issuer"), pursuant to Ordinance 79-41, enacted by the Board of County Commissioners of Broward County, Florida (the "County") on June 20, 1979, as amended and a resolution adopted by the County on August [___], 2023, Resolution Nos. 2022-002, 2022-008, and 2023- [___] adopted by the Issuer on January 19, 2022, April 20, 2022 and June 21, 2023 respectively, and in accordance with Florida Housing Finance Authority Law, Sections 159.601 through 159.623, Florida Statutes, as amended (collectively, the "Act"), for value received, hereby promises to pay (but only from the sources specified in the Indenture hereinafter referred to) to the Registered Owner named

¹The final payment of principal with respect to the Pass-Through Certificate (as hereafter defined) will be passed through to the Bondholders on the Final Payment Date.

above or registered assigns, on the Maturity Date (unless this Bond shall have been previously called for redemption and payment of the Redemption Price shall have been made or duly provided for) the Principal Amount stated above, and to pay interest thereon at the Pass-Through Rate specified above in the amounts as accrued and for the periods interest is paid (except in connection with a redemption of Bonds upon failure to purchase the Pass-Through Certificate as described in the Indenture) pursuant to the terms of the Pass-Through Certificate, payable on each Payment Date. Interest shall be calculated on the basis of a year of Actual/360. The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest on the Bonds during the period from the Maturity Date to the Final Payment Date. Notwithstanding anything herein to the contrary, on and after the Purchase Date, the principal and interest payable on the Bonds will be calculated, except with respect to interest payable on the Bonds if redeemed upon failure to purchase the Pass-Through Certificate as described in the Indenture, at the same rate and for the same periods as interest and principal payable on the Pass-Through Certificate, and will be paid, except with respect to interest payable on the Bonds if redeemed upon failure to purchase the Pass-Through Certificate as described in the Indenture (which will be paid on the Mandatory Redemption Date (as defined in the Indenture)), one Business Day following receipt by the Trustee pursuant to the Pass-Through Certificate.

“Payment Date” means (i) one Business Day after each date principal or interest payment is made (or, prior to the Purchase Date, would have been made assuming the Pass-Through Certificate has been issued on the Closing Date) pursuant to the Pass-Through Certificate (which shall be the 25th day of the month (or the next Business Day if the 25th is not a Business Day) after payment is due on the underlying Mortgage Loan), and (ii) with respect to any redemption in lieu of exchange of the Bonds for the Pass-Through Certificate, the Business Day on which the Trustee receives funds pursuant to the transfer of the applicable principal amount of the Pass-Through Certificate to or upon the order of the Issuer. “First Payment Date” means [September [___], 20[___]. Interest hereon is payable by The Bank of New York Mellon Trust Company, N.A. (the “Trustee”). Payment of the principal of and interest on any Bond shall be made to the person appearing on the Bond Register as the registered owner thereof, one Business Day following receipt by the Trustee of the interest and principal paid on the Pass-Through Certificate at the Pass-Through Rate. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Bonds are Book Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except no presentation is required in connection with a redemption of Bonds pursuant to Section 3.01(a)(i), 3.01(a)(iii) and 3.01(b) of the Indenture) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book Entry Bonds, payments of interest on the Bonds and redemption of Bonds from principal payments or prepayments on the Pass-Through Certificate shall be paid by check mailed to the registered owner thereof at such owner’s address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. All payments of principal of and interest on Book Entry Bonds shall be made and given

at the times and in the manner set out in the representation letter of The Depository Trust Company, New York, New York, or any replacement securities depository appointed under the Indenture.

The date of authentication of each Bond shall be the date such Bond is registered.

The Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

When the Trustee receives notice that the Pass-Through Certificate will be prepaid, the Trustee shall use its best efforts to give the Bondholders not less than 20 nor more than 30 days' notice, of the redemption of the Bonds pursuant to Section 3.01(a)(ii) of the Indenture, which notice shall specify the following: (i) the maturity dates and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Such notice shall be sent to the holders of the Bonds by first-class mail, postage prepaid, at their respective addresses appearing on the Bond Register. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

Notwithstanding anything herein to the contrary, no notice of redemption shall be required for any redemption of Bonds pursuant to clause (i) or (iii) of Section 3.01(a) of the Indenture. Notices of redemption pursuant to Section 3.01(b) hereof shall be governed by Section 3.02(c) of the Indenture. Notices of redemption pursuant to Section 3.01(c) hereof shall be governed by Section 3.05 of the Indenture.

This Bond is one of the duly authorized bonds of the Issuer designated as Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the "Bonds"), limited in aggregate principal amount to \$[33,025,000] issued pursuant to the Act and pursuant to an Indenture of Trust, dated as of August 1, 2023 by and between the Issuer and the Trustee (the "Indenture") and a resolution duly adopted by the governing body of the Issuer. The Bonds are limited obligations of the Issuer. The Bonds are issued for the benefit of Federation Plaza Preservation, L.P., a Florida limited partnership (the "Borrower"), to finance a multifamily senior rental housing development within the City of Hollywood, Florida, known as Federation Plaza (the "Project"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned in the Indenture.

The payment and other obligations of the Issuer with respect to the Bonds are intended to be, and shall be, independent of the payment and other obligations of the issuer or maker of the Mortgage Note (as defined in the Indenture) and the Pass-Through Certificate (as hereafter defined), even though the principal amount of all three instruments is expected to be identical, except in the case of a default with respect to one or more of the instruments.

The Bonds are secured by certain funds held under the Indenture as described therein, and after the Purchase Date, if any, by (i) the pledge of a Guaranteed Mortgage Pass-Through Certificate (the "Pass-Through Certificate") issued by the Federal National Mortgage Association ("Fannie Mae") and delivered to the Trustee, under the terms of which timely payment of principal of and interest on the Pass-Through Certificate is guaranteed by Fannie Mae regardless of whether corresponding payments on the Mortgage Loan are paid when due, and (ii) amounts payable under the Pass-Through Certificate. After the Purchase Date, the Pass-Through Certificate is held in trust and pledged under the Indenture to secure the payment of the Bonds.

Reference is hereby made to the Act and to the Indenture, a copy of which is on file at the designated office of the Trustee, and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the payments and funds pledged and assigned as security for payment of the Bonds and the nature and extent thereof, of the terms on which the Bonds are issued and the terms and conditions on which the Bonds will be deemed to be paid at or prior to maturity or redemption upon provision for payment thereof in the manner set forth in the Indenture, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

THE BONDS OF WHICH THIS BOND IS A PART, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE REVENUE OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF FLORIDA, CITY OF HOLLYWOOD, FLORIDA (THE "CITY"), BROWARD COUNTY, FLORIDA (THE "COUNTY") OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR, **THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF FLORIDA, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL**

GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute actions to enforce the pledge, assignments in trust or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

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

The Bonds are issuable only as fully registered bonds without coupons in denominations of \$1,000.00 or any integral multiples of \$1.00 in excess thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged at the designated corporate trust office of the Trustee for Bonds in the same aggregate principal amount.

The registration of this Bond is transferable by the registered owner hereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of this Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and authorized denomination for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefore a Bond of equal aggregate principal amount of the same maturity and authorized denomination.

In any case where any Payment Date, any other date fixed for the payment of interest on or principal of the Bonds, any maturity date or any date fixed for redemption of any Bonds, shall be a day other than a Business Day, then any payment of interest or principal required to be made on such date need not be taken or made on such date but may be taken or made on the next succeeding Business Day with the same force and effect as if made or taken on the date herein otherwise provided and, in the case of any Payment Date, no interest shall accrue for the period from and after such date.

The Issuer and the Trustee shall treat the registered owner of this Bond as the owner hereof for all purposes, and any notice to the contrary shall not be binding on the Issuer and the Trustee.

The Indenture contains provisions permitting the Issuer and the Trustee, with the written consent of Fannie Mae and the registered owners of not less than two thirds in aggregate principal amount of the Bonds Outstanding, as specified in the Indenture, and in certain instances without such consent, to execute supplemental indentures adding any provisions to, or changing in any

manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon such Trust Estate (except as expressly provided in the Indenture), without (with respect to clauses (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

Neither the members of the governing body of the Issuer nor any officer, agent, representative or employee of the Issuer nor any person executing this Bond shall be subject to any personal liability or accountability by reason of the issuance hereof, whether by virtue of any Constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly waived as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

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

It is hereby certified and recited by the Issuer that all conditions, acts and things required by the Indenture or by the laws of the State of Florida, including the Act, to exist, to have happened or to have been performed precedent to or in 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 and the issue of which it forms a part is within every debt and other limit prescribed by said Constitution or statutes.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed on its behalf by the manual or facsimile signature of its Chairperson or Vice Chairperson, and attested to by the facsimile signature of its Secretary or Assistant Secretary, and its seal to be reproduced hereon, all as of the date shown above.

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA, as Issuer

By: _____
Title: Scott Ehrlich, Chair

(SEAL)

ATTEST:

By: _____
Title: Milette Manos, Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Date of Authentication:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

FORM OF ASSIGNMENT

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

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

the within registered Bond and do(es) hereby irrevocably constitute and appoint, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.

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

EXHIBIT B

**FORM OF REQUISITION
(PROCEEDS FUND AND THE COUNTY LOAN ACCOUNT OF THE SUBORDINATE
DEBT FUND)**

The Bank of New York Mellon Trust Company, N.A.

Re: Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza)

Ladies and Gentlemen:

You are requested to disburse funds from the Proceeds Fund [and the County Loan Account of the Subordinate Debt Fund] pursuant to Sections 4.02 [and 5.14, respectively], of the Indenture (defined below) in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (this "Requisition"). The terms used in this Requisition shall have the meaning given to those terms in the Indenture of Trust (the "Indenture"), dated as of August 1, 2023, by and between the Housing Finance Authority of Broward County, Florida and The Bank of New York Mellon Trust Company, N.A., as Trustee, securing the above referenced Bonds or in the Tax Certificate (as defined in the Indenture).

1. REQUISITION NO.:
2. PAYMENT DUE TO:
3. AMOUNT TO BE DISBURSED: \$_____
4. The undersigned certifies that:
 - (i) the expenditures for which moneys are requisitioned by this Requisition represent proper charges against the Proceeds Fund [and the County Loan Account of the Subordinate Debt Fund], have not been included in any previous requisition, have been properly recorded on the Borrower's books and are set forth in Schedule I attached to this Requisition, with paid invoices attached for any sums for which reimbursement is requested;
 - (ii) the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Borrower for its funds actually advanced for the Project;
 - (iii) the Borrower is not in default under the Financing Agreement, the Tax Certificate, the Regulatory Agreement, the County Loan Documents or the Mortgage Loan Documents and nothing has occurred to the knowledge of

the Borrower that would prevent the performance of its obligations under the Financing Agreement, the Tax Certificate, the Regulatory Agreement, County Loan Documents or the Mortgage Loan Documents;

(iv) (A) If this Requisition is not the final Requisition from the Proceeds Fund, the Borrower reasonably expects that, upon achieving completion of construction, not less than 95% of the Net Proceeds of the Bonds will have been used for Qualified Project Costs; or

(B) If this Requisition is the final Requisition from the Proceeds Fund, not less than 95% of the sum of (A) the amounts requisitioned by this Requisition to be paid from the Proceeds Fund and (B) all amounts previously requisitioned and paid from the Net Proceeds of the Bonds will have been used for Qualified Project Costs; and

(v) no amounts being requisitioned by this Requisition are to pay or reimburse Costs of Issuance.

5. Attached to this Requisition is Schedule I, together with copies of invoices or bills of sale covering all items for which payment is being requested.

DATE OF REQUISITION: _____

**FEDERATION PLAZA PRESERVATION,
L.P.,** a Florida limited partnership

By: _____
general partner

By: _____
Name: _____
Title: _____

APPROVED:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION,** as Lender

By: _____
Authorized Officer

SELTZER MANAGEMENT GROUP, INC.
with respect to the County Loan

By: _____
Title: _____

SCHEDULE I TO REQUISITION CERTIFICATE

	ITEM:	AMOUNT:

EXHIBIT C

NOTICE OF REQUEST TO EXCHANGE

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza)

Housing Finance Authority of Broward County, Florida
c/o Broward County Attorney's Office
115 South Andrews Avenue, Room 423
Fort Lauderdale, Florida 33301
Attention: Annika Ashton, Esq.

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attn: Corporate Trust Department

The undersigned Beneficial Owner of Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the "Bonds"), hereby requests The Bank of New York Mellon Trust Company, N.A. (the "Trustee") to exchange Bonds in an original face amount and current principal amount equal to \$_____ and \$_____, respectively, for a like original face amount and current principal amount of the Pass-Through Certificate. The Bonds were issued pursuant to an Indenture of Trust dated as of August 1, 2023 (the "Indenture"), by and between Housing Finance Authority of Broward County, Florida (the "Issuer") and the Trustee. The undersigned has arranged with its securities dealer (and/or DTC participant) to deliver such Bonds to the Trustee (via DTC withdrawal or Deposit/Withdrawal At Custodian ("DWAC")) on or before the Business Day next succeeding the date hereof (such Business Day being the "Exchange Date"). Pursuant to the provisions of the Indenture, if the exchange requested hereby has been confirmed and the DTC DWAC has been verified and approved by the Trustee, the Trustee is hereby requested to deliver free the above-referenced original face and current principal amount of the Pass-Through Certificate using the automated book-entry system maintained by the Federal Reserve Banks acting as depositories for the issuer of the Pass-Through Certificate in accordance with the Beneficial Owner's Fed delivery instructions. Such Pass-Through Certificate will be (1) in book-entry form and (2) transferred in accordance with current market practices, including the applicable provisions of the *SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities* (if in effect on such date). The undersigned Beneficial Owner shall pay the Trustee's exchange fee and the Issuer's exchange fee by wire transfer on the Exchange Date. If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the exchanged Bonds to the undersigned Beneficial Owner using the wire instructions set forth

below. The undersigned acknowledges that the submission of this notice of request (the "Notice") is subject to all of the terms and conditions of the Indenture.

Capitalized terms used in this Notice but not defined herein shall have the meanings assigned such terms in the Indenture.

Dated: _____

Signature: _____

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Beneficial Owner's Fed delivery instructions:

Beneficial Owner's wire instructions: _____

Trustee's wire instructions: _____

EXHIBIT D

NOTIFICATION OF PURCHASE OF FANNIE MAE CERTIFICATE

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)
CUSIP: 115031 [___]

Pursuant to Section 4.03 of the Indenture of Trust between the Housing Finance Authority of Broward County Florida and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), dated as of August 1, 2023 (the "Indenture"), the undersigned Trustee hereby provides notice that on _____, 20__ the Trustee purchased the Pass-Through Certificate in accordance with the terms of the Indenture. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Indenture.

The Trustee makes no recommendations and gives no investment advice herein or as to the Bonds generally. The CUSIP number appearing herein is included solely for the convenience of Bondholders. The Trustee is not responsible for the use or the selection of the CUSIP number, nor is any representation made as to the correctness of such CUSIP number on the Bonds.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as trustee

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF FINANCING AGREEMENT

FINANCING AGREEMENT

by and among

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA,
as Issuer,

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Lender

and

FEDERATION PLAZA PRESERVATION, L.P.,
a Florida limited partnership,
as Borrower

relating to

[\$33,025,000]

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

Dated as of August 1, 2023

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “**Financing Agreement**”), is dated as of August 1, 2023, and entered into by and among the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “**Issuer**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as trustee under the Indenture referred to below (together with its successors and assigns, the “**Trustee**”), **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association (the “**Lender**”), and **FEDERATION PLAZA PRESERVATION, L.P.**, a Florida limited partnership (together with its successors and assigns, the “**Borrower**”).

RECITALS:

A. Pursuant to the Act (as defined herein), the Issuer is authorized to issue revenue bonds for the purpose of, among other things, financing the acquisition, equipping and rehabilitation of multifamily rental housing and for the provision of capital improvements in connection therewith and determined to be necessary thereto.

B. As more fully set forth in the Indenture of Trust, of even date herewith, between the Issuer and the Trustee (the “**Indenture**”), the Issuer is issuing its Housing Finance Authority of Broward County Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza), in the aggregate principal amount of \$[33,025,000] (herein, the “**Bonds**”).

C. The parties hereto acknowledge the matters set forth in the Recitals to the Indenture.

NOW, THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants and commitments of the parties set forth herein, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, hereby agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Capitalized terms used herein without definition shall have the respective meanings set forth in the Indenture or the Tax Certificate. In addition to the terms elsewhere defined in this Financing Agreement, the following terms used in this Financing Agreement (including the Recitals) shall have the following meanings unless the context indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined:

“**Authorized Borrower Representative**” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative 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 or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized

officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person's authority to act in such capacity.

"Event of Default" means any event of default specified and defined in Section 8.01(a) of this Financing Agreement.

"Mortgage Note Rate" means a per annum rate of interest calculated in accordance with the Mortgage Note.

"Permitted Liens" shall mean any easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy delivered with respect to the Project as required by the Mortgage Loan Documents.

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

"Placed in Service Date" means the date the Project is placed in service for purposes of Section 142 of the Code.

"Tax Credit Investor" means Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company and its permitted successors and assigns.

Section 1.02. Rules of Construction.

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

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

(c) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of this Financing Agreement or describe the scope or intent of any provisions hereof.

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

(e) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(f) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Financing Agreement and the Indenture. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Financing Agreement or the Indenture or any amendment or supplement or exhibit hereto or thereto.

Section 1.03. Effective Date. The provisions of this Financing Agreement shall be effective on and as of the Closing Date, immediately upon the effectiveness of the Indenture.

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations, Warranties and Covenants by the Borrower. The Borrower represents, warrants and covenants as follows:

(a) The Borrower is a limited partnership and is qualified to do business in the State and in every other state in which the nature of its business requires such qualification. The Borrower has full power and authority to own its properties and to carry on its business as now being conducted and as contemplated to be conducted with respect to the Project, and to enter into, and to perform and carry out the transactions provided for in this Financing Agreement, all other Bond Documents contemplated hereby to be executed by the Borrower and the Mortgage Loan Documents executed by Borrower. This Financing Agreement, the other Bond Documents to which the Borrower is a party, the Mortgage Loan Documents to which Borrower is a party, and all other documents to which the Borrower is a party and contemplated hereby or thereby have been duly authorized, executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general equitable principles.

(b) Neither the execution and delivery of this Financing Agreement, all other Bond Documents to be executed by the Borrower, the Mortgage Loan Documents executed by Borrower or any other documents contemplated hereby or thereby executed by Borrower, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, all other Bond Documents to be executed by the Borrower, the Mortgage Loan Documents executed by Borrower or any other documents contemplated hereby or thereby executed by Borrower, will violate any provision of law, any order of any court or other agency of government, or any of the organizational or other governing documents of the Borrower, or any indenture, agreement or other instrument to which the Borrower is now a party or by which it or any of its properties or

assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument or any license, judgment, decree, law, statute, order, rule or regulation of any governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for Permitted Liens.

(c) The Borrower has and will have fee simple title to the Project, subject to the Permitted Liens. The Borrower is the sole borrower under the Mortgage Loan.

(d) As of the Closing Date, no litigation or proceeding is pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or with respect to the Project which has a reasonable probability of having a material adverse effect on its financial condition or business, or the transactions contemplated by this Financing Agreement, the Indenture, the other Bond Documents or the Mortgage Loan Documents, or which in any way would adversely affect the validity or enforceability of the Bonds, the Indenture, this Financing Agreement, the other Bond Documents or the Mortgage Loan Documents, or the ability of the Borrower to perform its obligations under this Financing Agreement, the other Bond Documents or the Mortgage Loan Documents executed by the Borrower.

(e) The Project conforms in all material respects with all applicable zoning (or a legal non-conforming use), planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, all necessary utilities are available to the Project, and the Borrower will obtain all requisite zoning, planning, building and environmental and other permits which may become necessary with respect to the Project. The Borrower has obtained or will timely obtain all licenses, permits and approvals necessary for the ownership, operation and management of the Project, including all approvals essential to the transactions contemplated by this Financing Agreement, the Indenture, the other Bond Documents, the Mortgage Loan Documents and any other documents contemplated hereby or thereby.

(f) The financial statements which have been furnished to date by or on behalf of the Borrower to the Issuer, are complete and accurate in all material respects and present fairly the financial condition of the Borrower as of their respective dates in accordance with generally accepted accounting methods applied by the Borrower on a consistent basis, and since the date of the most recent of such financial statements there has not been any material adverse change, financial or otherwise, in the condition of the Borrower, and there has not been any material transaction entered into by the Borrower other than transactions in the ordinary course of business, and the Borrower does not have any material contingent obligations which are not otherwise disclosed in its financial statements. There (i) is no completed, pending or to its actual knowledge threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Project or the Borrower; and (ii) is no pending

assertion or exercise of jurisdiction over the Project, the Borrower or any general partner of the Borrower by any court empowered to exercise bankruptcy powers.

(g) No event has occurred and no condition exists with respect to the Borrower or the Project that would constitute an Event of Default or to its actual knowledge which, with the lapse of time, if not cured, or with the giving of notice, or both, would become an Event of Default. The Borrower is not in default under the Regulatory Agreement.

(h) The Borrower has complied with all the terms and conditions of the Tax Certificate, including the terms and conditions of the exhibits thereto, and the representations and warranties set forth in the Tax Certificate and the Regulatory Agreement pertaining to the Borrower and the Project are true and accurate in all material respects. The Borrower has furnished to the Issuer all information pertaining to the Borrower and the Project necessary for the Issuer to file an IRS Form 8038 with respect to the Bonds, and all of such information is and will be on the date of filing, true, complete and correct in all material respects.

(i) The Project is, as of the Closing Date, in compliance with all requirements of the Regulatory Agreement and the Tax Certificate, including all applicable requirements of the Act and the Code. The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement and the Tax Certificate, including all applicable requirements of the Act and the Code. All leases will comply with all applicable laws and the Regulatory Agreement and the Tax Certificate. The Project meets, or will meet upon completion of the anticipated rehabilitation, the requirements of this Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Act and the Code with respect to multifamily rental housing.

(j) No information, statement or report furnished in writing to the Issuer, Fannie Mae, the Lender or the Trustee by the Borrower in connection with this Financing Agreement, the other Bond Documents or the Mortgage Loan Documents or the consummation of the transactions contemplated hereby and thereby (including, without limitation, any information furnished by the Borrower in connection with the preparation of any materials related to the issuance, delivery or offering of the Bonds on the Closing Date) contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Closing Date, are true, correct and complete, do not contain any untrue statement or misleading statement of a material fact, and do not omit to state a material fact required to be stated therein or necessary to make the certifications, representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and the estimates and the assumptions provided by the Borrower contained herein and in any certificate of the Borrower delivered as of the Closing Date are reasonable and based on the best information available to the Borrower.

(k) To the best knowledge of the Borrower, no partner, officer, agent or employee of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Bonds, the Bond Documents, the Mortgage Loan Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Bond Documents or the Mortgage Loan Documents.

(l) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of or filing of or with any governmental authority not already obtained or made (or to the extent not yet obtained or made the Borrower has no reason to believe that such authorizations, consents, approvals, orders, registrations or declarations will not be obtained or made in a timely fashion) is required for the execution and delivery or approval, as the case may be, of this Financing Agreement, the other Bond Documents, the Mortgage Loan Documents or any other documents contemplated by this Financing Agreement, the other Bond Documents or the Mortgage Loan Documents, or for the performance of the terms and provisions hereof or thereof by the Borrower.

(m) The Borrower is not presently under any cease or desist order or other orders of a similar nature, temporary or permanent, of any federal or state authority which would have the effect of preventing or hindering performance of its duties hereunder, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any such order.

(n) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary including, without limitation, the Indenture; that it approves the initial appointment of the Trustee under the Indenture; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and that it has not relied on the Issuer, the Lender or Fannie Mae for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Financing Agreement and the Indenture or otherwise relied on the Issuer, the Lender or Fannie Mae in any manner.

(o) The Borrower has not received any notice that it is not in compliance with all provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"); the Resource Conservation and Recovery Act; the Superfund Amendments and Reauthorization Act of 1986; the Toxic Substances Control Act and all environmental laws of the State (the "**Environmental Laws**"), or with any rules, regulations and administrative orders of any governmental agency, or with any judgments, decrees or orders of any court of competent jurisdiction with respect thereto; and the Borrower has not received any assessment, notice (primary or secondary) of liability or financial responsibility, and no notice of any action, claim or proceeding to determine such liability or responsibility, or the amount thereof, or to impose civil penalties with respect to a site listed on any federal or state listing of

sites containing or believed to contain “hazardous materials” (as defined in the Environmental Laws), nor has the Borrower received notification that any hazardous substances (as defined under CERCLA) that it has disposed of have been found in any site at which any governmental agency is conducting an investigation or other proceeding under any Environmental Law.

(p) The Borrower has not received any notice that it is not in full compliance with the Employment Retirement Income Security Act of 1974, as amended, and the Department of Labor regulations thereunder, with the Code and Regulations thereunder and with terms of such plan or plans with respect to each pension or welfare benefit plan to which the Borrower is a party or makes any employer contributions with respect to its employees, for the current or prior plan years of such plans.

(q) The Borrower intends to hold the Project for its own account and has no current plans to sell and has not entered into any agreement to sell all or any portion of the Project.

(r) The Borrower shall notify the Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form of Exhibit B attached to the Regulatory Agreement. The Completion Certificate shall be delivered as promptly as practicable.

Section 2.02. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants as follows:

(a) The Issuer is a public body corporate of the State, is authorized and empowered by the provisions of the Act and the Bond Resolution to enter into the transactions contemplated by this Financing Agreement and the Indenture and to carry out its obligations hereunder and thereunder, and by proper action of its governing body has been duly authorized to execute and deliver this Financing Agreement, the Indenture and the Tax Certificate, and this Financing Agreement, the Indenture and the Tax Certificate have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable in accordance with their terms.

(b) The Bonds are to be issued and secured by the Indenture, pursuant to which certain of the Issuer’s interests in this Financing Agreement and the Indenture, and the revenues and income to be derived by the Issuer pursuant to this Financing Agreement and the Indenture, will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds. The Issuer covenants that it has not and will not pledge or assign its interest in the Indenture or this Financing Agreement, or the revenues and income derived pursuant to this Financing Agreement or the Indenture, excepting the Issuer’s Reserved Rights, other than to the Trustee under the Indenture to secure the Bonds. The Issuer will comply with all provisions of the Act (and the rules promulgated thereunder) applicable to the Bonds and the transactions contemplated by this Financing Agreement and the Indenture.

(c) The Issuer finds and determines that the financing of the Project is in compliance with the purposes and provision of the Act.

(d) To the best knowledge of the Issuer, neither the execution and delivery of this Financing Agreement, the Regulatory Agreement, the Indenture and the Tax Certificate, and the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, the Regulatory Agreement, the Indenture or the Tax Certificate conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

Section 2.03. Representations, Warranties and Covenants of the Lender. The Lender hereby represents, warrants and covenants as follows:

(a) The Lender is a national banking association duly organized and existing under and pursuant to the laws of the United States. The Lender has duly authorized the execution and delivery of this Financing Agreement.

(b) The Lender has complied with the provisions of the laws of the State which are prerequisite to the consummation of, and has all necessary power and authority to consummate, all transactions described in this Financing Agreement and all other agreements relating hereto.

Section 2.04. Reserved.

ARTICLE III THE BONDS AND THE PROCEEDS THEREOF

The Issuer has authorized the issuance of the Bonds in the aggregate principal amount of \$[33,025,000] and Bonds in such amount shall be issued and Outstanding as of the Closing Date. The obligations of the Issuer, the Trustee, the Lender and the Borrower under this Financing Agreement are expressly conditioned upon (i) the issuance, sale and delivery of the Bonds, (ii) receipt by the Trustee of the proceeds thereof, and (iii) the making of the Mortgage Loan by the Lender and the deposit of the proceeds thereof by the Lender with the Trustee. Neither the Issuer, the Lender, the Trustee nor Fannie Mae shall have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses shall be paid by the Borrower.

ARTICLE IV THE MORTGAGE LOAN

Section 4.01. Amount and Source of Mortgage Loan. Upon the issuance and delivery of the Bonds, pursuant to Sections 2.01 and 2.06 of the Indenture, the Issuer will apply the proceeds of the Bonds as provided in Section 4.02 of the Indenture to pay Project costs. The Trustee shall apply the proceeds from the Mortgage Loan as provided in Section 5.13(a)(i) and (ii) of the Indenture to secure the Bonds until the Purchase Date and then to purchase the Pass-Through Certificate. The Borrower accepts the Mortgage Loan from the Lender, upon the terms

and conditions set forth herein, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Tax Certificate and the Regulatory Agreement. The Borrower has caused the proceeds of the Mortgage Loan to be provided to the Trustee for deposit to the Collateral Security Principal Account of the Collateral Security Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of and interest on the Bonds. The Borrower has made arrangements for the delivery to the Trustee of the Pass-Through Certificate and of certain other Preference Proof Moneys as contemplated herein and in the Indenture. Payments on the Pass-Through Certificate received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of and interest on the Bonds.

Section 4.02. Payment of Fees and Expenses. In addition to all fees, costs, expenses and other amounts required to be paid by the Borrower under the Mortgage Loan Documents, the Borrower shall pay, without duplication, the following fees and expenses:

(a) All amounts required to (i) pay the fees of the Trustee for its duties and services as Trustee in connection with the Bonds (as such duties and services are set out in the Indenture), and (ii) reimburse the Trustee for all out-of-pocket expenses, fees, costs and other charges, including reasonable counsel fees and taxes (excluding income, value added and similar business taxes), reasonably and necessarily incurred by the Trustee in performing its duties as Trustee under the Indenture and the Tax Certificate. All payments for fees and expenses shall be made by the Borrower not later than ten (10) days after receipt of invoices or other statements rendered to the Borrower by the Trustee.

(b) The Issuer Fees, and the reasonable fees and expenses of the Issuer or any agents, attorneys, accountants, consultants selected by the Issuer to act on its behalf in connection with the Bond Documents, the Mortgage Loan Documents or the Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds or in connection with any litigation which may at any time be instituted involving the Bond Documents, the Mortgage Loan Documents or the Bonds or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing.

(c) [Reserved.]

(d) The fees of the Rebate Analyst (as defined in the Tax Certificate) and any other consultant as required by the Tax Certificate and, upon receipt of an appropriately completed invoice, all out-of-pocket expenses of the Rebate Analyst and any other consultant.

(e) The annual rating maintenance fee, if any, of any Rating Agency then rating the Bonds.

(f) All Costs of Issuance of the Bonds, including, but not limited to, Rating Agency fees, printing expenses, attorneys' fees and underwriters' fees, and all expenses of originating the Mortgage Loan by the Lender and assigning and delivering the Mortgage Loan to

Fannie Mae, the Borrower acknowledging that all such fees, costs and expenses (excluding the portions of the ongoing trust administration fees of the Trustee, the Issuer Fees, and the Rebate Analyst's fee to the extent included in the Mortgage Note Rate) must be paid by the Borrower separate and apart from payments due under the Mortgage Loan and will not be included in the Mortgage Note Rate.

(g) The Costs of Issuance deposit to be made to the Costs of Issuance Fund on the Closing Date pursuant to Section 4.01(e) of the Indenture.

(h) The fees and expenses of Seltzer in connection with the County Loan.

The Borrower shall either pay the foregoing items directly or, to the extent such items are to be paid by the Trustee under the Indenture, shall pay as Operating Revenue to the Trustee for deposit to Operating Fund under the Indenture amounts sufficient to enable the Trustee to pay the foregoing items in a timely manner.

The Borrower shall pay through the Lender all fees and expenses not included within the Mortgage Note Rate. All fees and expenses not included in the Mortgage Note Rate shall not be secured by the Mortgage, and shall be subordinate to the Borrower's obligations under the Mortgage Loan in all respects. No such fees or expenses payable to the Issuer or the Trustee shall be paid from the proceeds of the Pass-Through Certificate, except with respect to the Trustee to the extent set forth in Section 9.02 of the Indenture.

Section 4.03. Notification of Prepayment of Mortgage Note. The Lender shall notify the Trustee promptly of the receipt of any prepayment of the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise, unless the Lender has received written evidence that the Borrower has notified the Trustee of such prepayment. If such prepayment results in revisions to the amortization schedule included in Exhibit A hereto, Lender shall provide the revised amortization schedule to the Trustee and the Issuer.

Section 4.04. Term Sheet. The Lender has delivered on the Closing Date the Term Sheet attached as Exhibit A hereto and certifies that the information set forth therein is accurate as of the Closing Date. The Lender agrees that it will promptly advise the Issuer, the Trustee and the Underwriter in writing of any changes which occur in the information set forth in the Term Sheet after the Closing Date and before the date on which the Pass-Through Certificate is acquired by the Trustee pursuant to the provisions of the Section 4.03 of the Indenture; provided, however, that such changes may only be made to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Term Sheet.

ARTICLE V
COVENANTS, UNDERTAKINGS AND OBLIGATIONS OF THE BORROWER

Section 5.01. Taxes, Other Governmental Charges and Utility Charges. The Borrower shall pay, or cause to be paid, prior to the same becoming past due, every lawful cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which the Issuer, the Trustee, the Lender or Fannie Mae is or shall become liable by reason of its or their estate or interest in the Project or any portion thereof, by reason of any right or interest of the Issuer, the Trustee, the Lender or Fannie Mae in or under this Financing Agreement, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, including, without limitation, all taxes (except income, value added, business and similar taxes of such entities), assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Borrower therein or thereon; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Trustee; and provided, further, that any amounts payable hereunder that are also required to be paid by the terms of the Mortgage shall be paid without duplication on the terms provided in the Mortgage.

Upon request, the Borrower shall furnish to the Issuer, the Trustee, Fannie Mae and the Lender proof of the payment of any such tax, assessment or other governmental or similar charge, or any other charge which is payable by the Borrower as set forth above.

Section 5.02. Compliance With Laws. The Borrower shall, throughout the term of this Financing Agreement and at no expense to the Issuer, the Trustee or Fannie Mae promptly comply or cause compliance with all laws, ordinances, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project, including, but not limited to, the applicable provisions of the Americans With Disabilities Act and all applicable federal, State and local environmental, labor, health and safety laws, rules and regulations.

Section 5.03. Maintenance of Legal Existence. During the term of this Financing Agreement, the Borrower shall maintain its existence as set forth in Section 2.01(a) and shall not terminate, dissolve or dispose of all or substantially all of its assets; provided, however, that the Borrower may, with the written permission of the Lender and the Issuer, consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or transfer all or substantially all of its assets to another entity, but only on the condition that the assignee entity or the entity resulting from or surviving such merger or consolidation (if other than the Borrower), or the entity to which such transfer shall be made, shall be duly organized

and existing, in good standing and qualified to do business under the laws of the State, shall remain so continuously during the term hereof, and shall expressly assume in writing and agree to perform all of the Borrower's obligations hereunder and under all other documents executed by the Borrower in connection with the issuance of the Bonds, including the Tax Certificate and the Regulatory Agreement; provided, further, that (i) the Borrower delivers a Favorable Opinion of Bond Counsel, and (ii) any transfer of the Project shall be effected in accordance with the Mortgage Loan Documents. Nothing in this Section 5.03 shall be deemed to relieve the Borrower of its obligations to comply with the provisions of the Mortgage Loan Documents.

Section 5.04. Operation of Project. The Borrower will not sell, transfer or otherwise dispose of the Project except as provided in the Tax Certificate, the Regulatory Agreement, the Mortgage Loan Documents and Section 5.03 of this Financing Agreement.

Section 5.05. Tax Covenants. The Borrower represents, warrants, and covenants that:

(a) The Borrower will not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes. With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that it will comply with the instructions and requirements of the Tax Certificate, which is incorporated by reference herein as if set forth fully herein.

(b) The Borrower will, on a timely basis, provide the Issuer with all necessary information and, with respect to the Borrower's rebate requirement or yield reduction payments (both as may be required under the Tax Certificate) required to be paid, all necessary funds, in addition to any funds that are then available for such purpose in the Rebate Fund, to enable the Issuer to comply with all arbitrage and rebate requirements of the Code. To that end, the Borrower covenants and agrees to make such payments to the Trustee as are required of it under the Tax Certificate. The obligation of the Borrower to make such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture and this Financing Agreement.

(c) Neither the Borrower nor any "related party," within the meaning of Section 1.150-1(b) of the Regulations, to the Borrower shall be permitted to purchase any Bonds in an amount related to the amount of the Mortgage Loan.

(d) The requirements stated in this Section 5.05 will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 5.06. Further Assurances and Corrective Instruments. The parties hereto agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and to the other documents contemplated hereby as may reasonably be required to carry out the intention of or to facilitate the performance of this Financing Agreement, the Mortgage Loan Documents or the other Bond Documents or to

perfect or give further assurances of any of the rights granted or provided for herein, the Mortgage Loan Documents or the other Bond Documents. With respect to the Issuer, any such action taken by the Issuer shall be at the expense of the Borrower.

Section 5.07. Compliance With Other Documents. The Borrower shall make all payments and shall observe and perform all covenants, conditions and agreements required to be paid, observed or performed by the Borrower under the Mortgage Note, the Mortgage, the other Mortgage Loan Documents, the Tax Certificate, the Regulatory Agreement and all other documents, instruments or agreements which may at any time, or from time to time, be entered into by the Borrower with respect to the Project or the operation, occupancy or use thereof. The Indenture has been submitted to the Borrower for examination, and the Borrower, by execution of this Financing Agreement, acknowledges and agrees that it has participated in the negotiation of the Indenture that it has approved and agreed to each of the provisions of the Indenture and that it is bound by, shall adhere to the provisions of, and shall have the rights set forth by the terms and conditions of, the Indenture and covenants and agrees to perform all obligations required of the Borrower pursuant to the terms of the Indenture.

The Borrower hereby grants to the Trustee for the benefit of Fannie Mae and the Bondholders a security interest in all of its rights in and to all funds created or established by the Trustee under the Indenture in the manner and subject to the terms and conditions of the Indenture.

Section 5.08. Notice of Certain Events. The Borrower hereby covenants to advise the Lender, the Issuer and the Trustee promptly in writing of the occurrence of any default by the Borrower in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Borrower set forth in this Financing Agreement, in any of the other Bond Documents or any other documents contemplated hereby or thereby, or of any Event of Default hereunder known to it or of which it has received notice, or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. Such notice shall be given promptly, and in no event less than ten (10) Business Days after the Borrower receives notice or has knowledge of the occurrence of any such event. The Borrower further agrees that it will give prompt written notice to the Trustee and the Lender if insurance proceeds or condemnation awards are received with respect to the Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or award.

The Borrower further covenants to provide such parties notice of the Placed in Service Date promptly upon its occurrence.

Section 5.09. Indemnification. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER HEREBY COVENANTS AND AGREES AS FOLLOWS: TO PROTECT, INDEMNIFY AND SAVE THE ISSUER AND ITS GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND

AGAINST ALL LIABILITY, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), TAXES, CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS AND JUDGMENTS OF ANY NATURE OR FORM, BY OR ON BEHALF OF ANY PERSON ARISING IN ANY MANNER FROM THE TRANSACTION OF WHICH THIS FINANCING AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ARISING FROM (I) THE WORK DONE ON THE PROJECT OR THE OPERATION OF THE PROJECT DURING THE TERM OF THIS FINANCING AGREEMENT OR (II) ANY BREACH OR DEFAULT ON THE PART OF THE BORROWER IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS FINANCING AGREEMENT, OR (III) THE PROJECT OR ANY PART THEREOF, OR (IV) ANY VIOLATION OF CONTRACT, AGREEMENT OR RESTRICTION RELATING TO THE PROJECT EXCLUDING THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, OR (V) ANY LIABILITY, VIOLATION OF LAW, ORDINANCE OR REGULATION AFFECTING THE PROJECT OR ANY PART THEREOF OR THE OWNERSHIP OR OCCUPANCY OR USE THEREOF. UPON NOTICE FROM THE ISSUER OR ANY OF ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES, THE BORROWER SHALL DEFEND THE ISSUER OR ANY OF ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES IN ANY ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH ANY OF THE ABOVE; PROVIDED, HOWEVER, THAT THE ISSUER SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

IT IS THE INTENTION OF THE PARTIES HERETO THAT THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES SHALL NOT INCUR PECUNIARY LIABILITY BY REASON OF THE TERMS OF THIS FINANCING AGREEMENT OR BY REASON OF THE UNDERTAKINGS REQUIRED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES IN CONNECTION WITH THE ISSUANCE OF THE BONDS, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS FINANCING AGREEMENT, THE TAX CERTIFICATE, THE REGULATORY AGREEMENT, AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; THE PERFORMANCE OF ANY ACT REQUIRED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES BY THIS FINANCING AGREEMENT; OR THE PERFORMANCE OF ANY ACT REQUESTED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES BY THE BORROWER OR IN ANY WAY ARISING FROM THE TRANSACTION OF WHICH THIS FINANCING AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS FINANCING AGREEMENT, THE TAX CERTIFICATE, THE REGULATORY AGREEMENT AND ALL

OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; NEVERTHELESS, IF THE ISSUER OR ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES SHOULD INCUR ANY SUCH PECUNIARY LIABILITY WITH RESPECT TO EVENTS OCCURRING AFTER THE DATE HEREOF, THEN IN SUCH EVENT THE BORROWER SHALL INDEMNIFY AND HOLD THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS AGAINST ALL CLAIMS BY OR ON BEHALF OF ANY PERSON, ARISING OUT OF THE SAME, AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR IN CONNECTION WITH ANY ACTION OR PROCEEDING BROUGHT THEREON, AND UPON TIMELY NOTICE FROM THE ISSUER THE BORROWER SHALL DEFEND THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES IN ANY SUCH ACTION OR PROCEEDING, AND PROVIDE COMPETENT COUNSEL SATISFACTORY TO THE ISSUER AND THE BORROWER SHALL PAY THE ISSUER EXPENSES INCLUDING PAYMENT OF THE COUNSEL USED BY THE ISSUER; PROVIDED HOWEVER, THAT THE ISSUER SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

NOTWITHSTANDING ANY PROVISION OF THIS FINANCING AGREEMENT TO THE CONTRARY, THE ISSUER SHALL BE INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM THE ISSUER'S OWN GROSS NEGLIGENCE, NEGLIGENCE OR BREACH OF CONTRACTUAL DUTY, BUT NOT FOR ANY LIABILITIES ARISING FROM THE ISSUER'S OWN BAD FAITH, FRAUD OR WILLFUL MISCONDUCT.

NOTWITHSTANDING ANY PROVISION OF THIS FINANCING AGREEMENT TO THE CONTRARY THE BORROWER'S OBLIGATIONS WITH RESPECT TO INDEMNIFICATION WILL NOT BE SECURED BY THE PROJECT AND SHALL BE PERSONAL OBLIGATIONS OF THE BORROWER AND ANY SUCCESSOR OWNER OF THE PROJECT BY FORECLOSURE, DEED IN LIEU OF FORECLOSURE OR OTHERWISE SHALL NOT BE RESPONSIBLE FOR OR INCUR ANY LIABILITY WITH RESPECT TO ANY INDEMNIFICATION OBLIGATIONS DESCRIBED HEREIN.

The Borrower covenants and agrees to indemnify, hold harmless and defend the Trustee, and its respective officers, members, directors, officials, agents and employees and each of them (each an "**indemnified party**") from and against, (a) any and all claims, joint or several, by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated hereby or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating thereto; (b) any and all claims, joint or several, arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Mortgage Loan, or the execution or amendment of any document related thereto, including, but not limited to, the Mortgage Loan Documents; (c) any and all claims, joint or several, arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Mortgage Loan or the Project including but not limited to, the Mortgage Loan Documents; (d) all reasonable costs, counsel fees, expenses or liabilities incurred in

connection with any such claim, or proceeding brought thereon; (e) any and all claims arising in connection with the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any Person other than the Issuer or the party seeking indemnification in connection therewith and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Indenture, the Tax Certificate, the Regulatory Agreement, the Fee Guaranty and this Financing Agreement; (f) any and all claims arising in connection with the operation of the Project, or the conditions thereof, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof; and (g) any and all losses, claims, damages, liabilities or expenses, joint or several, arising out of or connected with the Trustee's acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under this Financing Agreement, the Tax Certificate, the Regulatory Agreement or any other agreements in connection therewith to which it is a party, except in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials and employees, to the extent such damages are caused by the negligence or willful misconduct of such Person. In the event that any action or proceeding is brought against any indemnified party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the indemnified party in such party's sole but reasonable discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Trustee and the Issuer shall have the right to review and approve or disapprove any such compromise or settlement. Each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each indemnified party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless such indemnified party has consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

During any period that Fannie Mae owns the Project and that this Section 5.09 is applicable to Fannie Mae, Fannie Mae's obligations under this Section 5.09 shall be limited to acts and omissions of Fannie Mae occurring during the period of Fannie Mae's ownership of the Project.

Nothing contained in this Section 5.09 shall in any way be construed to limit the indemnification rights of the Issuer contained in the Regulatory Agreement or the Fee Guaranty.

With respect to the Issuer, the Regulatory Agreement shall control in any conflicts between this Section 5.09 and the Regulatory Agreement and Fee Guaranty.

Section 5.10. Right To Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Financing Agreement, the Issuer, the Lender, Fannie Mae and/or the Trustee, after giving the requisite notice, if any, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Lender, Fannie Mae or the Trustee shall become an additional obligation of the Borrower hereunder, payable on demand with interest thereon at the default rate of interest payable under the Mortgage Loan Documents.

Section 5.11. Nonrecourse Provisions. Notwithstanding anything to the contrary, the obligations of the Borrower pursuant to this Financing Agreement except with respect to Sections 4.02 and 5.09 hereof, shall be non-recourse to the Borrower; provided that none of the Borrower's partners, officers, directors, employees or agents shall have any personal liability hereunder including, but not limited to, under Sections 4.02 and 5.09 hereof.

Section 5.12. Trust Indenture. The provisions of the Indenture concerning the Bonds and other matters therein are an integral part of the terms and conditions of the Mortgage Loan, and this Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 5.13. Reporting Requirements of the Borrower. The Borrower will furnish to the Issuer and agencies of the State such periodic reports or statements as are required under the Act, or as such agencies may otherwise reasonably require of the Issuer or Borrower throughout the term of this Financing Agreement.

- (a) Pursuant to Florida Statutes, Section 119.0701(2), the Borrower may be required to comply with public records laws, and if required to, specifically:
 - (i) Keep and maintain public records (as defined in Florida Statutes, Section 119.011) that ordinarily and necessarily would be required by the Issuer in order to perform the service.
 - (ii) Provide the public with access to public records on the same terms and conditions that the Issuer would provide the records and at a cost that does not exceed the cost provided by Florida Statutes, Chapter 119, or as otherwise provided by law.
 - (iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.

(iv) Meet all requirements for retaining public records and transfer, at no cost, to the Issuer all public records in possession of the Trustee upon termination of this Indenture and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Issuer in a format that is compatible with the information technology systems of the Issuer.

A request for public records regarding this Financing Agreement must be made directly to the Issuer, who will be responsible for responding to any such public records requests. The Borrower will provide any requested records to the Issuer to enable the Issuer to respond to the public records request.

Any material submitted to the Issuer that the Borrower contends constitutes or contains trade secrets or is otherwise exempt from production under Florida public records laws (including Chapter 119, Florida Statutes) ("Trade Secret Materials") must be separately submitted and conspicuously labeled "EXEMPT FROM PUBLIC RECORD PRODUCTION – TRADE SECRET." In addition, the Borrower must, simultaneous with the submission of any Trade Secret Materials, provide a sworn affidavit from a person with personal knowledge attesting that the Trade Secret Materials constitute trade secrets under Section 688.002, Florida Statutes, and stating the factual basis for same. If a third party submits a request to the Issuer for records designated by the Borrower as Trade Secret Materials, the Issuer shall refrain from disclosing the Trade Secret Materials, unless otherwise ordered by a court of competent jurisdiction or authorized in writing by the Borrower. The Borrower shall indemnify and defend the Issuer and its employees and agents from any and all claims, causes of action, losses, fines, penalties, damages, judgments, and liabilities of any kind, including attorneys' fees, litigation expenses, and court costs, relating to the nondisclosure of any Trade Secret Materials in response to a records request by a third party.

IF BORROWER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO BORROWER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS FINANCING AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (954) 357-4900, NHOWARD@BROWARD.ORG, 110 NE 3RD STREET, SUITE 300, FORT LAUDERDALE, FLORIDA 33301.

ARTICLE VI MORTGAGE LOAN DOCUMENTS

Section 6.01. Assurances. The Borrower, the Issuer and the Trustee each agree that they shall not enter into any contract or agreement, perform any act, or request any other party hereto to enter into any contracts or agreements or perform any acts, which shall adversely affect the Mortgage Loan Documents in any material respect.

Section 6.02. Security for Borrower Obligations. The Issuer acknowledges that the Project shall be encumbered by the Mortgage Loan Documents.

ARTICLE VII
TRUSTEE'S INTEREST IN AGREEMENT

Section 7.01. Issuer Assignment of This Financing Agreement.

(a) Pursuant to the Indenture, the Issuer shall pledge, assign and transfer all of its right, title and interest in this Financing Agreement (other than the Reserved Rights of the Issuer), and the revenues, receipts and collections hereunder and thereunder, to the Trustee in the manner and to the extent provided in the Indenture as security for the payment of the principal of and interest on the Bonds, and the parties hereby acknowledge that the covenants and agreements contained herein are for the benefit of the registered owners from time to time of the Bonds and may be enforced on their behalf by the Trustee. The Issuer shall execute and deliver from time to time at the expense of the Borrower, in addition to the instruments of assignment herein specifically provided for, such other and further instruments and documents as may be reasonably requested by the Trustee from time to time to further evidence, effect or perfect such pledge and assignment for the purposes contemplated in the Indenture.

(b) The Borrower hereby acknowledges and consents to the assignment and pledge (subject to the reservation by the Issuer of its Reserved Rights) by the Issuer to the Trustee in the manner and to the extent provided in the Indenture. The Borrower further acknowledges and consents to the right of the Trustee to enforce all rights of the Issuer and the Bondholders assigned under the Indenture.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following shall constitute an event of default under this Financing Agreement, and the term "**Event of Default**" shall mean, whenever used in this Financing Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay any amounts due under this Financing Agreement at the times and in the amounts required hereby; or

(b) Failure by the Borrower to observe or perform any covenants, agreements or obligations in this Financing Agreement on its part to be observed or performed (other than as provided in clause (i) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to this Financing Agreement; provided, however, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure shall have been cured within ninety (90) days of receipt of notice of such failure; or

(c) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Tax Certificate or the Regulatory Agreement, including any exhibits thereto, which continues beyond all applicable notice, grace, and cure periods; or

(d) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Bond Documents, which continues beyond all applicable notice, grace, and cure periods.

Nothing contained in this Section 8.01 is intended to amend or modify any of the provisions of the Mortgage Loan Documents nor to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents. Issuer, Trustee, Lender and Fannie Mae agree that (i) Tax Credit Investor shall have the right, but not the obligation, to cure any default on behalf of the Borrower on the same terms provided to the Borrower in this Financing Agreement; and (ii) any cure of any Event of Default hereunder made or tendered by the Tax Credit Investor shall be deemed to be a cure by the Borrower, and shall be accepted or rejected hereunder on the same basis as if made or tendered by the Borrower.

Section 8.02. Remedies Upon an Event of Default.

(a) Subject to Section 8.02(d), whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under this Financing Agreement (subject to the nonrecourse provisions of this Financing Agreement and the Regulatory Agreement) or to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under this Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under (i) this Financing Agreement, (ii) the Tax Certificate, or (iii) the Regulatory Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of subsection (a) hereof are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable hereunder by the Borrower if such Event of Default had not

occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default hereunder and shall have paid the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default may be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and this Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate this Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Bond Documents, the Mortgage Loan Documents or any other documents contemplated hereby or thereby to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which would reasonably be expected to have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Bond Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Tax Certificate, any amounts collected pursuant to action taken under this Section 8.02 shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to this Section shall relieve the Borrower from the Borrower's obligations pursuant to Section 5.09 hereof.

(e) No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing pursuant to any other agreement at law or in equity or by statute.

(f) Notwithstanding any other provision of this Financing Agreement to the contrary, after the Purchase Date, so long as Fannie Mae is not in default under the Pass-Through Certificate, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under this Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the Pass-Through Certificate, (ii) enforce the tax covenants in the Indenture, this Financing Agreement and the Tax Certificate, or (iii) enforce

rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii) or (iii) above shall not include seeking monetary damages other than the Issuer Fees and the Trustee's fees and expenses.

Section 8.03. Default Under Regulatory Agreement.

(a) If the Borrower fails, at any time for any reason, to comply with the requirements of the Regulatory Agreement, then within ninety (90) days after the earlier of the date the violation is discovered by the Issuer or the Trustee or the date the Issuer or the Trustee received notice thereof, the Issuer (if necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes) or the Trustee, on behalf of and at the request of the Issuer, shall institute an action for specific performance to correct the violation. The Borrower hereby acknowledges and agrees that were money damages a remedy under the Regulatory Agreement, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement, and therefore the Borrower agrees that the remedy of specific performance (subject to the provisions of Section 8.02(c) hereof) shall be available to the Issuer and/or the Trustee in any such case. The Borrower shall reimburse the Issuer and/or the Trustee for any attorney fees or costs incurred in connection with such action.

(b) Notwithstanding the availability of the remedy of specific performance provided for in subsection (a) of this Section, promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall, by notice in writing to the Lender and the Borrower, inform the Lender and the Borrower that a violation of the Regulatory Agreement has occurred; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledges that they shall not have, any right to cause or direct acceleration of the Mortgage Loan, to enforce the Mortgage Note or to foreclose on the Mortgage.

Section 8.04. Limitation on Waivers.

(a) No delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed appropriate. The Issuer and the Trustee agree to give only such notices as may be herein expressly required.

(b) In the event any covenant, agreement or condition contained in this Financing Agreement shall be breached by a party and thereafter waived by another party, such waiver shall not bind any party which has not waived the breach and shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder nor be a waiver of the same breach on a future occasion. By reason of the assignment and pledge of certain of the Issuer's rights and interests in this Financing Agreement to the Trustee, the Issuer shall have no power to waive or release the Borrower from any Event of Default or the performance or observance of any obligation or condition of the Borrower under this Financing

Agreement without first requesting and receiving the prior written consent of the Trustee, but shall do so if, requested by the Trustee; provided that the Issuer shall not be required to grant such waiver or release unless it shall have been provided with (i) if deemed necessary in the sole discretion of the Issuer a Counsel's Opinion that such action will not result in any pecuniary liability to it and a Favorable Opinion of Bond Counsel, (ii) such indemnification as the Issuer shall deem reasonably necessary, and (iii) written notice from the Trustee of the request for such waiver or release.

Section 8.05. Notice of Default; Lender's and Tax Credit Investor's Right To Cure. The Issuer and the Trustee shall each give notice to the other and to the Lender, the Borrower and the Tax Credit Investor of the occurrence of any Event of Default by the Borrower hereunder of which it has actual knowledge. The Lender and the Tax Credit Investor shall have the right, but not the obligation, to cure any such default by the Borrower, and upon performance by the Lender or the Tax Credit Investor to the satisfaction of the Issuer and the Trustee of the covenant, agreement or obligation of the Borrower with respect to which an Event of Default has occurred, the parties hereto shall be restored to their former respective positions, it being agreed that the Lender and the Tax Credit Investor shall have the right to repayment from the Borrower of moneys it has expended and any other appropriate redress for actions it has taken to cure any default by the Borrower; provided that the Borrower's reimbursement obligation shall be non-recourse to the same extent as the underlying obligation is non-recourse to the Borrower and its partners.

Section 8.06. Rights Cumulative. All rights and remedies herein given or granted to the Issuer and the Trustee are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance or otherwise. Notwithstanding anything to the contrary contained in this Financing Agreement, neither the Trustee nor the Issuer may commence any action against the Borrower for specific performance or any other remedy at law or in equity, other than to enforce performance and observance of any Reserved Right of the Issuer and its rights under Section 8.03, without first obtaining the prior written consent of Fannie Mae.

ARTICLE IX MISCELLANEOUS

Section 9.01. Notices. All notices, certificates or other communications herein provided shall be given in writing to the Issuer, the Borrower, the Tax Credit Investor, the Trustee, Fannie Mae and the Lender, and shall be sufficiently given and shall be deemed given if given in the manner provided in the Indenture. Copies of each notice, certificate or other communication given hereunder by any party hereto shall be given to all parties hereto. By notice given hereunder, any party may designate further or different addresses to which subsequent notices, certificates or other communications are to be sent. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower, the Lender or the Trustee shall also be given to Fannie Mae. Copies of all notices provided to the Borrower pursuant to this Agreement shall also be simultaneously provided to the Tax Credit Investor at its address

provided in the Indenture. Notices may be given by Electronic Means unless otherwise provided in the Indenture.

Section 9.02. Amendment. This Financing Agreement and all other documents contemplated hereby to which the Issuer is a party may be amended or terminated only if permitted by the Indenture, and no amendment to this Financing Agreement shall be binding upon, any party hereto until such amendment is reduced to writing and executed by the parties hereto; provided that, except as provided in the Tax Certificate, no amendment, supplement or other modification to this Financing Agreement or any other Bond Document shall be effective without the prior written consent of Fannie Mae.

Section 9.03. Entire Agreement. Except as provided in the other Bond Documents and the Mortgage Loan Documents, this Financing Agreement contains all agreements among the parties hereto, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties hereto, unless reference is made thereto in this Financing Agreement or the Indenture.

Section 9.04. Binding Effect. This Financing Agreement shall be binding upon the Issuer, the Borrower and the Trustee and their respective successors and assigns. Notwithstanding anything herein to the contrary, to the extent Fannie Mae or its designee shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure or similar conveyance, Fannie Mae, and its designee, if applicable, shall not be liable for any breach or default or any of the obligations of any prior owner of the Project under this Financing Agreement, and shall only be responsible for defaults and obligations incurred during the period Fannie Mae or its designee, if applicable, is the owner of the Project.

Section 9.05. Severability. If any clause, provision or section of this Financing Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 9.06. Execution in Counterparts. This Financing Agreement 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 9.07. Governing Law. This Financing Agreement shall be governed by and interpreted in accordance with the internal laws of the State without regard to conflicts of laws principles.

Section 9.08. Limited Liability of the Issuer; No Liability of Officers. Notwithstanding anything contained herein to the contrary:

(a) THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE

TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS, TOGETHER WITH INTEREST THEREON, SHALL BE REVENUE OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, AND NONE OF THE ISSUER, THE CITY OF HOLLYWOOD, FLORIDA (THE "CITY"), THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE SPECIFICALLY PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE, THE COUNTY, THE CITY OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

(b) All covenants, obligations and agreements of the Issuer contained in this Financing Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future governing board member, director, officer, employee or agent of the Issuer in his individual capacity, and neither the governing board members of the Issuer nor any director, officer or employee thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No governing board member, director, officer, employee or agent of the Issuer shall incur any personal liability with respect to any other action taken by him pursuant to the Indenture or the Act, provided such governing board member, director, officer, employee or agent acts in good faith.

(c) No agreements or provisions contained in the Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds, shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except as may be payable from the repayments by the Borrower under this Financing Agreement and the proceeds of the Bonds and other amounts pledged under the Indenture as part of the Trust Estate. No failure of the Issuer to comply with any term, condition, covenant or agreement herein or in any document executed by the Issuer in connection with the issuance and sale of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the repayments by the Borrower under this Financing Agreement or other amounts pledged under the Indenture as part of the Trust Estate. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein, provided that no costs, expenses or other monetary relief shall be recoverable

from the Issuer except as may be payable from the repayments by the Borrower and other amounts pledged under the Indenture as part of the Trust Estate.

(d) 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, covenant or agreement contained in the Indenture against any past, present or future governing board member, director, officer, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, 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 governing board members, directors, officers, employees or agents, as such, is hereby expressly waived and released as a condition of, and consideration for, the execution of the Indenture and the issuance of such Bonds.

(e) Anything in the Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (i) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (ii) the Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services; and (iii) none of the provisions of this Financing Agreement or the Indenture shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses, and liability which may be incurred thereby.

(f) No provision, representation, covenant or agreement contained in this Financing Agreement or in the Indenture, 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 (except to the extent of any loan repayments, revenues and receipts derived by the Issuer pursuant to this Financing Agreement and other amounts pledged as part of the Trust Estate). No provision hereof shall be construed to impose a charge against the general credit of the Issuer, the State or any other political subdivision of the State, the taxing powers of the foregoing, within the meaning of any constitutional provision or statutory limitation, or any personal or pecuniary liability upon any governing board member, director, officer, agent or employee of the Issuer.

Section 9.09. Term of This Financing Agreement. This Financing Agreement shall be in full force and effect from its date to and including such date as all of the Bonds shall have been fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); provided, however, that the provisions of Sections 4.02 (unless all such fees described therein shall have been paid or provision shall have been made for their payment), 5.05 and 5.09 of this Financing Agreement shall survive the termination hereof.

Section 9.10. Electronic Signatures. The parties agree that the electronic signature of a party to this Financing Agreement shall be as valid as an original signature of such party and

shall be effective to bind such party to this Financing Agreement. For purposes hereof: (a) "electronic signature" means a manually signed original signature that is then transmitted by Electronic Means; and (b) "transmitted by Electronic Means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Signature Pages to Follow

IN WITNESS WHEREOF, the parties hereto have caused this Financing Agreement to be executed by their duly authorized representatives as of the date of execution set forth below.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**, as Issuer

By: _____
Scott Ehrlich, Chair

Signature Page to Financing Agreement

**FEDERATION PLAZA PRESERVATION,
L.P.**, a Florida limited partnership

By: Southeast Housing Preservation,
Inc., a Florida nonprofit corporation,
its general partner

By: _____
Name: Melissa Vincent
Title: Vice President

Signature Page to Financing Agreement

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Authorized Signatory

Signature Page to Financing Agreement

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, a national banking
association, as Lender

By: _____
Name: _____
Title: _____

Signature Page to Financing Agreement

EXHIBIT "A"

TERM SHEET

This Term Sheet assumes the Mortgage Loan is originated in an amount equal to the maximum amount available under the Lender Commitment and that all the conditions to delivery of the Pass-Through Certificate have been satisfied and have not been waived or modified. See "Multifamily Schedule of Loan Information" herein.

[To Come]

EXHIBIT D

FORM OF BOND PURCHASE AGREEMENT

BOND PURCHASE AGREEMENT

[\$33,025,000]

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

August [], 2023

Housing Finance Authority of
Broward County, Florida
110 NE 3rd Street, Suite 300
Fort Lauderdale, FL 33301

Federation Plaza Preservation, L.P.
c/o The Related Companies
30 Hudson Yards, 72nd Floor
New York, NY 10001

Ladies and Gentlemen:

RBC Capital Markets, LLC (“RBC”) and Raymond James & Associates, Inc. (“Raymond James,” and together with RBC, the “Underwriter”) offers to enter into the following agreement (the “Bond Purchase Agreement”) with the Housing Finance Authority of Broward County, Florida (the “Issuer”) and Federation Plaza Preservation, L.P., a Florida limited partnership (the “Borrower”), which, upon acceptance of this offer, will be binding upon the Issuer, the Borrower and the Underwriter. This offer is made subject to the Issuer’s and the Borrower’s acceptance on or before 5:00 p.m., Eastern time, today. If this offer is not timely accepted, it will thereafter be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer and the Borrower at any time prior to the acceptance hereof by the Issuer and the Borrower.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture (as hereinafter defined). For purposes of this Bond Purchase Agreement, (a) the term “Issuer Documents” means the Indenture, the Financing Agreement, the Regulatory Agreement, the Arbitrage Rebate Agreement, the Arbitrage and Tax Certificate, the Fee Guaranty and Environmental Indemnity Agreement, the Bond Resolution and this Bond Purchase Agreement, (b) the term “Borrower Documents” means the Financing Agreement, the Regulatory Agreement, the Continuing Disclosure Agreement, the Arbitrage Rebate Agreement, the Proceeds Certificate, the Fee Guaranty and Environmental Indemnity Agreement and this Bond Purchase Agreement, and any other document executed by the Borrower relating to the Bonds (defined below), (c) the term “Trustee Documents” means the Indenture, the Arbitrage Rebate Agreement and the Financing Agreement, and (d) the term “Financing Documents” means, collectively (but without duplication), the Issuer Documents, the Borrower Documents, and the Trustee Documents.

Section 1. Purchase and Sale of the Bonds.

Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all but not less than all of the Issuer’s \$[33,025,000] Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the “Bonds”) at a purchase price equal to [100]% of the principal amount thereof plus accrued interest in the amount of \$[_____]. The Issuer will deliver

the Bonds to the order of the Underwriter (with CUSIP numbers printed thereon) against payment of the purchase price therefor in immediately available funds at 10:00 a.m., Eastern time, on the “Closing Date” as defined herein. The Bonds will mature on the date and will bear interest at the rate set forth on Schedule I attached hereto.

The Borrower agrees to pay to the Underwriter on the Closing Date, as compensation for services of the Underwriter hereunder, a fee equal to \$[] (the “Underwriter’s Fee”). Such fee shall include the following costs: clearance charges, regulatory agencies’ fees, computer services expenses, interest carrying charges, telephone and fax charges, and travel, but shall not include the cost of counsel to the Underwriter. The Underwriter’s Fee shall be due and payable in immediately available funds on the Closing Date, solely and exclusively from funds provided by the Borrower.

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer and the Borrower acknowledge and agree that: (i) the transaction contemplated by this Bond Purchase Agreement is an arm’s length, commercial transaction among the Issuer, the Borrower, and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer or the Borrower; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer or the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services to the Issuer or the Borrower or is currently providing other services to the Issuer or the Borrower on other matters); (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account, (iv) the only obligations the Underwriter has to the Issuer or the Borrower with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Agreement; and (v) the Issuer and the Borrower have each consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. The parties acknowledge that the structure, terms and timing of the transaction have been determined by the Underwriter and the Borrower and presented to the Issuer for approval.

The Bonds shall be issued pursuant to Ordinance 79-41, enacted by the Board of County Commissioners Broward County, Florida (the “County”) on June 20, 1979, as amended, and a resolution adopted by the County on August [22], 2023, Resolution Nos. 2022-002, 2022-008, and 2023-[] adopted by the Issuer on January 19, 2022, April 20, 2022, and [June 21], 2023, respectively (collectively, the “Bond Resolution”), and in accordance with Florida Housing Finance Authority Law, Sections 159.601 through 159.623, Florida Statutes, as amended (collectively, the “Act”). The Bonds shall be issued pursuant to the terms of the Indenture of Trust (the “Indenture”) dated as of August 1, 2023, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds are being issued for the benefit of the Borrower, pursuant to the terms of a certain Financing Agreement dated as of August 1, 2023, among the Issuer, the Borrower, Wells Fargo Bank, National Association, a national banking association (the “Lender”) and the Trustee. The proceeds of the Bonds will be used to finance a portion of the cost of the acquisition, rehabilitation, and equipping of a multifamily senior housing rental development, known as Federation Plaza and located in Hollywood, Florida (the “Project”). A disclosure statement submitted in compliance with Section 218.385, Florida Statutes, as amended, is attached hereto as Schedule II.

The Bonds will initially be collateralized by (i) the deposit into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture of the proceeds received from the mortgage loan made by the Lender to the Borrower (the “Mortgage Loan”) and fully funded in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds, and (ii) the deposit to the Collateral Security Interest Account of the Collateral Security Fund of Bond proceeds in an amount sufficient to pay the interest on the Bonds to but not including October 26, 2023 (the “Mandatory Redemption Date”). Upon the satisfaction of certain conditions set forth in the Indenture, the Trustee will

use moneys on deposit in the Collateral Security Fund to acquire a Guaranteed Mortgage Pass-Through Certificate (the “Pass-Through Certificate”), backed by the Mortgage Loan on the Project, and to be issued, upon satisfaction of the conditions set forth in the Indenture, by the Federal National Mortgage Association (“Fannie Mae”). It is expected that the Pass-Through Certificate will be acquired by the Trustee prior to September 26, 2023 (the “First Payment Date”), and in any event prior to the Mandatory Redemption Date, unless such Mandatory Redemption Date is extended as provided in the Indenture. Principal and interest will initially be paid from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date, at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate will be passed through to Bondholders on each Payment Date. “Payment Date” means (i) one Business Day after each date a principal or interest payment is made (or, prior to the Purchase Date, would have been made assuming the Pass-Through Certificate had been issued on the Closing Date) pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (ii) with respect to any redemption in lieu of exchange of the Bonds for the Pass-Through Certificate pursuant to the Indenture, the Business Day on which the Trustee receives funds pursuant to the transfer of the applicable current principal amount of the Pass-Through Certificate to or upon the order of the Issuer. The payment of interest on a Payment Date shall relate to the interest accrued during the preceding calendar month. There shall be no further accrual of interest after the Maturity Date. After the Purchase Date, any balance remaining in the Collateral Security Interest Account of the Collateral Security Fund, after application of moneys therein to pay any accrued interest on the Pass-Through Certificate or interest on the Bonds on the next Payment Date, as applicable, will be transferred to the Proceeds Fund. If the Pass-Through Certificate is not acquired by the Trustee prior to the Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the Bonds will be redeemed at a redemption price of par (the “Original Issue Price”), plus interest accrued on the Bonds to but not including the Mandatory Redemption Date (as such date may be extended under the Indenture) from moneys on deposit in the Collateral Security Fund under the Indenture.

It shall be a condition (a) to the obligations of the Issuer to sell and deliver the Bonds to the Underwriter, and (b) to the obligations of the Underwriter with respect to the Bonds, to purchase and accept delivery of and to pay for the Bonds, that the entire aggregate principal amount of the Bonds to be sold and delivered by the Issuer in accordance with this Section 1 shall be sold and delivered simultaneously by the Issuer and be purchased, accepted and paid for simultaneously by the Underwriter.

On or before the Closing Date, the Issuer and the Borrower shall have delivered to the Underwriter the Official Statement completed with the Permitted Omissions (as defined herein) from the Preliminary Official Statement, dated August [], 2023 (the “Preliminary Official Statement”) by Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) and such other amendments and supplements as shall have been approved by the Issuer, the Underwriter and the Borrower.

The Issuer and the Borrower hereby represent and warrant that the Preliminary Official Statement was deemed final by the Issuer (but only with respect to the statements and information described in Section 2(a) below) and the Borrower as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by the Rule. The Borrower has executed and delivered to the Underwriter a certificate in the form attached hereto as Exhibit C to evidence the foregoing.

The Underwriter acknowledges that the Issuer and the Borrower have not authorized or consented to (i) the sale of Bonds to any purchaser in connection with the initial public offering of the Bonds unless a copy of the Official Statement relating to the Bonds, together with all supplements and amendments thereto, as shall have been accepted by the Underwriter and the Issuer, and signed on behalf of the Borrower (collectively, the “Official Statement”) is delivered to such purchaser not later than the

settlement of such transaction, (ii) making any representations or providing any information to prospective purchasers of the Bonds in connection with the initial public offering and sale of the Bonds other than the information set forth in the Official Statement and any amendment thereto approved in writing by the Issuer and the Borrower, or (iii) any actions in connection with the public offering and sale of the Bonds in violation of applicable requirements of federal and state securities laws and any applicable requirements of the Municipal Securities Rulemaking Board and the Financial Industry Regulatory Authority.

Section 2. Representations and Warranties of the Issuer.

The Issuer represents, warrants and agrees with the Underwriter and the Borrower as follows:

(a) The statements and information under the captions “THE ISSUER,” “NO LITIGATION – The Issuer” and “DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES” (collectively, the “Issuer Information”) contained in the Preliminary Official Statement, as of its date and the date hereof, and the Official Statement, as of its date and the Closing Date, are and will be true, correct and complete in all material respects, and the Preliminary Official Statement (except for Permitted Omissions) and the Official Statement do not and will not omit any material fact necessary to make the statements pertaining to the Issuer therein, in light of the circumstances under which they are made, not misleading.

(b) To the knowledge of the Issuer, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Issuer, or any basis therefore:

(i) Affecting the organization of the Issuer, or the legal or corporate existence of the Issuer, or the title of the members of the Issuer to their respective offices, or any powers of the Issuer under the Constitution of the State or the laws of the State;

(ii) Seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues from Borrower derived from payments under the Financing Agreement, or the pledge thereof;

(iii) Contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents;

(iv) Contesting the power of the Issuer to enter into, execute and deliver the Bonds or the Issuer Documents or to consummate the transactions contemplated by such documents and the Preliminary Official Statement and the Official Statement;

(v) Contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any amendment or supplement thereto (nor to the actual knowledge of the Issuer is there any basis therefor);

(vi) In which action an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents or any other agreement or instrument to which Issuer is party and that is used or contemplated for use in the consummation of the transactions contemplated;

(vii) In which action an unfavorable decision, ruling or finding would materially adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds; or

(viii) In which action an unfavorable decision, ruling or finding would materially adversely affect the use of proceeds of the Bonds or the power of the Issuer to loan the proceeds of the Bonds to the Borrower.

(c) The Issuer is a public body corporate and politic, established by and acting pursuant to the Act, and has, and on the Closing Date will have, full legal right, power and authority under the Constitution of the State and the laws of the State: (i) to execute and deliver the Bonds and the Issuer Documents; (ii) to adopt the Bond Resolution; (iii) to issue, sell and deliver the Bonds to the Underwriter under the Indenture and as provided in this Bond Purchase Agreement; (iv) to pledge and assign the revenue, other money, securities, funds, accounts, guarantees, insurance, and other items pledged under the terms of the Indenture and the Financing Agreement, as provision of and security for the payment of the principal of and interest on the Bonds, and to similarly pledge all money, securities and earnings held in the funds and accounts (other than the Costs of Issuance Fund and the Rebate Fund) held under the Indenture, all in the manner described in the Bond Resolution, the Indenture and the Financing Agreement; (v) to approve and execute the Official Statement and to authorize and ratify the prior distribution of the Preliminary Official Statement and the distribution of the Official Statement by the Underwriter and (vi) to carry out, give effect to and consummate all the other transactions contemplated by the Bonds or the Issuer Documents, the Bond Resolution, the Preliminary Official Statement and the Official Statement.

(d) The Issuer and the Board have duly and validly adopted the Bond Resolution, have duly authorized and approved the execution and delivery of the Bonds and the Issuer Documents, and has duly authorized and approved the performance by the Issuer of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of those documents, and on the Closing Date, the Bonds and the Issuer Documents will constitute the valid, legal and binding special, limited obligations of the Issuer (assuming due authorization, execution and delivery by the other parties thereto, where necessary) in accordance with their respective terms and the Bond Resolution and will be in full force and effect.

(e) The Issuer's execution and delivery of the Bonds and the Issuer Documents, the Issuer's consummation of the transactions contemplated by such documents, and the Issuer's fulfillment of or compliance with the terms, conditions or provisions thereof will not conflict with, violate or result in the breach of any of the terms, conditions or provisions of any constitutional provision or statute of the State or of any agreement, instrument, statute, governmental rule or regulation, law and order, judgment or decree to which the Issuer is now a party or by which it is bound, and will not constitute a default under any of the foregoing which has not been waived or consented to in writing by the appropriate party or parties, and will not result in the creation or imposition of any lien, charge, security interest or encumbrance of any nature upon any property or assets of the Issuer prohibited under the terms of any such agreement, instrument, statute, governmental rule or regulation, court order, judgment or decree.

(f) Upon delivery of the Bonds, the Issuer will have good right, full power and lawful authority to pledge and assign the Trust Estate to the Trustee as provided in the Indenture.

(g) The Issuer has complied, and will on the Closing Date be in compliance, in all material respects with the Act, the Bond Resolution and the Issuer Documents.

(h) All approvals, consents, authorizations, elections and orders of or filings or registrations of or by the Issuer with any governmental authority, board or agency having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations hereunder or under the Bonds or any of the Issuer Documents have been obtained and are in full force and effect.

(i) The Bonds, when delivered in accordance with the Indenture and paid for by Underwriter on the Closing Date, will be validly issued and will constitute valid, legal and binding outstanding revenue obligations of the Issuer entitled to all the benefits and security of the Indenture.

(j) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the “Blue Sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate (but at no expense to the Issuer), provided that in connection with the offering the Issuer shall not be required to file a general consent to service of process in any jurisdiction or register as a broker/dealer or become subject to any other jurisdiction.

(k) Other than the Issuer Documents, the Issuer has not entered into any contract or arrangement that might give rise to any lien or encumbrance on the revenues or other assets, properties, funds or interests pledged pursuant to the Indenture. Pursuant to the Act, the Issuer, when financing a qualifying housing development (as described in the Act), issues bonds and notes as revenue obligations payable solely from the revenues derived from the facilities financed by such issues.

(l) To the best of its knowledge, the Issuer has not taken or omitted to take on or prior to the date hereof any action if such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(m) Any certificate signed by any Authorized Officer of the Issuer shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made in such certificate.

The execution and delivery of this Bond Purchase Agreement by the Issuer shall constitute a representation to the Underwriter that the representations and warranties contained in this Section are true as of the date of this Bond Purchase Agreement.

Section 3. Representations, Warranties and Agreements of the Borrower.

The Borrower represents, warrants and agrees with the Underwriter and the Issuer as follows:

(a) The Borrower is duly organized and existing as a limited partnership under the laws of the State, has full legal right, power and authority to own its properties and to conduct its business as described in the Official Statement and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Official Statement, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required, including the State.

(b) By all necessary action, the Borrower has duly authorized and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture,

the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(c) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) Between the date of this Bond Purchase Agreement and the date which is 25 days after the Closing Date, the Borrower shall promptly notify the Underwriter of the institution of any action, suit, proceeding, inquiry or investigation, of which it becomes aware, seeking to prohibit, restrain or otherwise restrict the issuance of the Bonds, the execution, delivery and performance by the Borrower of the Borrower Documents or the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) The information contained in the Preliminary Official Statement, subject to Permitted Omissions under Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended as of its date and the date hereof, and the information contained in the Official Statement as of the date thereof and on the Closing Date under the headings "THE BORROWER, THE PROJECT AND THE PRIVATE PARTICIPANTS," "CERTAIN BONDHOLDERS' RISKS" (but only with respect to those risks that expressly relate to the Borrower, the Project or the private participants), "CONTINUING DISCLOSURE," "NO LITIGATION – The Borrower" (as such information under such caption pertains to the Borrower), "APPENDIX H – TERM SHEET – CRA Information" or "APPENDIX I – FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM" (as such information pertains to the Project) (collectively, the "Borrower Information") or incorporated by reference in the Preliminary Official Statement and the Official Statement or otherwise supplied in writing by the Borrower for inclusion therein does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. Nothing has come to the attention of the Borrower to cause it to believe that any of the information in the Preliminary Official Statement or the Official Statement is untrue or incomplete.

(f) If between the date of this Bond Purchase Agreement and the date which is 25 days after the Closing Date an event occurs, that is known to the Borrower that would cause the Borrower Information in the Official Statement and any amendments or supplements thereto to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Borrower shall promptly notify the Underwriter, and, if in the opinion of the Underwriter such event requires an amendment of or supplement to the Official Statement, the Borrower, at the expense of the Borrower, will amend or supplement the Official Statement in a form and manner approved by the Issuer, the Borrower and the Underwriter; provided, however, if such event shall occur on or prior to the Closing Date, the Underwriter, in its sole discretion, shall have the right to terminate its obligations hereunder by written notice to the Issuer and the Borrower, and the Underwriter shall have no obligation to purchase and pay for the Bonds.

(g) To the best knowledge of the Borrower, after due and diligent inquiry, as of the date hereof, the Borrower is not in any material respect in violation of, breach of or default under any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or default under any constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound which breach or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents provided, however, that the Borrower makes no representation or warranty with respect to compliance with applicable state securities or Blue Sky laws or the registration of the Bonds or the Mortgage Note under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(h) All consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or commission of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been or will be obtained prior to the Closing Date and are or will be in full force and effect prior to the Closing Date; provided, however, that the Borrower makes no representation or warranty with respect to compliance with applicable state securities or Blue Sky laws or the registration of the Bonds or the Mortgage Note under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(i) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, of which the Borrower has been notified in writing, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the knowledge of the Borrower, threatened in writing against the Borrower, affecting the existence of the Borrower, involving the Project or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the financing of the Project, or in any way contesting or affecting as to the Borrower, the validity or enforceability of the Act, the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or any proceedings of the Borrower taken with respect to the sale, execution or delivery thereof, or the application of any moneys or security provided for the payment of the Bonds, or in any way contesting or challenging the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or the powers of the Borrower or its

authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby, or challenging the exclusion of interest on the Bonds from gross income for Federal income tax purposes; nor, to the knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower's financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

(j) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts upon the reasonable request of the Underwriter to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(k) Any certificate signed by the Borrower and delivered to the Underwriter or to the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty by the Borrower to the Underwriter and to the Issuer as to the statements made therein as of the date thereof.

(l) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(m) The Borrower shall honor all other covenants contained in the Borrower Documents, which agreements are incorporated herein and made a part of this Bond Purchase Agreement; provided, however, that nothing herein shall be deemed to alter the non-recourse nature of any covenants which are, under the terms of the Borrower Documents, without recourse to the Borrower.

(n) The Borrower is not in default under any undertakings with respect to continuing disclosure requirements designed to comply with the Rule in connection with any issue of municipal securities issued on its behalf.

The execution and delivery of this Bond Purchase Agreement by the Borrower shall constitute a representation to the Underwriter and the Issuer that the representations and warranties contained in this Section 3 are true as of the date hereof.

Section 4. Indemnification.

(a) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless:

(i) the Issuer and each past, present and future member, officer, director, official, employee and agent of the Issuer and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the "Issuer Indemnified Parties"), against any and all liabilities, losses, damages, costs, expenses (including

reasonable attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the "Liabilities") caused by (A) the breach (or alleged breach) by the Borrower of any of its representations or warranties in this Bond Purchase Agreement or (B) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact contained in the Preliminary Official Statement (other than the Issuer Information), as of its date and as of the date hereof, or the Official Statement (other than the Issuer Information), as of the date thereof and the Closing Date, or caused by any omission or alleged omission from the Preliminary Official Statement (other than the Issuer Information), as of its date and as of the date hereof, or the Official Statement (other than the Issuer Information), as of the date thereof and the Closing Date, of any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, unless caused by the gross negligence or willful misconduct of the Issuer Indemnified Party seeking indemnification; and

(ii) the Underwriter and each past, present and future member, officer, director, official, employee and agent of the Underwriter and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the "Underwriter Indemnified Parties," and together with the Issuer Indemnify Parties, the "Indemnified Parties"), against any and all Liabilities caused by (A) the breach (or alleged breach) by the Borrower of any of its representations or warranties in this Bond Purchase Agreement or (B) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact contained in the Borrower Information in the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of the date thereof and the Closing Date, or caused by any omission or alleged omission from the Borrower Information in the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of the date thereof and the Closing Date, of any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, unless caused by the gross negligence or willful misconduct of the Underwriter Indemnified Party seeking indemnification.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Underwriter from and against the Liabilities directly or indirectly arising from or relating to any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by the Issuer pertaining to the Bonds.

(c) Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower's expense and with counsel satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense. If there may be legal defenses available to the Indemnified Party that are in conflict with those available to the Borrower or if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower, provided that any compromise or settlement shall be entered into only with the consent of the Borrower.

(d) Except with respect to the Issuer (including its past, present and future officers, directors, members, employees, counsel or agents), in order to provide for just and equitable contribution in

circumstances in which the indemnity provided for in paragraphs (a) or (b) of this Section 4 is for any reason held to be unavailable (other than a holding to the effect that the specific circumstances are not the subject of the indemnity), the Borrower and the Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party may be subject, so that the Indemnified Party is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Indemnified Party be responsible for any amount in excess of the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds.

(e) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third party beneficiaries of this Bond Purchase Agreement for purposes of this Section 4. The provisions of this Section 4 will be in addition to all liability that the Borrower may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

(f) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Financing Agreement, the Regulatory Agreement or any other document.

Section 5. Disclosure Matters.

The Issuer and the Borrower acknowledge that the Underwriter is required to comply with the requirements of the Rule in connection with the offer and sale of the Bonds and each agrees to cooperate (at the cost and expense of the Borrower) with the Underwriter so as to enable the Underwriter to comply with the Rule. To this end:

(a) The Borrower and the Issuer have delivered to the Underwriter the Preliminary Official Statement that each of the Borrower and the Issuer deemed final as of its date, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, and other terms of the Bonds depending on such matters (collectively, the "Permitted Omissions").

(b) If, during the period from the date hereof to and including the date as of which the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the Closing Date, any event occurs as a result of which the Official Statement for the Bonds as then amended or supplemented might include an untrue statement of material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer, if such event relates to the information included in the Issuer Information in the Official Statement, or the Borrower, if such event relates to the Borrower Information in the Official Statement, shall promptly notify the Underwriter thereof and shall (in either case, at the expense of the Borrower), upon the request of the Underwriter, prepare and deliver to the Underwriter as many copies of an amendment or supplement which will correct such statement or omission as the Underwriter may reasonably request.

(c) On the earlier of the Closing Date or the date which is seven (7) business days after the date hereof (or such earlier date as is necessary to accompany any confirmation that requests payment for a Bond), the Issuer agrees to deliver or cause to be delivered to the Underwriter, at the expense of the Borrower, as many copies of the Official Statement as the Underwriter may reasonably request.

Section 6. Closing.

At 10:00 a.m., Eastern time, on August [], 2023, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower, and the Underwriter (the “Closing Date”), the Issuer will deliver or cause to be delivered, the Bonds in definitive form, duly executed and authenticated by the Trustee. Delivery of the Bonds shall be made at the offices of the Trustee (or such other place upon which the Underwriters and the Issuer mutually agree) which shall hold the Bonds as custodian for The Depository Trust Company, 55 Water Street, New York, New York 10041 (“DTC”) under its “FAST” system. Subject to the terms and conditions hereof, the Issuer and the Borrower shall deliver at the offices of Bryant Miller Olive P.A., Miami, Florida (“Bond Counsel”), the other documents and instruments to be delivered pursuant to this Bond Purchase Agreement (the “Closing Documents”), and the Underwriter shall accept delivery of the Bonds and Closing Documents and pay the purchase price for the Bonds as set forth in Section 1 above by wire transfer, to the Trustee, in immediately available federal funds. Immediately following such payment and acceptance, the Underwriter shall receive its fee with respect to the Bonds in the amount set forth in Section 1 above by wire transfer from or on behalf of the Borrower in immediately available federal funds to the order of the Underwriter, in such manner as shall be agreed upon by the Borrower and the Underwriter. This delivery and payment is herein called the “Closing” and the date on which the Closing occurs is herein called the “Closing Date.” The Bonds shall be prepared and delivered as fully registered Bonds without coupons in the denominations set forth in the Official Statement or multiples thereof. One fully registered Bond in the total aggregate principal amount of the Bonds, bearing a proper, duly assigned CUSIP number, will be issued initially in the name of Cede & Co., as nominee of DTC.

Section 7. Closing Conditions.

The Underwriter has entered into this Bond Purchase Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations and warranties of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Bond Resolution shall have been duly approved and adopted by the Issuer and shall be in full force and effect and each of the Financing Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel and counsel for the Underwriter, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate this Bond Purchase Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) (A) legislation shall be enacted by the Congress of the United States or adopted by the Senate or House of Representatives of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to the Senate

or House of Representatives by any committee of either such body to which such legislation has been referred for consideration or by a conference committee of such bodies, (B) a decision shall be rendered by a court of the United States or by the Tax Court of the United States, (C) a ruling, regulation or official action shall be rendered by or on behalf of the United States, or (D) a ruling, regulation or official action shall be proposed or issued, in any manner, including by pronouncement, press release or any other form of notice, by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or another governmental agency of the United States or by or on behalf of any member of the Senate or House of Representatives of the United States in any such instance with respect to federal taxation of interest received on obligations of the general character of the Bonds and which (1) in the reasonable opinion of counsel for the Underwriter, would have or proposes action which would have the effect of making such interest includable in gross income for federal income tax purposes or (2) which, in the reasonable opinion of the Underwriter, would materially adversely affect the marketability of or the market price for the Bonds;

(ii) between the date hereof and the Closing, payment for and delivery of the Bonds is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been established by Federal or New York authorities or (B) a war involving the United States shall have been declared, or a national emergency, or any other outbreak or escalation of hostilities, or another national or international calamity, or escalation thereof, shall have occurred, the effect of any of which, in the reasonable judgment of the Underwriter, materially adversely affects the marketability of the Bonds (it being agreed by the parties none of the foregoing events exist as of the date hereof);

(iii) any event shall occur or exist which, in the reasonable judgment of the Underwriter, either makes untrue or incorrect any statement of a material fact in the Official Statement, or has the effect of constituting the omission from the Official Statement, of any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, which in the reasonable opinion of the Underwriter, would materially and adversely affect the marketability of or the market price for the Bonds;

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or a supplement to the Official Statement, which in the reasonable opinion of the Underwriter, would materially and adversely affect the marketability of or the market price for the Bonds;

(v) legislation shall be enacted, or any action shall be taken by the Securities and Exchange Commission, which, in the reasonable opinion of counsel for the Underwriter, has or may have the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended;

(vi) there shall have occurred, in the reasonable judgment of Underwriter, a material adverse change in the capital markets which makes the sale or financing contemplated hereby impossible on the terms, manner and basis contemplated by the Bond Resolution and mutually agreed to by the Issuer, Underwriter and the Borrower;

(vii) there shall have occurred any materially adverse change in the affairs or financial condition of the Issuer or the Borrower which makes sale of the Bonds impossible on the terms

contemplated by the Bond Resolution and mutually agreed to by the Issuer, Underwriter and the Borrower;

(viii) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any rating of the Bonds or the government of the United States which, in the reasonable judgment of the Underwriter, materially adversely effects the value or marketability of the Bonds; or

(c) At or prior to the Closing, the Underwriter shall receive the following documents:

(i) an approving opinion of Bond Counsel, addressed to the Issuer with a reliance letter to the Underwriter, dated the Closing Date, substantially in the form attached as Appendix E to the Official Statement;

(ii) opinions and/or letters, dated the Closing Date and addressed to the Underwriter and to such other parties as may be appropriate, of

(A) Bond Counsel, substantially in the form attached hereto as Exhibit A;

(B) Borrower's Counsel, substantially in the form attached hereto as Exhibit B;

(C) General Counsel to the Issuer, in form and substance satisfactory to the Underwriter;

(D) Counsel to the Trustee, in form and substance satisfactory to the Underwriter; and

(E) Counsel to the Underwriter, as to such matters as the Underwriter may reasonably request;

(iii) a certificate, dated the Closing Date and signed on behalf of the Issuer, to the effect that:

(A) the Issuer has not received notice of any pending, nor to the Issuer's actual knowledge is there any threatened, action, suit, proceeding, inquiry or investigation against the Issuer, at law or in equity, by or before any court, public board or body, affecting the existence of the Issuer or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way materially adversely affecting or questioning (1) the use of the Preliminary Official Statement or the Official Statement, (2) the validity or enforceability of the Bonds, (3) any proceedings of the Issuer taken with respect to the Bonds or any of the Issuer Documents, (4) the tax exempt status of the interest on the Bonds, (5) the accuracy or completeness of the Issuer Information in the Preliminary Official Statement or the Official Statement, (6) the execution and delivery by the Issuer of the Issuer Documents or the Bonds, or (7) the power of the Issuer to carry out the transactions on its part contemplated in the Issuer Documents;

(B) to the best knowledge and belief of the persons signing the certificate, the Issuer Information in the Preliminary Official Statement and the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(C) the Issuer has complied with all of the covenants and satisfied all of the conditions on its part to be performed or satisfied on or prior to the Closing Date, and the representations and warranties of the Issuer contained herein and in each of the Financing Documents to which it is a party are true and correct as of the Closing Date;

(iv) a certificate of Fannie Mae dated the Closing Date substantially in the form set forth in Exhibit D hereto, which certificate shall be provided to the Underwriter and the Issuer, stating that Fannie Mae has provided the link which includes a template of the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Yield Maintenance) set forth in the first paragraph under the caption “APPENDIX G – FANNIE MAE MORTGAGE BACKED SECURITIES PROGRAM” in the Preliminary Official Statement and the Official Statement; if the Pass-Through Certificate had been issued by Fannie Mae on the Closing Date, the disclosure in the Additional Disclosure Addendum provided in connection with the Pass-Through Certificate will be substantially the same in all material respects as the Additional Disclosure Addendum provided in Appendix I of the Official Statement; and Fannie Mae has authorized the inclusion of such information in the Preliminary Official Statement and the Official Statement for use in connection with the marketing of the Bonds;

(v) a certificate of the Lender dated the Closing Date, which certificate shall be provided to the Underwriter and the Issuer, stating that (A) the Pass-Through Certificate to be delivered to the Trustee pursuant to the Indenture shall be issued by Fannie Mae and guaranteed, as to timely payment of interest at the applicable Pass-Through Rate on the unpaid principal balance of the Mortgage Loan pertaining to such Pass-Through Certificate, and guaranteed as to timely payment of principal in accordance with the terms of the principal amortization schedule of the Mortgage Loan; (B) if the Pass-Through Certificate is delivered to the Trustee pursuant to the Indenture, the Trustee shall be furnished with (1) a Pass-Through Certificate, registered in the name of the Trustee (or its nominee), as Trustee under the Indenture and (2) any prospectus for the Pass-Through Certificate; and (C) the Lender has provided the information under the caption “APPENDIX H – TERM SHEET” in the Preliminary Official Statement and Official Statement, that the information under such caption in the Preliminary Official Statement and the Official Statement is accurate as of the date of the Preliminary Official Statement and as of the date of the Official Statement, respectively, and as of the Closing Date, and that the Lender has authorized the inclusion of such information in the Preliminary Official Statement and the Official Statement for use in connection with the marketing of the Bonds;

(vi) an executed copy of the Tax Certificate, which will include facts, estimates and circumstances and reasonable expectations pertaining to Section 148 of the Code to support the conclusion that none of the Bonds will be an “arbitrage bond”;

(vii) a certificate of the Borrower, dated the Closing Date, to the effect that (A) each of the representations and warranties set forth in each of the Borrower Documents (including this Bond Purchase Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) to the Borrower’s knowledge, no event has occurred since the date of the Official Statement to cause the Borrower Information in the Official Statement to contain an untrue statement of a material fact, or omit to state any material

fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (C) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents on or prior to the Closing Date;

(viii) copies of each of the executed Financing Documents;

(ix) written evidence satisfactory to the Underwriter that Moody's Investors Service, Inc. has issued a rating of "Aaa" for the Bonds, and such rating shall be in effect on the Closing Date;

(x) such agreements, certificates and opinions as reasonably requested by the Underwriter to evidence the closing of the Mortgage Loan;

(xi) the Borrower's 15c2-12 Certificate, duly executed by the Borrower substantially in the form set forth in Exhibit C hereto; and

(xii) such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Bonds from gross income for federal income tax purposes), instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Issuer's and the Borrower's representations herein and in the Official Statement and the due performance or satisfaction by the Issuer and the Borrower on or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by them.

If the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, neither the Underwriter, the Borrower nor the Issuer shall be under any further obligation hereunder.

Section 8. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Borrower hereby agrees to pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to, the costs of printing and mailing the Preliminary Official Statement and the Official Statement; the fees and expenses of Issuer's counsel, including bond counsel, and Borrower's counsel; the fees and expenses of the Trustee and its counsel; and the fees and disbursements of any other experts or consultants retained by the Issuer or the Borrower; the fees of rating agencies in connection with the rating of the Bonds; the Underwriter's Fee as provided in Section 1 hereof and the fees and expenses of counsel to the Underwriter; and all other expenses in connection with the public offering and sale of the Bonds. Notwithstanding the foregoing, the Issuer shall have no obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds, other than from the proceeds of the Bonds. The Borrower shall also pay any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Bond Purchase Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs.

(b) The Borrower acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred in connection with the issuance of the Bonds. The Issuer and the Borrower acknowledge that the Underwriter's Fee will pay or reimburse the Underwriter for various expenses incurred by the

Underwriter which are incidental to implementing this Bond Purchase Agreement and the issuance and purchase of the Bonds.

Section 9. Notices.

Any notice or other communication to be given to the Issuer or the Borrower may be given by mailing the same to each of them at the respective addresses set forth on the cover hereof, and any notice or other communication to be given to the Underwriter may be given by mailing the same to RBC Capital Markets, LLC, 100 2nd Avenue South, Suite 800, St. Petersburg, FL 33701-4337; Attention: Helen H. Feinberg.

Section 10. Parties in Interest.

This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Underwriter (including any successor or assignees of the Issuer or Underwriter), and, except as provided in Section 4 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

Section 11. Amendments.

This Bond Purchase Agreement may not be amended without the written consent of the Issuer, the Borrower and the Underwriter.

Section 12. Survival of Representations and Warranties.

The representations and warranties of the Issuer and the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Issuer and the Borrower and regardless of delivery of and payment for the Bonds.

Section 13. Execution in Counterparts.

This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 14. No Prior Agreements.

This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer and the Borrower.

Section 15. Effective Date.

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.

Section 16. Governing Law.

This Bond Purchase Agreement shall be governed by the laws of the State without giving effect to the conflict of law principles of the State.

Section 17. No Personal Liability of Issuer.

The Issuer and none of the members of the Issuer, nor any officer, agent or employee of the Issuer, shall be charged personally by the Underwriter or the Borrower with any liability, or be held liable to the Underwriter or the Borrower under any term or provision of this Bond Purchase Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Bond Purchase Agreement.

Section 18. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate substantially in the form of Exhibit E hereto, upon which the Issuer may conclusively rely, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Section 1 hereto, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Section 1 hereto, except as otherwise set forth therein. Section 1 also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language

obligating each dealer who is a member of the selling group to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third party distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

[Remainder of Page Intentionally Left Blank]

If the foregoing is in accordance with your understanding of this Bond Purchase Agreement please sign and return to us by email your acceptance hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Underwriter in accordance with its terms.

Very truly yours,

**RBC CAPITAL MARKETS, LLC,
RAYMOND JAMES & ASSOCIATES, INC.**

By: RBC Capital Markets, LLC, as representative

By: _____
Helen H. Feinberg, Managing Director

(Signatures to Federation Plaza Bond Purchase Agreement continue on following pages)

(Issuer's Signature Page to Federation Plaza Bond Purchase Agreement)

ACCEPTED in Fort Lauderdale, Florida at _____.m. Eastern time this ____ day of _____, 2023.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Daniel D. Reynolds, Chair

ATTEST:

By: _____
Scott Ehrlich, Secretary

(Borrower's Signature Page to Federation Plaza Bond Purchase Agreement)

Federation Plaza Preservation, L.P.,
a Florida limited partnership

By: Southeast Housing Preservation, Inc.,
a Florida nonprofit corporation,
its general partner

By: _____
Name: Melissa Vincent
Title: Vice President

SCHEDULE I

AMOUNT, MATURITY DATE, INTEREST RATE AND PRICE

Principal Amount	Maturity Date	Interest Rate	Price
[\$33,025,000]	September 1, 2040	[]%	[100]%

SCHEDULE II

DISCLOSURE LETTER

August [], 2023

Housing Finance Authority of Broward County, Florida
110 NE 3rd Street, Suite 300
Fort Lauderdale, FL 33301

Ladies and Gentlemen:

In reference to the issuance of those certain \$[33,025,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the "Bonds"), RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the "Purchaser"), pursuant to the Bond Purchase Agreement (the "Bond Purchase Agreement") between the Purchaser, Federation Plaza Preservation, L.P., a Florida limited partnership (the "Borrower") and the Housing Finance Authority of Broward County, Florida (the "Issuer"), hereby makes the following disclosures to the Issuer:

1. The Purchaser is acting as underwriter to the Issuer for the public offering of the Bonds. The total fee to be paid to the Purchaser pursuant to the Bond Purchase Agreement is equal to approximately \$[] per bond, of the total face amount of the Bonds, or \$[].

2. The estimated expenses not included in the above number to be incurred by the Purchaser and to be charged to the Borrower in connection with the issuance of the Bonds are:

Purchaser's Counsel (including disbursements)	\$42,500 (or \$[] per Bond)
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3. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker or financial consultant or advisor and who enters into an understanding with either the Issuer or the Purchaser, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or who exercises or attempts to exercise any influence to effect any transaction in the purchase of the Bonds are:

None

4. The amount of the underwriting risk and takedown expected to be realized is:

Takedown/Concession	\$[] or \$[] per Bond.
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5. The amount of the management fee to be charged by the Purchaser is:

\$[] or \$[] per Bond.

6. Any other fee, bonus, and other compensation estimated to be paid by the Purchaser in connection with the Bonds to any person not regularly employed or retained by the Purchaser is as follows:

Fee and Expenses

\$[] or \$[] per Bond (in addition to Purchaser's Counsel fee)

7. The Issuer is proposing to issue \$[33,025,000] of debt or obligation for the purpose of financing the Project. This debt or obligation is expected to be repaid over a period of [____] years. At a forecasted interest rate of [____]%, total interest paid over the life of the debt or obligation will be \$[_____].

8. The source of repayment or security for the Bonds is the Trust Estate. Authorizing this debt or obligation will result in \$0.00 of the Issuer's moneys not being available to finance the other services of the Issuer each year the Bonds are Outstanding.

9. The name and address of the Purchaser connected with the Bonds is:

RBC Capital Markets, LLC
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701

Raymond James & Associates, Inc.
880 Carillon Parkway, 3rd Floor
St. Petersburg, Florida 33716

[Signature Page Follows]

(Signature Page to Federation Plaza Disclosure Letter)

**RBC CAPITAL MARKETS, LLC
RAYMOND JAMES & ASSOCIATES, INC.**

By: RBC Capital Markets, LLC, as representative

By: _____
Helen H. Feinberg, Managing Director

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

August __, 2023

Honorable Chairperson and Members of
the Housing Finance Authority of
Broward County, Florida
Fort Lauderdale, Florida

RBC Capital Markets, LLC
St. Petersburg, Florida

Raymond James & Associates, Inc.
St. Petersburg, Florida

Re: \$[33,025,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza)

Ladies and Gentlemen:

We have served as Bond Counsel to the Housing Finance Authority of Broward County, Florida (the “Issuer”) in connection with the issuance and delivery by the Issuer of its \$[33,025,000] aggregate principal amount of the Housing Finance Authority of Broward County, Florida, Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the “Bonds”). The Bonds are being issued pursuant to the Indenture of Trust, dated as of August 1, 2023 (the “Indenture”), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Financing Agreement, dated as of August 1, 2023 (the “Financing Agreement”), by and among the Issuer, the Trustee, Wells Fargo Bank, National Association, as lender, and the Borrower, and the Land Use Restriction Agreement, dated as of August 1, 2023 (the “Land Use Restriction Agreement” and, together with the Indenture and the Financing Agreement, the “Bond Documents”), by and among the Issuer, the Trustee and the Borrower .

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them in the Bond Documents.

The opinions expressed herein are supplemental to and are subject to all the qualifications, limitations and reliances contained in our bond counsel opinion rendered to the Issuer as of the date hereof pertaining to the Bonds.

Subject to the foregoing, we are of the opinion that:

1. We have reviewed the statements contained in the Preliminary Official Statement dated August [], 2023, with respect to the Bonds (the “Preliminary Official Statement”), and the Official Statement dated August [], 2023, with respect to the Bonds (the “Official Statement”) under the sections, captions or subcaptions (as the case may be) “INTRODUCTION” (excluding the subcaptions entitled “The Issuer,” “The Borrower,” and “Limited Role of Fannie Mae”), “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS,” and “APPENDIX A – DEFINITIONS OF CERTAIN TERMS,” “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT,”

“APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT,” “APPENDIX E – PROPOSED FORM OF OPINION OF BOND COUNSEL” and “APPENDIX J – FORM OF NOTICE OF REQUEST TO EXCHANGE” and, with respect to the Preliminary Official Statement, as of its date, and with respect to the Official Statement, as of its date and the date hereof, believe that insofar as such statements purport to summarize certain provisions of the Bond Documents and the Bonds, such statements are accurate summaries of the provisions purported to be summarized; provided that, with respect to the Preliminary Official Statement, we note that our opinion set forth in this paragraph is expressly qualified as to the exclusion of the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery and payment dates, any other terms or provisions to be determined in connection with the pricing of the Bonds, ratings, and other terms of the securities depending on such matters. We have also reviewed the information contained in the Preliminary Official Statement and the Official Statement under the section captioned “TAX MATTERS” and believe that such information is accurate.

Other than as set forth above, we express no opinion with respect to the accuracy, completeness, fairness or sufficiency of the Official Statement, the statistical or financial data contained therein, or any exhibit or attachments thereto or with respect to DTC and its book-entry system.

2. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

Except as provided below, the opinion letter may be relied upon by you only and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent. The delivery of this letter to a non-client does not create an attorney-client relationship.

The opinions expressed herein are predicated upon present law, facts, and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

EXHIBIT B

FORM OF OPINION OF BORROWER'S COUNSEL

August __, 2023

RBC Capital Markets, LLC

Raymond James & Associates, Inc.

The Bank of New York Mellon Trust Company, N.A.

Housing Finance Authority of
Broward County, Florida

Bryant Miller Olive P.A.

[\$33,025,000]

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

(After appropriate introductory language, the opinion shall state substantially as follows:)

1. The Borrower is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite limited partnership power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The Borrower is qualified to do business in the State of Florida.

2. The Borrower has full legal right, power and authority (a) to own its properties and conduct its business as described in the Preliminary Official Statement and the Official Statement and (b) to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents.

3. The General Partner is a not-for-profit corporation, duly organized, validly existing and in good standing under the laws of the State of California and has all requisite not-for-profit corporation power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The General Partner is qualified to do business in the State of Florida.

4. By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents, and approved the execution and delivery of, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Bonds and the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture and the Borrower Documents in connection with the issuance of the Bonds. The individual(s) who have executed the Borrower Documents on behalf of the General Partner of the Borrower have the authority to bind the General Partner and thereby the Borrower to the terms and conditions of the Borrower Documents.

5. The Borrower Documents have been duly executed and delivered by the Borrower and, assuming the due authorization, execution and delivery of such agreements by the respective other parties thereto where necessary, if any, constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforcement may be limited by

bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

6. The execution and delivery of the Borrower Documents, the performance by Borrower of its obligations thereunder and the consummation of the transactions contemplated therein are within the organizational powers of Borrower and will not (i) conflict with or constitute a breach of the Borrower's organizational documents; (ii) to our knowledge, constitute a default under any indenture, mortgage, deed of trust or other material lien, lease, contract, note, order, judgment, decree or other material agreement, instrument or restriction of any kind to which Borrower is a party or by which any of its properties are bound or affected; or (iii) result in a violation of any constitutional or statutory provision or any material order, rule, regulation, decree or ordinance of any court, government or governmental authority known to us to be applicable to the Borrower or its property.

7. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, the Borrower is not in any material respect in violation of, breach of or default under any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Bonds and the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with, or constitute on the part of the Borrower a violation of, breach of or default under, any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.

8. As of the Closing Date, all consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or issuer of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect.

9. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best of our knowledge, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Act, the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated thereby; nor, to the best of our knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially

adversely affect the financial condition or operations of the Borrower or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

10. Nothing has come to our attention that would lead us to believe that the statements contained in the Preliminary Official Statement, as of its date and the date of the Bond Purchase Agreement, and the Official Statement, as of its date and the date hereof, under the captions “THE BORROWER, THE PROJECT AND THE PRIVATE PARTICIPANTS,” “CERTAIN BONDHOLDERS’ RISKS” (but only with respect to those risks that expressly relate to the Borrower or the Project), “CONTINUING DISCLOSURE,” “NO LITIGATION—The Borrower” and “APPENDIX H – TERM SHEET – CRA Information” (except as to the statistical and financial data included in the Preliminary Official Statement and the Official Statement with respect to which we do not express any opinion), contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

11. The Borrower may not plead the defense of usury or maintain an action for usury with respect to the loan(s) being made under the Transaction Documents.

Very truly yours,

EXHIBIT C

FORM OF RULE 15c2-12 CERTIFICATE

[\$33,025,000]

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

The undersigned hereby certifies and represents to RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the “Underwriter”) that he/she is authorized to execute and deliver this certificate on behalf of Federation Plaza Preservation, L.P., a Florida limited partnership (the “Borrower”), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the issuance and sale of the above captioned bonds (the “Bonds”).

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated the date of this certificate, setting forth information concerning the Bonds and the Borrower (the “Preliminary Official Statement”).

(c) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

(e) The sections of the Preliminary Official Statement entitled “CONTINUING DISCLOSURE” and “APPENDIX F — FORM OF CONTINUING DISCLOSURE AGREEMENT” describes the agreement the Borrower expects to make for the benefit of the Bondholders in the Continuing Disclosure Agreement dated as of August 1, 2023 by and between the Borrower and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

Dated: August [], 2023

(Signature Page to Federation Plaza Borrower's Rule 15c2-12 Certificate)

IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth above.

Federation Plaza Preservation, L.P.,
a Florida limited partnership

By: Southeast Housing Preservation, Inc.,
a Florida nonprofit corporation,
its general partner

By: _____
Name: Melissa Vincent
Title: Vice President

EXHIBIT D

FORM OF CERTIFICATE OF FANNIE MAE

\$[33,025,000]

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

This Certificate, dated August [], 2023, is being furnished to the Housing Finance Authority of Broward County, Florida (the “Issuer”) and RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the “Underwriter”), pursuant to the terms of the Bond Purchase Agreement dated August [], 2023 (the “Bond Purchase Agreement”) among the Underwriter, the Issuer and Federation Plaza Preservation, L.P., a Florida limited partnership, regarding the purchase by the Underwriter of the \$[33,025,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the “Bonds”), issued by the Issuer. All terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bond Purchase Agreement.

The undersigned hereby certifies to the Issuer and the Underwriter that Fannie Mae has provided the link which includes a template of the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Yield Maintenance) set forth in the first paragraph under the caption “APPENDIX G – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” in the Preliminary Official Statement and the Official Statement; if the Pass-Through Certificate had been issued by Fannie Mae on the date of this Certificate, the disclosure in the Additional Disclosure Addendum provided in connection with the Pass-Through Certificate will be substantially the same in all material respects as the Additional Disclosure Addendum provided in Appendix I of the Official Statement; and Fannie Mae has authorized the inclusion of such information in the Preliminary Official Statement and the Official Statement for use in connection with the marketing of the Bonds.

FANNIE MAE

By: _____
Name: _____
Title: _____

FANNIE MAE CERTIFICATE (Federation Plaza)

EXHIBIT E

FORM OF ISSUE PRICE CERTIFICATE

[\$33,025,000]

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

The undersigned, on behalf of RBC Capital Markets, LLC (the “Representative”), on behalf of itself and Raymond James & Associates, Inc. (“Raymond James”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the Bonds. As of the date of this Certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Section 1 of the Bond Purchase Agreement dated August [], 2023, among the Representative, Raymond James, Federation Plaza Preservation, L.P., a Florida limited partnership (the “Borrower”), and the Housing Finance Authority of Broward County, Florida (the “Issuer”).

2. Defined Terms.

(a) “*Issuer*” means the Housing Finance Authority of Broward County, Florida, a public body corporate and politic duly organized and existing under the laws of the State of Florida.

(b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the Underwriter. The term “related party” for purposes of this Certificate means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) “*Underwriter*” means (i) collectively, the Representative and Raymond James, (ii) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the

Borrower with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bryant Miller Olive P.A., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

Dated: August [], 2023

[Signature Page Follows]

(Underwriter's Signature Page to Federation Plaza Issue Price Certificate)

Dated as of the date hereof.

RBC CAPITAL MARKETS, LLC
RAYMOND JAMES & ASSOCIATES, INC.

By: RBC Capital Markets, LLC, as representative

By: _____
Helen H. Feinberg, Managing Director

EXHIBIT E

FORM OF PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST [], 2023

NEW ISSUE – BOOK-ENTRY ONLY

**RATING: Moody's: "[Aaa]"
(See "RATING" herein)**

In the opinion of Bryant Miller Olive P.A., Miami, Florida, Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes except that such exclusion shall not apply to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Additionally, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Bonds.

[\$33,025,000]*

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)**

**Maturity Date: September 1, 2040*; Final Payment Date: September 26, 2040*; Interest Rate: __%;
Price: __%; CUSIP No.: _____****

Dated Date: August 1, 2023*

The above-captioned bonds (the "Bonds") will be issued under the provisions of an Indenture of Trust dated as of August 1, 2023 (the "Indenture") between the Housing Finance Authority of Broward County, Florida (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee for the Bonds (the "Trustee"). The Bonds will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), as fully registered bonds in the denomination of \$1,000 or any integral multiples of \$1.00 in excess thereof ("Authorized Denominations"). Interest on and principal of the Bonds will be payable by the Trustee to Cede & Co., as nominee of DTC.

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition, rehabilitation and equipping of a 124-unit multifamily senior housing rental development known as Federation Plaza in Hollywood, Florida (the "Project"). See "THE BORROWER, THE PROJECT AND THE PRIVATE PARTICIPANTS" herein.

The Bonds will initially be collateralized and payable from (i) the deposit into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture of the proceeds received from a first mortgage loan (the "Mortgage Loan") made by Wells Fargo Bank, National Association, to Federation Plaza Preservation, L.P., a Florida limited partnership (the "Borrower"), and fully funded in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds, and (ii) the deposit to the Collateral Security Interest Account of the Collateral Security Fund of Bond proceeds in an amount sufficient to pay the interest on the Bonds to but not including October 26, 2023*

(as such date may be extended pursuant to the Indenture, the “Mandatory Redemption Date”). Upon the satisfaction of certain conditions described herein as set forth in the Indenture, the Trustee will use moneys on deposit in the Collateral Security Fund to acquire a Guaranteed Mortgage Pass-Through Certificate (the “Pass-Through Certificate”), backed by the Mortgage Loan on the Project, and to be issued by Fannie Mae. After such purchase of the Pass-Through Certificate, the Bonds will be payable from moneys derived from such Pass-Through Certificate as described below.



It is expected that the Pass-Through Certificate will be acquired by the Trustee prior to September 26, 2023* (the “First Payment Date”), and in any event prior to the Mandatory Redemption Date, unless such Mandatory Redemption Date is extended as provided in the Indenture. Principal and interest will initially be paid from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date (as defined herein), at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate will be passed through to Bondholders on each Payment Date. “Payment Date” means (i) one Business Day after each date on which a payment of principal and interest is made (or, prior to the Purchase Date, would have been made assuming the Pass-Through Certificate had been issued on the Closing Date) pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (ii) with respect to any redemption in lieu of exchange of the Bonds for the Pass-Through Certificate, the Business Day on which the Trustee receives funds pursuant to the transfer of the applicable principal amount of the Pass-Through Certificate to or upon the order of the Issuer. The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest after September 1, 2040* (the “Maturity Date”).

If the Pass-Through Certificate is not acquired by the Trustee prior to the Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the Bonds will be redeemed at a redemption price of par (the “Original Issue Price”) plus interest accrued on the Bonds to but not including the Mandatory Redemption Date (as such date may be extended under the Indenture) from moneys on deposit in the Collateral Security Fund under the Indenture.

The Bonds are subject to mandatory redemption at the times and in the events set forth in the Indenture and described herein.

THE BONDS, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE REVENUE OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT (AS DEFINED HEREIN). THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF FLORIDA (THE “STATE”), THE CITY OF HOLLYWOOD, FLORIDA (THE “CITY”), BROWARD COUNTY, FLORIDA (THE “COUNTY”) OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE, THE CITY, THE COUNTY, NOR ANY OTHER POLITICAL

SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE'S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS SUMMARIZED AT "APPENDIX G – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" AND IN THE FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM ATTACHED HERETO AS APPENDIX I. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE OR THE UNITED STATES OF AMERICA.

The Board of County Commissioners of Broward County, Florida (the "BOCC") has scheduled its approval of the Bond issue for its regular meeting on August [22], 2023. Such approval is required for issuance of the Bonds. While there is no assurance that such approval will occur, it is believed that such approval will be obtained.

The Bonds are offered when, as and if issued and received by the Underwriter named below, and subject to the delivery of the approving legal opinion of Bryant Miller Olive P.A., Miami, Florida, Bond Counsel and to certain other conditions. Certain legal matters will be passed upon for the Issuer by the Broward County Attorney's Office, Fort Lauderdale, Florida. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, DLA Piper LLP, Los Angeles, California. Certain legal matters will be passed upon for the Borrower by its Counsel, Levitt & Boccio, LLP, New York, New York, and Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Miami, Florida. RBC Capital Markets, LLC and Raymond James & Associates, Inc. will serve as Underwriter (collectively, the "Underwriter"). Certain legal matters will be passed upon for the Underwriter by its Counsel, Norris George & Ostrow PLLC, Washington, D.C. Zomermaand Financial Advisory Services, L.L.C. has acted as independent registered municipal advisor to the Issuer in connection with the financing. It is expected that the Bonds will be available for delivery in New York, New York through the facilities of DTC on or about August __, 2023.

RBC CAPITAL MARKETS

RAYMOND JAMES

Dated: August __, 2023

* Preliminary; subject to change.

** A CUSIP number has been assigned by an independent company not affiliated with the Issuer and is included solely for the convenience of the owners of the Bonds. The Issuer is not responsible for the selection or uses of such CUSIP number, and no representation is made as to its correctness on the Bonds or the Pass-Through Certificate or as indicated above. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in part of the Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

The Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Issuer, the Borrower, Fannie Mae or the Underwriter to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Issuer; Fannie Mae (as described below); the Borrower (in the case of information contained herein relating to the Borrower, the Mortgage Loan and the Project); and other sources which are believed to be reliable. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, Fannie Mae or the Borrower, since the date hereof.

The information set forth herein relating to the Issuer under the headings "THE ISSUER," "NO LITIGATION - The Issuer," and "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES," has been obtained from the Issuer. The Issuer has not reviewed or approved any information in this Official Statement except the information relating to the Issuer under the foregoing headings. The Issuer assumes no responsibility for the accuracy or completeness of any other information in this Official Statement. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or the Borrower since the date hereof. The Issuer has not and will not agree to provide any annual financial statements or other credit information of the Issuer or the Borrower to investors on a periodic basis.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

Fannie Mae has not reviewed or undertaken to determine the accuracy of any of the information contained in this Official Statement, other than providing a link to the template Fannie Mae MBS Prospectus in APPENDIX G and the Additional Disclosure Addendum in APPENDIX I, and makes no representation or warranty, express or implied, as to any of the other matters contained in this Official Statement, including, but not limited to (i) the accuracy or completeness of such information, (ii) the

suitability of the Bonds for any investor, (iii) the feasibility or performance of the Project, (iv) the structure, provisions or terms of the Bonds and any cash flows related thereto, or (v) compliance with any securities, tax or other laws or regulations including but not limited to the validity of the Bonds and the tax-exempt status of the Bonds. Fannie Mae's role with respect to the Bonds is limited to issuing and discharging its obligations under the Pass-Through Certificate if and when delivered.

Except for any information provided by The Bank of New York Mellon Trust Company, N.A., concerning the Trustee, The Bank of New York Mellon Trust Company, N.A., has no responsibility for any information in this Official Statement. The Bank of New York Mellon Trust Company, N.A., in its capacity as Trustee, assumes no responsibility for the accuracy or completeness of the information concerning the Issuer or the Borrower or their respective affiliates or any other party contained in this document or the related documents or for any failure by the Issuer or the Borrower or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO THE PROJECT AND THE BORROWER AND SECURITY FOR THE BONDS THAT ARE "FORWARD-LOOKING STATEMENTS." WHEN USED IN THIS OFFICIAL STATEMENT THE WORDS "ESTIMATE," "INTEND," "EXPECT," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. PROSPECTIVE PURCHASERS MAY RELY ON THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT IN THE ORIGINAL BOUND FORMAT OR IN ELECTRONIC FORMAT; PROVIDED, HOWEVER, THAT PROSPECTIVE PURCHASERS MUST READ THE ENTIRE OFFICIAL STATEMENT (INCLUDING THE COVER PAGE AND ALL APPENDICES ATTACHED HERETO) TO OBTAIN ALL OF THE INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE.

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[\$33,025,000]*
Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

This Official Statement (including the cover page and appendices) provides certain information in connection with the sale by the Housing Finance Authority of Broward County, Florida (the “Issuer”) of \$[33,025,000]* in aggregate principal amount of the Issuer’s Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the “Bonds”).

The Bonds will be issued pursuant to Ordinance 79-41, enacted by the Board of County Commissioners Broward County, Florida (the “County”) on June 20, 1979, as amended, and a resolution to be adopted by the County on August [22], 2023, Resolution Nos. 2022-002, 2022-008, and 2023-[____] adopted by the Issuer on January 19, 2022, April 20, 2022, and June 21, 2023, respectively, and in accordance with Florida Housing Finance Authority Law, Sections 159.601 through 159.623, Florida Statutes, as amended (collectively, the “Act”) and an Indenture of Trust, dated as of August 1, 2023 (the “Indenture”) between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”). Pursuant to the Indenture, the Bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein. Certain defined terms used herein are set forth in APPENDIX A hereto. Summaries of certain provisions of the Indenture, the Financing Agreement (herein defined) and the Regulatory Agreement (herein defined) are included as APPENDICES B, C and D, respectively.

INTRODUCTION

This introduction highlights information contained elsewhere in this Official Statement. As an introduction, it speaks in general terms without giving details or discussing any exceptions. Before buying the Bonds one should have the information necessary to make a fully informed investment decision. For that, one must read this Official Statement in its entirety (and any documents to which we refer in this Official Statement).

The Issuer

The Issuer is a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “State”). The Issuer is empowered pursuant to the Act to issue its bonds for the purposes, among others, of financing the acquisition, rehabilitation and equipping of multifamily residential rental projects.

Limited Obligations

The Bonds, together with interest thereon, are not general obligations of the Issuer, but are revenue obligations of the Issuer secured by the Trust Estate, and will always be payable solely from the revenues and income derived from the Trust Estate, and are and will always be a valid claim of the owner thereof only against the revenues and income derived from the Trust Estate, which revenues and income may be used for no other purpose than to pay the principal installments of and interest on the Bonds, except as may be expressly authorized otherwise in the Indenture and in the Financing Agreement (as herein defined). The Bonds and the obligation to pay interest thereon do not

* Preliminary; subject to change.

now and will never constitute a debt or an obligation of the State, the City of Hollywood, Florida (the "City"), Broward County, Florida (the "County ") or any other political subdivision thereof and neither the State, the City, the County nor any other political subdivision thereof will be liable therefor. The Bonds are not and do not create or constitute in any way an obligation, a debt or a liability of the State, the City, the County or any other political subdivision thereof, or create or constitute a pledge, giving or lending of the faith, credit, or taxing power of the State or any political subdivision thereof. The Issuer has no taxing power. The Bonds are not a debt of the United States of America, the United States Department of Housing and Urban Development or any other federal governmental agency and are not guaranteed by the full faith and credit of the United States.

The Borrower

The Borrower is a single purpose entity formed to acquire, rehabilitate and operate the Project (as defined below).

The Bonds, the Mortgage Loan and the Pass-Through Certificate

The Bonds will be issued under the provisions of the Indenture. The Bonds will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), as fully registered bonds in the denomination of \$1,000 or any integral multiples of \$1.00 in excess thereof.

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition, rehabilitation and equipping costs of a 124-unit multifamily senior housing rental development known as Federation Plaza, consisting of one five-story building and one single-story commercial structure located at 3081 Taft Street in Hollywood, Florida (the "Project").

Upon the issuance of the Bonds, Bond proceeds in an amount equal to the interest thereon to but not including October 26, 2023* (as such date may be extended in accordance with the Indenture, the "Mandatory Redemption Date") (including accrued interest, if any) will be deposited to the Collateral Security Interest Account of the Collateral Security Fund under the Indenture, and the balance of the Bond proceeds will be deposited into the Proceeds Fund. Pursuant to the terms of a Financing Agreement dated as of August 1, 2023 (the "Financing Agreement") among the Issuer, the Trustee, the Borrower and Wells Fargo Bank, National Association (the "Lender"), Bond proceeds deposited into the Proceeds Fund will (i) be used to pay or reimburse the Borrower for payment of certain costs of the Project or (ii) will be deposited to a Rehabilitation Account of the Proceeds Fund and used as directed by the Lender for rehabilitation of the Project. Upon the funding of the Collateral Security Fund, Bond proceeds (other than amounts deposited to the Collateral Security Interest Account) shall not be part of the Trust Estate securing repayment of the Bonds.

The Bonds will initially be collateralized, in part, by the deposit into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture of the proceeds received from a first mortgage loan (the "Mortgage Loan") made by the Lender to the Borrower and fully funded in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds. The Bonds will be further collateralized by the deposit to the Collateral Security Interest Account of the Collateral Security Fund of Bond proceeds in an amount sufficient to pay the interest on the Bonds to but not including the Mandatory Redemption Date. The Trustee will use moneys on deposit in the Collateral

* Preliminary; subject to change.

Security Fund to acquire a Guaranteed Mortgage Pass-Through Certificate (the “Pass-Through Certificate”), backed by the Mortgage Loan on the Project, and to be issued by Fannie Mae, upon satisfaction of the conditions set forth in the Indenture and upon satisfaction of the conditions precedent to the issuance of the Pass-Through Certificate and compliance with the commitment between Fannie Mae and the Lender.

It is anticipated that the conditions to the issuance of the Pass-Through Certificate will be satisfied and that the Pass-Through Certificate will be available for acquisition by the Trustee prior to September 26, 2023* (the “First Payment Date”), and in any event prior to the Mandatory Redemption Date, unless such Mandatory Redemption Date is extended as provided in the Indenture. Payments of principal and interest on the Bonds will initially be payable from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date (as defined in APPENDIX A hereto), at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate, if issued, will be passed through to Bondholders on each Payment Date (as defined below – see “Bond Payment Dates”).

Extraordinary Redemption For Failure to Purchase Pass-Through Certificate

If the Pass-Through Certificate is not acquired by the Trustee prior to the Mandatory Redemption Date (as such date may be extended pursuant to the Indenture) the Bonds will be redeemed at a redemption price of par (the “Original Issue Price”), plus interest accrued on the Bonds to but not including the Mandatory Redemption Date (as such date may be extended under the Indenture), from moneys on deposit in the Collateral Security Fund.

Optional Exchange of Bonds for Pass-Through Certificate

At certain times, a Beneficial Owner of Bonds may file with the Trustee a written request to exchange Bonds for a like principal amount of the Pass-Through Certificate. See “DESCRIPTION OF THE BONDS – Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds.”

Bond Payment Dates

“Payment Date” (on the Bonds) means (i) one Business Day after each date a principal or interest payment is made (or, prior to the Purchase Date, would have been made assuming the Pass-Through Certificate had been issued on the Closing Date) pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (ii) with respect to any redemption in lieu of exchange of the Bonds for the Pass-Through Certificate, the Business Day on which the Trustee receives funds pursuant to the transfer of the applicable principal amount of the Pass-Through Certificate to or upon the order of the Issuer. The payment of interest on a Payment Date is the interest accrued on the Mortgage Loan and the Pass-Through Certificate at the Pass-Through Rate during the preceding calendar month. For example, if the Pass-Through Certificate is acquired by the Trustee prior to the First Payment Date (September 26, 2023*), then on such date the Bondholders will receive a payment of interest on the Bonds in an amount equal to the interest at the Pass-Through Rate which is equal to the interest rate on the Bonds, which accrued on the Bonds during the month of August 2023*. Except as otherwise described herein with respect to certain payments prior to the Purchase Date, the Bonds are pass-through securities designed to pass through to registered owners of the Bonds principal and interest payments on the Pass-

* Preliminary; subject to change.

Through Certificate one Business Day after their receipt by the Trustee. There shall be no further accrual of interest from the Maturity Date (September 1, 2040*) (the "Maturity Date") to the Business Day after the receipt of the final payment on the Pass-Through Certificate scheduled for September 25, 2040*, or the following Business Day if such date is not a Business Day (the "Final Payment Date"). After the Purchase Date, any balance remaining in the Collateral Security Interest Account of the Collateral Security Fund, after application of moneys therein to pay any accrued interest on the Pass-Through Certificate or interest on the Bonds on the next Payment Date, as applicable, will be transferred to the Rehabilitation Account of the Proceeds Fund. See "Effective Yield on Bonds Lower Than Interest Rate on Pass-Through Certificate" below.

Interest Payments on the Bonds

Prior to the Purchase Date and in the month the Purchase Date occurs, interest payments on the Bonds will equal accrued interest on the Bonds in the calendar month prior to the month in which the Purchase Date occurs. After the month in which the Purchase Date occurs, interest payments on the Bonds will equal interest payments received by the Trustee on each Distribution Date (as defined herein) for the Pass-Through Certificate, which is expected to commence on October 25, 2023*. Although interest accrues on the Pass-Through Certificate during a calendar month, as described above, Fannie Mae will not distribute interest to the Trustee as certificate holder until the Distribution Date in the following calendar month. Interest on the Bonds shall be calculated on an "Actual/360" basis. "Actual/360" means a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

Principal Payments on the Bonds

Prior to the Purchase Date and in the month the Purchase Date occurs, principal payments on the Bonds will equal the amount set forth in the Mortgage Loan amortization schedule on the first day of the month in which such Payment Date occurs. After the month in which the Purchase Date occurs, principal payments on the Bonds will equal principal payments received by the Trustee on the Pass-Through Certificate on each Distribution Date for the Pass-Through Certificate. The first principal payment on the Bonds will occur in the month set forth in "APPENDIX H – TERM SHEET – FIRST LOAN PAYMENT DATE." The final principal payment on the Pass-Through Certificate will occur on September 25, 2040* (or the following Business Day if such date is not a Business Day), which principal payment will pass through to the registered owners of the Bonds on the following Business Day.

Regularly scheduled payments of principal (and interest) on the Mortgage Loan will be passed through monthly on the Pass-Through Certificate. Unscheduled principal payments on the Mortgage Loan also will be passed through on the Pass-Through Certificate. A portion of the prepayment premium, if collected, may be shared with certificate holders under the circumstances described in "YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums" in the Fannie Mae MBS Prospectus. Any prepayment premium that is allocable to certificate holders is not guaranteed by Fannie Mae. Additionally, any prepayment premium paid after the yield maintenance end date (as provided in

* Preliminary; subject to change.

APPENDIX H) will not be passed through to certificate holders. The Bonds, however, are not subject to any redemption premium upon a redemption thereof.

Effective Yield on Bonds Lower Than Interest Rate on Pass-Through Certificate

As stated above, because of the lag in payments of interest and principal inherent in the Pass-Through Certificate and the one (additional) Business Day (as defined in the Indenture) lag in payment inherent in the Bonds, the effective yield on the Bonds will be lower than the Pass-Through Rate on the Pass-Through Certificate and the stated interest rate on the Bonds.

Same Terms of Bonds and Pass-Through Certificate

Prior to the Purchase Date, the terms of the Bonds, including, without limitation, the dated date, the Pass-Through Rate, Payment Dates and prepayment provisions, shall be the same as would have been the case if the Pass-Through Certificate had already been purchased by the Trustee and had been in place as of the Closing Date.

Tax Exemption

On the date of delivery of the Bonds, Bryant Miller Olive P.A., Bond Counsel, will deliver their opinion that, based under an analysis of existing laws and assuming, among other things, compliance with certain covenants, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any such Bond for any period that such Bond is held by a "substantial user" of the facilities financed or refinanced by the Bonds or by a related person within the meaning of Section 147(a) of the Code and (ii) interest on the Bonds is not an item of tax preference for purposes of individual alternative minimum tax. Bond Counsel's opinion will also state that the Bonds and the interest thereon are exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein. See also the form of Bond Counsel Opinion attached hereto as APPENDIX E.

Limited Role of Fannie Mae

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE'S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS SUMMARIZED AT "APPENDIX G – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" AND IN THE FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM ATTACHED HERETO AS APPENDIX I. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE

GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE OR THE UNITED STATES OF AMERICA.

THE ISSUER

General

The Issuer is a public body corporate and politic created under the laws of the State of Florida. It was created by Ordinance No. 79-41 enacted by the Board on June 20, 1979, pursuant to the provisions of the Act. The Board is the principal legislative and governing body of Broward County, Florida, as provided by the Florida Constitution and Chapter 125 of the Florida Statutes. The Issuer was created for the purpose of addressing a housing shortage in Broward County, Florida by stimulating the construction and rehabilitation of housing through the use of public financing. Pursuant to the Act, the Issuer has the power to issue revenue bonds for the purposes described in the Act including, but not limited to, the purchasing of or making of commitments to purchase mortgage loans to stimulate the construction and rehabilitation of housing in the Issuer's area of operation.

The Issuer is authorized to finance and refinance multifamily rental housing projects, and since its inception, has issued approximately \$1,700,000,000 aggregate principal amount of revenue bonds for such purpose (the "Prior Bonds"). The Prior Bonds do not share in the security for the Bonds, and the Bonds will not be secured by the revenues relating to the projects financed by such Prior Bonds or the security for the Prior Bonds in connection with such projects.

Organization and Membership

The members of the Issuer and their terms of office are as follows:

Member ⁽¹⁾	Beginning Date of Current Term	Ending Date of Current Term
Daniel D. Reynolds, Chair	June 12, 2018	June 12, 2022 ⁽²⁾
John G. Primeau, Vice Chair	January 28, 2020	January 28, 2024
Scott Ehrlich, Secretary	December 3, 2019	December 3, 2023
Colleen LaPlant, Assistant Secretary	October 22, 2019	October 22, 2023
Milette Manos, Member	August 25, 2022	August 25, 2026
Donna Jarrett-Mays, Member	August 20, 2019	August 20, 2023
Ruth Cyrus, Member	April 5, 2022	April 5, 2026

⁽¹⁾ There are currently two (2) vacancies of the members of the Issuer.

⁽²⁾ Member continues until there is a new appointment made.

Ralph Stone is currently the Director of Housing Finance Division for Broward County, Florida. He also concurrently serves as the Executive Director of the Issuer. Mr. Stone has a Bachelor of Arts degree in English from the University of Central Florida and a Master's degree in Urban and Regional Planning from Florida State University. Mr. Stone has held a number of senior positions in local government in Florida, including City Manager, Assistant City Manager for Economic Development, Executive Director of Downtown Development Authority, Community Redevelopment Agency Executive Director and Planning Director supervising programs including Housing, Planning, Zoning, Building and Permits, Code Enforcement and Neighborhood Services. Mr. Stone has written or directed plans and/or programs that have received over thirty national or state awards in various areas of expertise, including the Governor's Award for the Best Large City Comprehensive Plan in the State of Florida. Mr. Stone has also provided private sector services as a sole proprietor and as a senior manager in a national Engineering, Environmental Sciences and Planning firm. Mr. Stone has been accepted by both Federal and State courts as an expert witness.

THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA (THE "STATE") OR ANY LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

The Issuer's offices are located at 110 Northeast Third Street, Suite 201, Fort Lauderdale, Florida 33301 (telephone: (954) 357-4900). Zomermaand Financial Advisory Services, L.L.C. serves as financial advisor to the Issuer.

THE MORTGAGE LOAN

The Indenture authorizes the Issuer to issue the Bonds to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project. The Bonds will be secured initially by the proceeds of the Mortgage Loan (to be funded from sources other than the proceeds of the Bonds in an amount equal to the original principal amount of the Bonds) deposited in the Collateral Security Fund, as described herein (see "INTRODUCTION – The Bonds, the Mortgage Loan and the Pass-Through Certificate") and then by the Pass-Through Certificate, if issued. Fannie Mae is expected to deliver the Pass-Through Certificate to the Trustee on the Purchase Date, as described herein. The Lender has undertaken to certify that the Pass-Through Certificate will have terms consistent with the Term Sheet and meets the requirements set forth in the Indenture, on which certification the Trustee may rely and act without further investigation. The Mortgage Loan is to be evidenced by the Mortgage Note, payable to the order of the Lender and endorsed by the Lender, without recourse, to the order of Fannie Mae, evidencing the Borrower's payment obligation and secured by the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Mortgage"). The Borrower is required under the Mortgage Note to make monthly payments sufficient in the aggregate to pay debt service on the Mortgage Loan.

The ability of the Borrower to pay the Mortgage Loan is dependent on the revenues derived from the Project. See "CERTAIN BONDHOLDERS' RISKS – Performance of the Project," "– Estimated Rental Revenues/Vacancies" and "– Estimated Project Expenses; Management" herein.

Failure of the Borrower to make payments when due under the Mortgage Loan will result in an event of default under the Mortgage Loan and may result in a mandatory redemption of all or a portion of the Bonds. See "DESCRIPTION OF THE BONDS - Redemption of Bonds - Mandatory Redemption from Principal Payments or Prepayments" herein.

The Mortgage Loan is a non-recourse obligation of the Borrower with respect to which neither the Borrower nor its partners have personal liability and as to which the Borrower and its partners have not pledged for the benefit of the Bondholders any of their respective assets, other than the Project and its rents, profits and proceeds.

THE BORROWER, THE PROJECT AND THE PRIVATE PARTICIPANTS

The Borrower

The Borrower is Federation Plaza Preservation, L.P., a Florida limited partnership, formed for the sole purpose of acquiring, rehabilitating and equipping the Project. Southeast Housing Preservation, Inc., a Florida not-for-profit corporation (the "General Partner") will be the general partner of the Borrower with an expected 0.0025% partnership interest in the Borrower. Federation Plaza Preservation Class B, LLC, a New York limited liability company (the "Class B Limited Partner"), will be the Class B Limited Partner of the Borrower and is expected to own a 0.0075% partnership interest in the Borrower. Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company, will be the Investor Limited Partner (the "Tax Credit Investor") and is expected to own 99.99% of the Borrower.

Subject to certain oversight and approval rights held by the Class B Limited Partner, the General Partner and/or its delegates will have the responsibility for supervising the operations of the Borrower and will be responsible for overseeing the rehabilitation, operation and management of the Project. The

General Partner is a part of the Foundation for Affordable Housing family of nonprofits, a national nonprofit organization committed to creating and preserving quality affordable multifamily rental housing for low- and moderate-income families and seniors that has developed more than 22,000 affordable housing units at more than 200 residential communities across the country.

The Related Companies, L.P. (“Related”) is the parent company of Related Affordable, LLC (“Related Affordable”), an affiliate of the Class B Limited Partner of the Borrower. Related Affordable is headquartered in New York, New York. Operating through an affiliated group of companies referred to collectively as “Related” or “Related Companies,” Related is a global real estate company with expertise in acquisition and development, financial services, marketing, sales and property asset management, overseeing a real estate portfolio valued in excess of \$60 billion. Related has offices in Boston, Chicago, Los Angeles, San Francisco, West Palm Beach and London, and a team of approximately 4,000 professionals. Related owns and operates a portfolio of approximately 53,000 affordable and workforce housing units.

The Borrower has not previously engaged in any other business operation, has no historical earnings and has no assets other than its interest in the Project. The Borrower does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. However, the General Partner, the members of the Class B Limited Partner and the Tax Credit Investor, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, members, managers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Project.

The Borrower and its partners will not be personally liable for payments on the Mortgage Note, the payments on which are to be applied to pay the principal of and interest on the Mortgage Loan; nor will the Borrower be personally liable under the other documents executed in connection with the issuance of the Bonds and the making of the Mortgage Loan. Furthermore, no representation is made, nor is it expected, that the Borrower will have substantial funds available for the Project. Accordingly, neither the Borrower’s financial statements nor those of its partners are included in this Official Statement.

The Project

The Bonds are being issued to finance the acquisition, rehabilitation and equipping costs of the Project, which is a 124-unit multifamily senior housing rental development known as Federation Plaza, consisting of one (1) five-story residential building and one (1) single-story commercial structure located at 3081 Taft Street in Hollywood, Florida. The rehabilitation of the Project is anticipated to commence in [September 2023]* and is expected to be completed approximately 12* months later.

Existing Project amenities include but are not limited to a community room, common seating and meeting areas, a computer room and a central laundry room (some or all of which may be modified or changed in the renovations to occur). The planned renovation will focus on increasing energy efficiency, replacing the roof and windows, completing exterior repairs and improving the common areas and resident safety. The renovations will generally include upgrades to bathtub and bathroom accessories, in-unit PTAC replacement, new roofing and windows, elevator modernization and modifications to certain building and mechanical systems.

* Preliminary; subject to change.

The unit mix of the Project is as follows:

<u>Number Of Rental Units</u>	<u>Composition</u>	<u>Approximate Square Footage</u>
33	Studio / 1 Bath	500
90	1 Bedroom / 1 Bath	600
1 (Employee Unit)	2 Bedroom / 1 Bath	700
<hr/> Total: 124		

The General Contractor

The general contractor for the rehabilitation of the Project will be Legacy Constructions Services, LLC, an Ohio limited liability company (the "General Contractor"). The General Contractor was founded in 2003 and is a Florida-licensed contractor. As a full-service construction company, the General Contractor has focused their efforts on the rehabilitation and new construction of large multifamily affordable housing complexes and has extensive experience completing work for Related Affordable on properties utilizing low-income housing tax credits. Since its inception, the General Contractor has built or rehabilitated over 4,500 units of affordable housing. The General Contractor is not affiliated with the Borrower, the General Partner or the Class B Limited Partner.

The Developer

Federation Plaza Developer, LLC, a New York limited liability company, authorized to do business in the State of Florida (the "Developer"), will act as the developer for the rehabilitation of the Project in accordance with a development services agreement with the Borrower whereby the Developer will be responsible for certain development services in connection with the Project and for which the Developer will receive a development fee from the Borrower. The Developer is an affiliate of the Class B Limited Partner of the Borrower. Affiliates of the Developer have significant experience in the rehabilitation of multifamily affordable rental housing.

Property Manager

PK Management, LLC, an Ohio limited liability company (the "Property Manager"), currently manages the Project and will continue to do so immediately following the acquisition by the Borrower. The Property Manager is a diversified property management organization operating over 10,000 apartment units spread across 125 multifamily affordable housing properties in 22 states in the United States. With a team of over 500 professionals, the Property Manager has extensive experience in managing affordable housing supported by various federal, state and local subsidies including HUD, tax-exempt obligations and federal low-income housing tax credits. The Property Manager is not affiliated with the Borrower, the General Partner nor the Class B Limited Partner.

The Architect

The architect for the Project will be Tseng Consulting Group, Inc. (the "Architect"). The Architect maintains full-service capacity with experienced staff in architectural, structural, mechanical, electrical, computer-aided design and construction management. The Architect and its staff members have been engaged in a wide variety of projects, including sport facilities, healthcare centers, hotels, offices, banks, airport infrastructure and high-rise and low-rise multifamily residential projects including affordable

housing projects. The Architect is not affiliated with the Borrower, the General Partner nor the Class B Limited Partner.

Income and Rent Restrictions

The Borrower intends to rehabilitate and operate the Project as a “qualified residential rental project” in accordance with the provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”). At the time of the issuance of the Bonds, the Borrower, the Issuer, and the Trustee will enter into a Land Use Restriction Agreement with respect to the Project (the “Regulatory Agreement”). Under the Regulatory Agreement, the Borrower will agree to rent at least 40% of the units in the Project to households whose adjusted family income (determined in accordance with the provisions of the Code) is less than 60% of area median income (“AMI”), as adjusted for family size (“Lower-Income Persons”). Additionally, at all times during the term of Regulatory Agreement, at least 60% of the completed units in the Project shall be rented to or be available for rent by (i) households whose adjusted family income (determined in accordance with the provisions of the Code) is less than 150% of AMI (“Eligible Persons”) or (ii) persons 62 years of age or older (“Elderly Persons”). All of the units will be rented or available for rent on a continuous basis to members of the general public who are Elderly Persons (other than units for a resident manager or maintenance personnel). The failure of the Borrower to comply with the Regulatory Agreement could cause interest on the Bonds to be included in gross income for federal income tax purposes. See the summary of the Regulatory Agreement in APPENDIX D to this Official Statement and “TAX MATTERS” herein.

The Project will also be encumbered by an Extended Low-Income Housing Agreement (the “Extended Use Agreement”) required by Section 42 of the Code relating to the low-income housing tax credits (the “Low-Income Housing Tax Credits”), which is expected to (a) restrict 100% of the residential revenue-generating units (not including the one employee unit) in the Project to households whose adjusted family income is less than 60% of AMI, as adjusted for family size, and (b) restrict the rents which may be charged for occupancy of such units to not more than 30% of an amount equal to such unit’s AMI threshold, adjusted for family size.

In connection with the County Loan, the Borrower will be required to rent at least 123 units in the Project to households whose adjusted family income is less than 60% of AMI.

In connection with the HAP Contract, the Borrower will enter into a new Section 8 Use Agreement that encumbers the Project and requires the Borrower to maintain the Project as affordable housing for low-income families for a period of twenty (20) years in accordance with the Section 8 program. Additional restrictions are imposed on the operation of the Project pursuant to the HAP Contract. See “The HAP Contract” below.

Additional restrictions will be imposed on the Project pursuant to the HUD Use Agreements entered into by the Borrower in connection with the prepayment of prior Section 202 HUD indebtedness, including a requirement that residential revenue-generating units in the Project are rented to persons 62 years or older or those with a disability.

The HAP Contract

The Borrower will receive the benefit of a new 20-year Section 8 Housing Assistance Payment Contract (the “HAP Contract”) covering all of the units in the Project.

Funding under the HAP Contract is subject to annual Congressional appropriations, as more particularly described below. The Section 8 project-based housing assistance payment program (the “Section 8 Program”) is authorized by Section 8 of the United States Housing Act of 1937, as amended, and in the case of Section 8 contracts is administered by local public housing authorities. Renewals of Section 8 HAP contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act, as amended (“MAHRA”). The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the AMI for the area as determined by the U.S. Department of Housing and Urban Development (“HUD”)), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the “contract rent” for the unit approved by HUD and the eligible tenant’s contribution, which is generally 30% of income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Project, as they may be adjusted from time to time with procedures set forth in MAHRA and the HAP Contract, are the “contract rents” for the Project. The HAP Contract will require the Borrower to maintain the Project in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Project, use of project funds, and other matters. If the Borrower fails to comply with the terms of the HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the HAP Contract or take action to impose other sanctions. MAHRA requires that upon the request of the Borrower, HUD shall renew the HAP Contract under the Section 8 Program. However, because the HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the HAP Contract will be renewed or replaced upon its expiration. Funding for HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the HAP Contract. Since payments received under the HAP Contract constitute the primary source of revenues for the Project, the expiration of the HAP Contract, or the failure of Congress to appropriate funds sufficient to fund the HAP Contract during each year of its term, would have a material adverse effect on the ability of the Project to generate revenues sufficient to pay the principal of and interest on the Mortgage Loan.

Ad Valorem Tax Exemption

THE

MORTGAGE LOANS—Characteristics of Multifamily Properties—Mortgage Loan Secured by Property Receiving Real Estate Tax Benefits **RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgage Properties**

Plan of Financing*

The sources and uses to develop the Project are expected to be approximately as follows:

Sources of Funds	
Bond Proceeds (excluding accrued interest)	\$[33,025,000]
Low-Income Housing Tax Credit Equity	24,166,816
County Loan	2,000,000
Income from Operations	1,759,000
Deferred Developer Fee	8,835,127
Total Sources of Funds at Closing	\$67,960,943
Uses of Funds	
Acquisition	\$46,000,000
Construction Costs	6,224,741
Construction Costs Contingency	546,030
Project Soft Costs	1,266,393
Construction-Period Interest/Taxes/Insurance	1,759,000
Financing Costs	1,259,250
Developer Legal Costs	415,000
Replacement Reserve	142,737
Operating Reserve & Mortgage Escrows	1,002,470
Developer Fee	9,345,322
Total Uses of Funds at Closing	\$67,960,943

Sources and Uses of Funds Under the Indenture

Sources of Funds	
Bond Proceeds (including accrued interest)	\$
Proceeds of Mortgage Loan	
Total Sources of Funds at Closing	\$
Uses of Funds	
Deposit to Collateral Security Interest Account of the Collateral Security Fund (including accrued interest) [†]	\$
Deposit of Bond Proceeds (net of deposit to Collateral Security Interest Account) to the Proceeds Fund	
Deposit of Mortgage Loan Proceeds to Collateral Security Principal Account of Collateral Security Fund	
Total Uses of Funds at Closing	\$

[†] The deposit to the Collateral Security Interest Account of the Collateral Security Fund has been calculated to be sufficient to pay the interest which will become due on the Bonds to but not including the initial Mandatory Redemption Date.

* Preliminary; subject to change.

Mortgage Loan

Simultaneously with the closing and issuance of the Bonds, the Lender will make the Mortgage Loan to the Borrower in an amount equal to \$[33,025,000]*. The obligation to repay the Mortgage Loan will be set forth in the Mortgage Note from the Borrower. The Mortgage Loan will bear interest at the rate of ___% per annum, will have a term of 17 years, and will be amortized over 40 years. The principal amount of Bonds will be equal to the principal amount of the Mortgage Loan. As described herein, on the Purchase Date, Fannie Mae is expected to deliver the Pass-Through Certificate to the Trustee in exchange for Mortgage Loan proceeds in an amount equal to the outstanding principal amount of the Mortgage Loan. Following the Purchase Date, payments on the Bonds will be payable by the Trustee from payments received by the Trustee pursuant to the Pass-Through Certificate.

Tax Credits

Simultaneously with the closing and issuance of the Bonds, the Borrower expects to offer to the Tax Credit Investor a 99.99% ownership interest in the Borrower in return for equity contributions based primarily on the receipt of certain benefits from the Project's Low-Income Housing Tax Credits. Pursuant to the offer, the funding of the Low-Income Housing Tax Credit equity will total approximately \$24,166,816*. It is expected that such equity will be payable in installments with the first installment payable simultaneously with the closing and issuance of the Bonds. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

County Loan

Simultaneously with the issuance of the Bonds, the County will make a loan of general funds (the "County Loan") in an amount equal to approximately \$2,000,000* to the Borrower. The County Loan is [secured by a subordinate mortgage], will not bear interest, and will have a term of 30* years, payable early upon the sale or refinancing of the Project, whichever is earlier.

Deferred Developer Fee

The Project will also utilize a deferred developer fee in the estimated amount of approximately \$8,835,127* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

FANNIE MAE

The Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee as described herein, will be an obligation of Fannie Mae. **The securities of Fannie Mae, including the Pass-Through Certificate, if issued, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.**

Information on Fannie Mae and its financial condition are contained in periodic reports that are filed with the Securities and Exchange Commission (the "SEC"). Fannie Mae's SEC filings are available at

* Preliminary; subject to change.

the SEC's website at www.sec.gov and are also available on Fannie Mae's web site at <http://www.fanniemae.com> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to the Bonds is limited to issuing and discharging its obligations under the Pass-Through Certificate and exercising the rights reserved to it in the Indenture.

DESCRIPTION OF THE BONDS

General

The Bonds will be issued as registered bonds in authorized denominations of \$1,000 or any integral multiples of \$1.00 in excess thereof ("Authorized Denominations"). The Bonds will be dated August 1, 2023*. Principal and interest will initially be paid from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date, at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate will be passed through to Bondholders on each Payment Date. Payment Date is defined as (i) one Business Day after each date a principal or interest payment is made (or, prior to the Purchase Date, would have been made assuming the Pass-Through Certificate had been issued on the Closing Date) pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (ii) with respect to any redemption in lieu of exchange of the Bonds for the Pass-Through Certificate, the Business Day on which the Trustee receives funds pursuant to the transfer of the applicable principal amount of the Pass-Through Certificate to or upon the order of the Issuer. See "Redemption of Bonds" below. The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest after the Maturity Date. After the Purchase Date, any balance remaining in the Collateral Security Interest Account of the Collateral Security Fund, after application of moneys therein to pay any accrued interest on the Pass-Through Certificate or interest on the Bonds on the next Payment Date, as applicable, will be transferred to the Rehabilitation Account of the Proceeds Fund. As further described herein and in the Fannie Mae MBS Prospectus, the Pass-Through Certificate and the Bonds pay interest monthly on an Actual/360 basis. "Actual/360" means, in the case of the Bonds, a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds (which is expected to be the same as the balance on the Pass-Through Certificate), by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

Payment of the principal of and interest on any Bond shall be made on each Payment Date to the person appearing on the Bond Register as the registered owner thereof as of the applicable Record Date at the Pass-Through Rate. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Record Date shall mean the close of business on the last Business Day of the month immediately preceding each Payment Date.

* Preliminary; subject to change.

Registration, Transfer and Exchange of Bonds; Persons Treated as Owners

The Issuer shall cause books for the registration, transfer and exchange of the Bonds as provided in the Indenture to be kept by the Trustee, which is constituted and appointed the bond registrar with respect to the Bonds (the "Bond Registrar") and the paying agent with respect to the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said books may be inspected and copied by the Issuer or by owners (or a designated representative thereof) of a majority in aggregate principal amount of the Bonds then Outstanding.

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and Authorized Denomination for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefor a Bond of equal aggregate principal amount of the same maturity and Authorized Denomination.

All Bonds presented for registration of transfer, exchange or payment (if so required by the Issuer or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by its duly authorized attorney.

The Issuer, the Bond Registrar and the Trustee shall not be required (i) to issue, register the transfer of or exchange any Bonds during a period beginning at the Trustee's opening of business on the applicable Record Date and ending at the Trustee's close of business on the applicable Payment Date; or (ii) to register the transfer of or exchange any Bond selected, called or being called for redemption as provided in the Indenture. No charge shall be made to any Bondholder for the privilege of registration of transfer as provided in the Indenture, but any Bondholder requesting any such registration of transfer shall pay any tax or governmental charge required to be paid therefor.

New Bonds delivered upon any registration of transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits of the Indenture to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered shall be deemed the owner thereof by the Issuer and the Trustee, and any notice to the contrary shall not be binding upon the Issuer or the Trustee. Notwithstanding anything in the Indenture to the contrary, to the extent the Bonds are Book Entry Bonds, the provisions described under the caption "Book-Entry System; Limited Obligation" below shall govern the exchange and registration of Bonds.

Book-Entry System; Limited Obligation

The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten). Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of Cede & Co. (initially the "Nominee"), as nominee of DTC (initially the "Depository"). Except as described below under the caption "Transfers

Outside Book-Entry System,” all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a Substitute Depository or to another nominee of the Depository or of a Substitute Depository. Each global Bond shall bear a legend substantially to the following effect: “UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.” See “BOOK-ENTRY ONLY SYSTEM” below.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the Pass-Through Certificate, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of giving redemption notices pursuant to the provisions described under the caption “Notice of Redemption” below and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid under the Indenture with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of and interest pursuant to the Indenture. Upon delivery by the Depository to the Trustee and the Issuer of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions in the Indenture with respect to Record Dates, the word Nominee in the Indenture shall refer to such new nominee of the Depository.

The Issuer and the Trustee will recognize the Depository or its nominee as the Bondholder of Book Entry Bonds for all purposes, including receipt of payments, notices and voting, provided the Trustee may recognize votes by or on behalf of Beneficial Owners as if such votes were made by the Bondholders of a related portion of the Bonds when such votes are received in compliance with an

omnibus proxy of the Depository or otherwise pursuant to the rules of the Depository or the provisions of the Representation Letter or other comparable evidence delivered to the Trustee by the Bondholders.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SO LONG AS A BOOK ENTRY SYSTEM OF EVIDENCE OF TRANSFER OR OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE WITH THE INDENTURE, THE PROVISIONS OF THE INDENTURE RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED TO GIVE FULL EFFECT TO SUCH BOOK ENTRY SYSTEM AND ALL DELIVERIES OF ANY SUCH BONDS SHALL BE MADE PURSUANT TO THE DELIVERY ORDER PROCEDURES OF DTC, AS IN EFFECT FROM TIME TO TIME.

Representation Letter

In order to qualify the Bonds for the Depository's book-entry system, if necessary, any Authorized Officer is authorized to execute, seal, countersign and deliver on behalf of the Issuer to such Depository a letter from the Issuer in substantially the Depository's standard form representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The Representation Letter includes such letter as it may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor. The execution by the Issuer and delivery of the Representation Letter shall not in any way limit the provisions described under the heading "Book-Entry System; Limited Obligation" above, or in any other way impose upon the Issuer any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the registered owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee agrees to take all actions necessary for all representations of the Issuer in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, any Authorized Officer is authorized to take any other actions, not inconsistent with the Indenture, to qualify the Bonds for the Depository's book-entry program.

The terms and provisions of the Representation Letter shall govern in the event of any inconsistency between the provisions of the Indenture and the Representation Letter. The Representation Letter may be amended without Bondholder consent.

Transfers Outside Book-Entry System

If at any time the Depository notifies the Issuer and the Trustee that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation or, if the Issuer notifies the Depository or the Trustee that it no longer wishes the Depository to continue in such capacity with respect to the Bonds and a Substitute Depository is not appointed by the Issuer within 90 days after the Issuer and the Trustee receive notice or become aware of such condition, as the case may be, the provisions described under the heading "Book-Entry System; Limited Obligation" above shall no longer be applicable and the Issuer shall execute and the Trustee shall

authenticate and deliver bonds representing the Bonds as described under this caption below. Bonds issued in exchange for global bonds pursuant to the provisions described under this caption shall be registered in such names and delivered in such Authorized Denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Issuer and the Trustee. The Trustee shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered. To the extent that the holder of the Bonds under the Indenture is not an exempt recipient under Treas. Reg. § 1.6045-1(c)(3), such holder shall provide or cause to be provided to the Trustee information regarding the amount paid for the Bonds, any brokers' fees or commissions, and any other capitalized costs relating to the Bonds, in each case to the extent necessary for the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Payments and Notices to the Nominee

Notwithstanding any other provision of the Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Trustee as provided in the Representation Letter or as otherwise instructed by the Depository, with duplicate information transmitted by the Trustee to Bloomberg at its notice address set forth in the Indenture.

Initial Depository and Nominee

The initial Depository under the Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" below.

Payment of Bonds Not in Book-Entry Only Form

Unless the Bonds are Book Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except no presentation is required in connection with a redemption of Bonds as described in clause (i) or (iii) under the subcaption "Redemption of Bonds—Mandatory Redemption from Principal Payments or Prepayments" below and under the subcaption "Mandatory Redemption Upon Failure to Purchase the Pass-Through Certificate" below) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book Entry Bonds, payments of interest on the Bonds and redemption of the Bonds shall be paid by check or draft mailed to the registered owner thereof as of the applicable Record Date at such owner's address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. The Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of interest, principal or Redemption Price made to such owners, whether such payment is made by check or wire transfer. All payments of principal of and interest on Book Entry Bonds shall be made and given at the times and in the manner set out in the Representation Letter, as more fully specified under the captions "Book-Entry System; Limited Obligation" and "Representation Letter" above.

Redemption of Bonds

The Bonds shall be subject to redemption prior to the stated maturity thereof only as set forth in the Indenture as described under this caption.

Mandatory Redemption from Principal Payments or Prepayments. The Bonds are subject to mandatory redemption, in whole or in part, (i) one (1) Business Day after the dates scheduled principal payments are received pursuant to the Pass-Through Certificate at a Redemption Price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest received pursuant to the Pass-Through Certificate, (ii) one (1) Business Day after the dates unscheduled principal payments are received with respect to the Pass-Through Certificate as a result of a partial or full prepayment of the Mortgage Loan or a purchase of the Mortgage Loan from the applicable MBS pool, at a Redemption Price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest received pursuant to the Pass-Through Certificate, or (iii) prior to the Purchase Date on which redemption is required pursuant to the Indenture. Notwithstanding the provisions described under the caption “Notice of Redemption” below, no prior notice shall be a prerequisite to the effectiveness of any redemption under clause (i) or (iii) described in this paragraph, and, with respect to clause (ii), such redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to such redemption required by the provisions described in the first paragraph under the caption “Notice of Redemption” below.

Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate. The Bonds are subject to mandatory redemption in whole on the Mandatory Redemption Date (as such date may be extended pursuant to the Indenture) at a Redemption Price equal to the Original Issue Price plus interest accrued thereon to but not including the Mandatory Redemption Date upon five (5) Business Days’ notice if (i) a Purchase Date has not occurred by the last date on which timely notice of such redemption may be given preceding such Mandatory Redemption Date and (ii) an Extension Deposit has not been made pursuant to the Indenture, such that the balance in the Collateral Security Fund is equal to 100% of the Outstanding principal amount of the Bonds plus interest accrued on the Bonds to but not including the new proposed Mandatory Redemption Date. If the notice for any such mandatory redemption was conditioned upon the Purchase Date not having occurred before the close of business on the second Business Day preceding the Mandatory Redemption Date and such Purchase Date does in fact occur, the noticed mandatory redemption shall not occur. In the event that the Pass-Through Certificate has not been purchased by the Trustee ten (10) Business Days prior to the Mandatory Redemption Date, the Trustee shall provide written notice to the Borrower, the Tax Credit Investor and the Issuer of such non-purchase.

Mandatory Redemption in Lieu of Exchange. The Bonds are subject to mandatory redemption in whole or in part in the event the Issuer elects pursuant to the provisions described under the caption “Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds” below to redeem a Beneficial Owner’s Bonds for an amount equal to the Cash Value (as defined below under the subcaption “Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds”) in lieu of delivering to the Beneficial Owner of the Bonds its proportional interest in the Pass-Through Certificate based upon its proportional interest in the Bonds. Any such redemption shall be made in accordance with the provisions described under the caption “Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds” below.

Optional Redemption. The Bonds are not subject to optional redemption other than in connection with a prepayment of the Mortgage Loan.

Notice of Redemption

(a) When the Trustee receives notice that the Pass-Through Certificate will be prepaid, the Trustee, in accordance with the Indenture, shall use its best efforts to give the Bondholders not less than 20 nor more than 30 days' notice of the redemption of the Bonds pursuant to clause (ii) under the subcaption "Mandatory Redemption from Principal Payments or Prepayments" above, which notice shall specify the following: (i) the maturity dates and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Such notice for the Bonds other than Book Entry Bonds shall be sent to the holders of the Bonds by first-class mail, postage prepaid, at their respective addresses appearing on the Bond Register. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

(b) Notwithstanding anything herein to the contrary, no notice of redemption shall be required for any redemption of Bonds pursuant to the provisions described under clauses (i) or (iii) under the subcaption "Mandatory Redemption from Principal Payments or Prepayments" above. Notices of redemption pursuant to the provisions described under the subcaption "Mandatory Redemption Upon Failure to Purchase the Pass-Through Certificate" above shall be given as described in (c) below. Notices of redemption pursuant to the provisions described under the subcaption "Mandatory Redemption in Lieu of Exchange" above shall be governed by the provisions described under the caption "Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds" below.

(c) The Trustee shall give the Bondholders not less than five (5) Business Days' notice of the redemption of the Bonds pursuant to the provisions described under the subcaption "Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate" above, which notice shall specify the following: (i) the maturity dates and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption (which may include a condition to the effect that if the Purchase Date occurs not later than the close of business on the second Business Day preceding such Mandatory Redemption Date (as such date may be extended under the Indenture), the redemption shall not occur); (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. For Bonds other than Book-Entry Bonds such notice shall be sent to the holders of the Bonds by first class mail, postage prepaid, at their respective addresses appearing on the Bond Register. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

(d) Except as otherwise provided under the caption "Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds" below, the Bonds to be redeemed pursuant to the provisions described under the caption "Redemption of Bonds" above will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant to the provisions described under the caption "Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds" shall be made in accordance with the "Pro Rata

Pass-Through Distributions of Principal” procedures of DTC or comparable procedures of any successor Substitute Depository. A notice of redemption given pursuant to the provisions described under this paragraph (d) will be given in accordance with the operational arrangements of DTC or any successor Substitute Depository.

Notwithstanding the provisions described under this caption, no prior notice shall be a prerequisite to the effectiveness of any redemption under the provisions described under the caption “Redemption of Bonds” above which redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to certain redemptions required by the provisions described under the caption “Redemption of Bonds” above pursuant to the provisions described under this caption.

Payment of Redemption Price

With respect to any redemption pursuant to the provisions described under the caption “Redemption of Bonds” above, notice having been given in the manner described under the caption “Notice of Redemption” above (or not required to be given as a result of a redemption pursuant to clause (i) or (iii) under the subcaption “Mandatory Redemption from Principal Payments or Prepayments” above), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, and upon presentation and surrender thereof (except in connection with a redemption of Bonds pursuant to the provisions described in clause (i) or (iii) under the subcaption “Redemption of Bonds—Mandatory Redemption from Principal Payments or Prepayments” above and under the subcaption “—Mandatory Redemption Upon Failure to Purchase the Pass-Through Certificate” above), at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter, as more fully described under the captions “Book-Entry System; Limited Obligation” and “Representation Letter” above, and for Bonds redeemed pursuant to the provisions described under the caption “Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds” below, such redemption shall be made in accordance with the procedures described under said caption. If, on the redemption date, moneys for the redemption of the Bonds to be redeemed, together with all interest and premium, if any, received pursuant to the Pass-Through Certificate comprising the Redemption Price, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid (if required), then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

A portion of the prepayment premium, if collected, may be shared with certificate holders, and thereby passed through to bondholders, under the circumstances described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus. Any prepayment premium that is allocable to certificate holders is not guaranteed by Fannie Mae. Additionally, any prepayment premium paid after the yield maintenance end date will not be passed through to certificate holders. See APPENDIX G hereto.

Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds

A Beneficial Owner of Bonds may file with the Trustee a written request, in the form attached hereto as "APPENDIX J – FORM OF NOTICE OF REQUEST TO EXCHANGE" (the "Request Notice"), to exchange Bonds for a like principal amount of the Pass-Through Certificate, provided, that (i) the Pass-Through Certificate will be, when delivered pursuant to any Exchange (as defined in the paragraph below), in a face amount equal to \$1,000 or any integral multiples of \$1.00 in excess thereof, and (ii) the Project is complete and placed in service by the Borrower as evidenced by a letter from the Borrower to the Trustee confirming that the Project is placed in service for purposes of Section 42 of the Code. The Request Notice must be delivered to the Trustee at least ten (10) Business Days prior to the Exchange Date (as defined in the Request Notice).

Upon receipt of a Request Notice, the Trustee shall promptly provide a copy to the Issuer and the Lender. The Issuer shall then have up to six (6) Business Days, in its sole discretion, to provide written direction to the Trustee to either (i) deliver to the Beneficial Owner its proportional interest in the Pass-Through Certificate based upon such Beneficial Owner's proportional interest in the Bonds (the "Exchange") or (ii) redeem the Beneficial Owner's Bonds in accordance with the provisions described under the subcaption "Mandatory Redemption in Lieu of Exchange" above for an amount equal to the Cash Value (as defined below) as of the Exchange Date (as defined in the Request Notice). The Issuer shall have no obligation to exercise either option, and failure by the Issuer to exercise either option is not an Event of Default; provided, however, that any failure of the Issuer to provide written direction to the Trustee within the six (6) Business Day period set forth above shall be deemed a direction to deliver the proportionate interest in the Pass-Through Certificate in lieu of redeeming the Bonds. The Trustee shall notify such Beneficial Owner of the Issuer's direction within four (4) Business Days of receipt or a deemed direction from the Issuer. Upon receipt of the Bonds in the principal amount set forth in the Request Notice from the requesting Beneficial Owner and compliance with the requirements described under this caption, the Trustee will promptly cancel the Bonds being exchanged or redeemed. Any Bonds so exchanged or redeemed will not be reissued.

Cash Value = original face amount of the Pass-Through Certificate \times Related Factor \times (1 + Redemption Premium (R) + (Initial Offering Premium (I) \times Related Factor)) – an amount equal to the principal to be received by such Beneficial Owner on the next Payment Date (if the date of redemption occurs between the Record Date and such Payment Date). The Issuer shall engage, at the cost of the Borrower, one of the underwriters on the Issuer's approved list to determine the Cash Value and shall communicate the same to the Trustee.

Where R = 5% if the exchange occurs during the first five years from the Closing Date;

= 4% during the sixth year;

= 3% during the seventh year;

= 2% during the eighth year;

= 1% during the ninth year; and

= 0% thereafter

and I = initial offering price of the Bonds - 100%

In the event that the Issuer elects to deliver the Beneficial Owner's proportional interest in the Pass-Through Certificate in lieu of redeeming the Bonds, after validating the exchange request, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee's beneficial ownership interest in the Beneficial Owner's proportional interest in the Pass-Through Certificate as of the date specified in the Request Notice promptly following (i) delivery to the Trustee (via DTC withdrawal or Deposit/Withdrawal At Custodian ("DWAC")) of the Bonds being exchanged and (ii) payment by the requesting Beneficial Owner of the Trustee's exchange fee (\$1,000 as of the date of the Indenture) and the Issuer's exchange fee (\$1,000 as of the date of the Indenture). Such Pass-Through Certificate will be (1) in book-entry form and (2) transferred in accordance with (a) the operational arrangements of DTC or any successor Substitute Depository and (b) current market practices, including the applicable provisions of the SIFMA's *Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities* (if in effect at such time). If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the exchanged Bonds to the Beneficial Owner using the wire transfer instructions set forth on the Request Notice.

In the event that the Issuer elects to redeem Bonds in lieu of an Exchange, the Trustee shall transfer a like principal amount of its interest in the Pass-Through Certificate to or upon the order of the Issuer in exchange for an amount equal to the Cash Value plus accrued interest to the date of redemption (less any interest to be received by the Beneficial Owner on the next Payment Date if the redemption occurs between the Record Date and such Payment Date) and apply the proceeds of such transfer to the payment of the Redemption Price of the Bonds on the Payment Date by wiring such amount to the Beneficial Owner at its wire transfer instructions set forth on the Request Notice. The Issuer reserves the right to sell all or a portion of its interest in the Pass-Through Certificate in order to pay the Cash Value.

None of Fannie Mae, the Trustee or the Issuer shall have any liability to the Beneficial Owner arising from (i) any Exchange or redemption of Bonds effected by the Indenture or (ii) any of the costs or expenses thereof. Interest on such Pass-Through Certificate is not excludable from gross income for federal income tax purposes.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borrower believes to be reliable, but the Borrower takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be initially issued and issuable only as one fully registered Bond certificate for each maturity, registered in the name of Cede & Co. as partnership nominee of DTC. Those fully registered Bonds will be deposited with and retained in the custody of DTC.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, Cede & Co. will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book entry interests in the Bonds (book entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the

Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the book entry interest owner) is in turn to be recorded on the Direct and Indirect Participant's records. Book entry interest owners will not receive written confirmation from DTC of their purchase, but are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the book entry interest owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of book entry interest owners. Book entry interest owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued. See "DESCRIPTION OF THE BONDS – Transfers Outside Book-Entry System" above.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in actual ownership. DTC has no knowledge of the book entry interest owners (or beneficial owners) of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the book entry interest owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to book entry interest owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and debt service payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to book entry interest owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the book entry interest owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. See "DESCRIPTION OF THE BONDS – Transfers Outside Book-Entry System" above. The Issuer may also decide to discontinue use of the book entry system if DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the Pass-Through Certificate, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of giving redemption notices pursuant to the provisions described under the caption "Notice of Redemption" above and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

ANTICIPATED APPLICATION OF FUNDS

The proceeds of the Bonds will be used, pursuant to the Financing Agreement, to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project. The Bonds will be secured initially by the proceeds of the Mortgage Loan (from funds other than the proceeds of the Bonds, but in an amount equal to the original principal amount of the Bonds) on deposit in the Collateral Security Fund as described herein (see "INTRODUCTION – The Bonds, the Mortgage Loan and the Pass-Through Certificate"). Such Mortgage Loan proceeds held by the Trustee are anticipated, together with Bond proceeds deposited in the Collateral Security Interest Account of the Collateral Security Fund, to be applied by the Trustee to purchase the Pass-Through Certificate, if the conditions to issuance of the Pass-Through Certificate by Fannie Mae and the acquisition of the Pass-Through Certificate by the Trustee described herein are satisfied.

SECURITY FOR THE BONDS

General

The Issuer, in order to secure the payment of the principal of and the interest on all Bonds has, among other things, granted, pledged and set over unto the Trustee the following property of the Issuer, real and personal, for the benefit of the Bondholders: all right, title and interest of the Issuer in and to amounts on deposit in the Collateral Security Fund to be funded at closing in an amount equal to the principal amount of the Bonds and interest to the initial Mandatory Redemption Date; the Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee in exchange for amounts on deposit in the Collateral Security Fund; all right, title and interest of the Issuer owned as of or acquired after the date of the Indenture in, to and under the Financing Agreement (except Reserved Rights, as defined in the Indenture) and the Regulatory Agreement; all Revenues; and all other property which by the express provisions of the Indenture is required to be subject to the lien of the Indenture, and any additional property that, from time to time, by delivery or by writing of any kind, may be subjected to the lien of the Indenture, by the Issuer or by anyone on its behalf, and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the Indenture (collectively, the "Trust Estate").

THE BONDS, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE REVENUE OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE, THE CITY, THE COUNTY, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE

BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

The Pass-Through Certificate

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project. The Bonds will initially be secured by (i) the deposit of the proceeds of the Mortgage Loan into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture, fully funded in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds and (ii) the deposit to the Collateral Security Interest Account of the Collateral Security Fund of Bond proceeds in an amount sufficient to pay the interest on the Bonds to but not including the initial Mandatory Redemption Date. Upon the satisfaction of certain conditions set forth in the Indenture, the Trustee will transfer the proceeds of the Mortgage Loan plus Bond proceeds on deposit in the Collateral Security Interest Account to acquire the Pass-Through Certificate, backed by the Mortgage Loan on the Project, and to be issued, upon satisfaction of the conditions set forth in the Indenture, by Fannie Mae.

It is expected that the Pass-Through Certificate will be acquired by the Trustee prior to the First Payment Date, and in any event prior to the Mandatory Redemption Date, unless such Mandatory Redemption Date is extended as provided in the Indenture. Principal and interest on the Bonds will initially be paid from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date, at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate will be passed through to Bondholders on each Payment Date.

If the Pass-Through Certificate is not acquired by the Trustee prior to the Mandatory Redemption Date (as such date may be extended pursuant to the Indenture), the Bonds will be redeemed at the Original Issue Price, plus accrued interest on the Bonds to but not including the Mandatory Redemption Date (as such redemption date may be extended under the Indenture) from proceeds of the Bonds and other Preference Proof Moneys on deposit under the Indenture. See "INTRODUCTION" above.

See "APPENDIX H – TERM SHEET" below for a description of the terms expected to be borne by the Pass-Through Certificate if issued by Fannie Mae and acquired by the Trustee. This description does not purport to be complete. Reference is made to the Fannie Mae MBS Prospectus summarized at "APPENDIX G – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" and to the form of proposed Additional Disclosure Addendum attached hereto as APPENDIX I for the complete terms of the Pass-Through Certificate and the rights, duties and obligations of Fannie Mae thereunder.

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE'S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS SUMMARIZED AT "APPENDIX G – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" AND IN THE FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM ATTACHED HERETO AS APPENDIX I. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF

THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE OR THE UNITED STATES OF AMERICA.

Bonds Not a Debt of the State, the City or the County

The Bonds, together with interest thereon, are not general obligations of the Issuer, but are revenue obligations of the Issuer secured by the Trust Estate, are and will always be payable solely from the revenues and income derived from the Trust Estate, and are and will always be a valid claim of the owner thereof only against the revenues and income derived from the Trust Estate, which revenues and income may be used for no other purpose than to pay the principal installments of and interest on the Bonds, except as may be expressly authorized otherwise in the Indenture and in the Financing Agreement. The Bonds and the obligation to pay interest thereon do not now and will never constitute a debt or an obligation of the State, the City, the County, or any other political subdivision thereof and neither the State, the City, the County, nor any political subdivision thereof will be liable therefor. The Bonds are not and do not create or constitute in any way an obligation, a debt or a liability of the State, the City, the County, or any other political subdivision thereof, or create or constitute a pledge, giving or lending of the faith, credit, or taxing power of the State, the City, the County, or any other political subdivision thereof. The Issuer has no taxing power. The Bonds are not a debt of the United States of America, the United States Department of Housing and Urban Development or any other federal governmental agency and are not guaranteed by the full faith and credit of the United States.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Bonds will involve a number of risks. In addition to factors set forth elsewhere in this Official Statement, purchasers of Bonds should carefully consider the following risk factors in connection with investment in the Bonds. The following summary does not purport to be comprehensive or definitive, but rather is intended as a brief summary of some of such risk factors.

Bonds are Pass-Through Bonds; Interest Payment Lag

As described elsewhere herein, except under certain circumstances described under the caption “DESCRIPTION OF THE BONDS – Redemption of Bonds – Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate,” and except as otherwise described herein with respect to certain payments prior to the Purchase Date (see subparagraph (e) of “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Collateral Security Fund”), the Bonds are pass-through securities designed to pass through to registered owners of the Bonds principal and interest payments on the Pass-Through Certificate one Business Day after their receipt by the Trustee. Interest payments on the Bonds will equal either accrued interest on the Bonds, or interest payments received by the Trustee on each Distribution Date (as such term is defined in APPENDIX G attached hereto) for the Pass-Through Certificate, which will be the 25th day of each month, or the next Business Day if the 25th is not a Business Day. The first Distribution Date is expected to be October 25, 2023*. Although interest accrues on the Pass-Through Certificate during a calendar month, Fannie Mae will not distribute interest to the Trustee as certificate holder until the Distribution Date in the following calendar month. The Bonds

* Preliminary; subject to change.

mature on September 1, 2040*; however, the final principal payment on the Pass-Through Certificate will occur on September 25, 2040* (or the following Business Day if such date is not a Business Day), and such payment will be passed through to Bondholders on September 26, 2040*. Because of these delays, the effective yield on the Bonds will be lower than the Pass-Through Rate on the Pass-Through Certificate and the stated interest rate on the Bonds.

Pass-Through Certificate

If the Pass-Through Certificate is issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds, Fannie Mae's obligations will be solely as provided in the Pass-Through Certificate and in the Fannie Mae MBS Prospectus summarized at "APPENDIX G – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" and in "APPENDIX I – FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM." The obligations of Fannie Mae under the Pass-Through Certificate will be obligations solely of Fannie Mae, a federally chartered corporation, and will not be backed by the full faith and credit of the United States of America. The Bonds are not and will not be a debt of the United States of America or any other agency or instrumentality of the United States of America or of Fannie Mae. The Bonds are not and will not be guaranteed by the full faith and credit of Fannie Mae or the United States of America.

It is possible, in the event of the insolvency of Fannie Mae, or the occurrence of some other event precluding Fannie Mae from honoring its obligations to make payments as stated in the Pass-Through Certificate, if issued, that the financial resources of the Borrower will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Borrower will be sufficient to pay the principal of and interest on the Bonds in the event the Trustee is forced to seek recourse against the Borrower. See "SECURITY FOR THE BONDS" herein.

Payments Prior to Purchase Date

Prior to the Purchase Date, payment of principal and interest, and the Borrower's obligations with respect to principal of and interest on the Bonds, will be primarily secured by and payable from moneys deposited into the Collateral Security Fund. It is not expected, prior to the Purchase Date, that any revenues from the Project or other amounts, except moneys on deposit in the Collateral Security Fund will be available to satisfy that obligation. Prior to the Purchase Date, moneys on deposit in the Collateral Security Fund and the interest earnings thereon, will be sufficient to pay the debt service on the Bonds through the Mandatory Redemption Date.

No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Bonds

The Borrower has covenanted and agreed, pursuant to, among other documents, the Regulatory Agreement and the Tax Certificate, to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The financing documents contain provisions and procedures designed to assure compliance with such covenant. See "TAX MATTERS" herein. However, the Borrower's covenant to comply with the requirements of the Code is nonrecourse to the Borrower, and the Borrower's liability is limited to the revenues and assets comprising the Project. Furthermore, the Borrower's failure to comply with such provisions will not constitute an automatic default under the Mortgage Loan. Furthermore, in the event that Fannie Mae calls a default under the Mortgage Loan because of the Borrower's failure to comply with such provisions, it may not give rise to a redemption or acceleration of the Bonds (see "Default May Result in Redemption of

* Preliminary; subject to change.

the Bonds” below) and is not the basis for an increase in the rate of interest payable on the Bonds, nor will the Borrower’s failure to comply with the Regulatory Agreement give rise to a prepayment or acceleration of amounts due under the Pass-Through Certificate, unless directed by Fannie Mae in its sole discretion. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower’s failure to comply with the requirements of federal tax law, and there is no assurance that either the Issuer, the Trustee or the Bondholders will have remedies available to them to mitigate the adverse economic effects to the Bondholders of such inclusion by reason of the Borrower’s noncompliance. The Indenture does not provide for any gross up of the interest rate on the Bonds if the interest thereon is no longer excluded from gross income for federal income tax purposes.

Performance of the Project

No assurance can be given as to the future performance of the Project. See “Estimated Rental Revenue/Vacancies” below. The economic feasibility of the Project depends in large part upon the ability of the Borrower to maintain substantial occupancy throughout the term of the Bonds at sufficient rents. Occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the areas served by the Project. Restrictions imposed under the Code on tenant income and the rent that can be charged could have an adverse effect on the Borrower’s ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

Default May Result in Redemption of the Bonds

A default by the Borrower under the Mortgage Loan may, upon compliance with the terms of the Pass-Through Certificate and the Indenture, result in a mandatory redemption of the Bonds. If Fannie Mae accelerates the Mortgage Loan as a result of any event of default under the Mortgage Loan, the Mortgage Loan will be paid in full, and the stated principal balance of the Pass-Through Certificate will be passed through to the holder of the Pass-Through Certificate. In this case, no yield maintenance or other prepayment premiums will be payable to the Trustee as holder of the Pass-Through Certificate. See “DESCRIPTION OF THE BONDS— Redemption of Bonds — Mandatory Redemption from Principal Payments or Prepayments” herein.

Estimated Rental Revenue/Vacancies

Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay expenses of the Project, including without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee fees, and fees owed to the Issuer. The ability of the Project to generate sufficient revenues may be affected by a variety of factors including, but not limited to, completion of repairs to the Project, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rents as necessary to cover debt service and operating expenses, the level of operating expenses, project management, adverse changes in applicable laws and regulations, demand for affordable housing, general economic conditions and other factors in the surrounding market area for the Project. Adverse changes may occur from time to time with respect to any of the preceding factors or other factors or events which may have a negative impact on the occupancy level and rental income of the Project. The Borrower is required to rent 100% of the units in the Project to persons or families of low and moderate income and the amount of rent that may be charged for such units may be materially less than market rates. No assurance can be given that

the low-income tenants are or will be able to afford the rental rates of the Project, notwithstanding the below-market rental rates. The rent and affordability restrictions may adversely affect the revenues of the Project.

Estimated Project Expenses; Management

The success of the Project depends upon economic conditions, successful management of the Project and other factors. Furthermore, should management of the Project prove to be inefficient, increases in operating expenses might exceed increases in rents which are permitted under the financing and regulatory programs or can be supported by market conditions. The economic feasibility of the Project also depends to a large extent on operating expenses. No assurances can be given that moneys available to the Borrower from operation of the Project will be sufficient to make the required payments on the Financing Agreement and the Mortgage Note.

Infectious Disease Outbreak

There can be no assurances that the spread of an epidemic or a pandemic, including a strain of coronavirus known as COVID-19, will not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project's operating and financial viability. This could include, among other things, the length of time necessary to complete the construction and/or rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, the engagement of material participants in the Project, the length of time necessary to conduct lease-up at the Project, and increased delinquencies and/or vacancies, all of which could impact the Borrower's ability to cover scheduled debt service payments on the Mortgage Loan and result in an acceleration thereof and a corresponding redemption of the Bonds. See "DESCRIPTION OF THE BONDS — Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds" herein.

Legislative Response to COVID-19

Recent federal legislation passed to address the economic effects of COVID-19 known as the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "CARES Act") provided for a temporary moratorium, now expired, on the eviction of tenants due to nonpayment of rent when the landlord's mortgage on that property is supplemented or assisted in any way by HUD. Such moratorium applied to projects that receive HUD assistance under a Section 8 HAP Contract, such as the Project. No assurances can be given that subsequent federal, state or local legislation enacted, in response to the COVID-19 pandemic or other infectious disease will not adversely affect the Borrower's ability to collect rent and evict tenants for nonpayment of rent or otherwise operate the Project as planned.

Rating

After the Purchase Date, the rating on the Bonds is based on the credit rating of Fannie Mae. If any event occurs that causes an adverse change to the credit rating of Fannie Mae, such a change may result in a downgrade or withdrawal of the rating on the Bonds. Such downgrade or withdrawal of the rating could materially affect the price of the Bonds in any secondary market sale.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that

any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering price for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

Future Legislation; IRS Examination

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations will not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the Trust Estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (the "IRS") has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See "TAX MATTERS" herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

Risks of Casualty or Condemnation

CONTINUING DISCLOSURE

The Borrower has undertaken all responsibilities for any continuing disclosure to owners of the Bonds as described below, and the Issuer shall have no liability to the owners or any other person with respect to such disclosures. The Borrower has covenanted for the benefit of owners and Beneficial Owners of the Bonds to provide its audited financial statements and certain financial information and operating data relating to the Borrower by not later than one hundred eighty (180) days after the end of each fiscal year (which fiscal year currently ends on December 31), commencing with the report for the fiscal year ending December 31, 2023 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report is required to be filed by The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the "Dissemination Agent") with the Municipal Securities Rulemaking Board (the "MSRB"). All notices of material events are required to be provided by the Borrower and filed by the Dissemination Agent with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of material events is described in "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

The Borrower is a new entity and has not previously been subject to the continuing disclosure requirements of Rule 15c2-12.

TAX MATTERS

Legal matters incident to the authorization, validity, and issuance of the Bonds are subject to the unqualified approving opinion of Bryant Miller Olive P.A., Miami, Florida, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as "APPENDIX E – PROPOSED FORM OF OPINION OF BOND COUNSEL."

Section 142(d) of the Code provides an exclusion from federal income tax for interest on certain governmental obligations, such as the Bonds, the proceeds of which are used to provide financing for a "qualified residential rental project." The Bonds shall be exempt from federal income tax if at all times during the Qualified Project Period either 20% or more of the units are set aside for tenants having incomes of 50% or less of area median gross income or 40% or more of the units are set aside for tenants having incomes of 60% or less of area median gross income.

Under the Treasury Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Treasury Regulations will, unless corrected within a reasonable period of time of not less than sixty (60) days after such noncompliance is first discovered or should have been discovered, cause loss of the tax exempt status of the Bonds as of the date of issuance of the Bonds, irrespective of the date such noncompliance actually occurred.

The Issuer has established requirements, procedures, and safeguards which it believes to be sufficient to ensure the Project's compliance with the requirements of Section 142(d) of the Code and the Treasury Regulations. Such requirements, procedures, and safeguards are incorporated into the Financing Agreement and the Regulatory Agreement. Additionally, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer or the Trustee can be judicially enforced in such manner as to assure compliance with Section 142(d) of the Code and therefore to prevent the loss of tax exemption of interest on the Bonds. The opinion of Bond Counsel described below relies, in part, upon certifications by the Borrower as to

compliance with Section 142(d) of the Code.

Section 148 of the Code provides that interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) the investment of the proceeds of the Bonds meets certain arbitrage requirements and (b) certain “excess” earnings on such investments are rebated to the United States of America (collectively, the “Arbitrage Restrictions”). To the extent that the Arbitrage Restrictions are applicable to the Borrower, the Borrower has covenanted in the Financing Agreement and the Issuer has covenanted in the Indenture, that each will comply with such restrictions. In the event of non-compliance by the Issuer, the Trustee, or the Borrower with the Arbitrage Restrictions, interest on the Bonds may be taxable for federal income tax purposes from the date of issuance of the Bonds.

The Issuer and the Borrower have each covenanted to comply with certain other applicable provisions of the Code which are required as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Code includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer's or the Borrower's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Borrower have covenanted in the Indenture, the Financing Agreement, and the Regulatory Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Borrower (and, except as permitted by Treasury Regulation Section 1-103-8(b)(6)(iii), any successor owner of the Project) with the above referenced requirements of the Code, interest on the Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings, and court decisions, except for interest on any Bond for any period during which the Bond is held by a person who is a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of Section 147(a) of the Code. Additionally, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds may be included in the “adjusted financial statement income” of certain “applicable corporations” that are subject to the 15-percent alternative minimum tax under section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds or, in the case of a financial institution, that portion of the Bondholder's interest expense allocable to interest on the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies, (iii) the inclusion of interest on Bonds in the earnings of certain foreign corporations doing business in the United States of America for purposes of a branch profits tax, (iv) the inclusion of interest on Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on Bonds by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining the taxability of such benefits.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are

similar to the Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Bonds.

PURCHASE, OWNERSHIP, SALE, OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUALS AND CORPORATE BONDHOLDERS. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The opinion of Bond Counsel will be delivered contemporaneously with the delivery of the Bonds substantially in the form attached hereto as “APPENDIX E – PROPOSED FORM OF OPINION OF BOND COUNSEL” hereto.

NO LITIGATION

The Issuer

There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, for which service of process has been effected on the Issuer or, to the best knowledge of the Issuer, threatened against the Issuer, or any basis therefore: affecting the organization of the Issuer, or the legal or corporate existence of the Issuer, or the title of the members of the Issuer to their respective offices, or any powers of the Issuer under the Constitution of the State or the laws of the State; seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues from Borrower derived from payments under the Financing Agreement, or the pledge thereof; contesting or affecting the validity or enforceability of the Bonds, any of the documents entered into by the Issuer in connection with the transaction described in this Official Statement (collectively, the “Issuer Documents”); contesting the power of the Issuer to enter into, execute and deliver the Bonds or the Issuer Documents or to consummate the transactions

contemplated by such documents and this Official Statement; or contesting in any way the completeness or accuracy of this Official Statement or any amendment or supplement hereto, in which action an unfavorable decision, ruling or finding would materially adversely affect (i) the validity or enforceability of the Bonds or the Issuer Documents or any other agreement or instrument to which Issuer is party and that is used or contemplated for use in the consummation of the transactions contemplated hereby; (ii) the exclusion from gross income for federal income tax purposes of the interest on the Bonds; or (iii) the use of proceeds of the Bonds or the power of the Issuer to loan the proceeds of the Bonds to the Borrower.

The Borrower

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, of which the Borrower has been notified in writing, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the knowledge of the Borrower, threatened in writing against the Borrower, affecting the existence of the Borrower, involving the Project or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the financing of the Project, or in any way contesting or affecting as to the Borrower, the validity or enforceability of the Financing Agreement, the Mortgage Note, the Regulatory Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement, the Arbitrage Rebate Agreement, the Proceeds Certificate, the Fee Guaranty and Environmental Indemnity Agreement or any other document executed by the Borrower relating to the Bonds (the "Borrower Documents"), the Act, the Bonds, or the execution and delivery or adoption by the Borrower of any Borrower Document, or any proceedings of the Borrower taken with respect to the sale, execution or delivery thereof, or the application of any moneys or security provided for the payment of the Bonds, or in any way contesting or challenging the completeness or accuracy of this Official Statement or any supplement or amendment hereto, or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby, or challenging the exclusion of interest on the Bonds from gross income for Federal income tax purposes; nor, to the knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower's financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery of the Bonds by the Issuer are subject to the approval of Bryant Miller Olive P.A., Miami, Florida, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by the Issuer's general counsel, the Broward County Attorney's Office, Fort Lauderdale, Florida. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, DLA Piper LLP, Los Angeles, California. Certain legal matters will be passed upon for the Borrower by its Counsel, Levitt & Boccio, LLP, New York, New York, and Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Miami, Florida. Certain legal matters will be passed upon for the Underwriter by its Counsel, Norris George & Ostrow PLLC, Washington, D.C.

LEGALITY OF BONDS FOR INVESTMENT AND DEPOSIT

The Act provides that bonds issued thereunder are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians and for all public funds of the State or other political corporations or subdivisions of

the State. Such bonds are eligible to secure the deposit of public funds of the State, localities, school districts or other political corporations or subdivisions of the State, and shall be security for such deposits to the extent of their value.

UNDERWRITING

RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the “Underwriter”) have agreed, subject to certain conditions, to purchase the Bonds from the Issuer at an aggregate purchase price of \$_____ plus accrued interest from August 1, 2023 to the Closing Date, and to make a public offering of the Bonds at a price that is not in excess of the public offering price stated on the cover page of this Official Statement. The Bond Purchase Agreement provides that the obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions and the approval of certain legal matters by counsel. The Borrower has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Bonds. Subject to satisfaction or waiver of such conditions, the Underwriter will be obligated to purchase all such Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter will receive an underwriting fee for its services in the amount of \$_____ (which amount does not include the fees and expenses of its counsel).

The Underwriter and its affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriter and its affiliates may engage in transactions for its own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter does not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

OTHER PROFESSIONAL ENGAGEMENTS AMONG THE PARTIES

In connection with the issuance of the Bonds, the Issuer, the Borrower, Fannie Mae and the Underwriter are being represented by the attorneys or law firms identified above under the heading “CERTAIN LEGAL MATTERS.” In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower or the Underwriter or their affiliates, in capacities different from those described in this Official Statement, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Borrower and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the

Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

THE TRUSTEE

The Issuer has appointed The Bank of New York Mellon Trust Company, N.A. to serve as Trustee. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is to carry out those duties assignable to it under the Indenture and under the Financing Agreement and Regulatory Agreement. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Issuer of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Issuer. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

RATING

Moody's Investors Service, Inc. (the "Rating Agency") has assigned to the Bonds a rating of "Aaa." Such rating reflects only the view of the Rating Agency and an explanation of the significance of the rating may be obtained from the Rating Agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely by the Rating Agency, if in its judgment, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Bonds. See "CERTAIN BONDHOLDERS' RISKS – Rating" herein.

A rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the Rating Agency originally establishing the rating, circumstances so warrant. The Rating Agency will not undertake responsibility either to bring to the attention of the registered owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds, if issued, or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such a rating could have an adverse effect on the market price of the Bonds if a registered owner attempts to sell the same.

The Rating Agency has not assumed any responsibility either to notify the owners of any proposed change in or withdrawal of such rating subsequent to the date of this Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision or withdrawal.

DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Banking and Finance, Division of Securities, under Section 517.051(1), Florida Statutes (“Rule 69W-400.003”), requires the Issuer to disclose each and every default of the Issuer as to the payment of principal and interest with respect to obligations issued or guaranteed by the Issuer after December 31, 1975. Rule 69W-400.003 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by the Trust Estate established under the Indenture. The Bonds are not being offered on the basis of the financial strength of the Issuer. Accordingly, the Issuer, in good faith, believes that disclosure of any such default on bonds with respect to which the Issuer was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor in the Bonds.

FURTHER INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the Issuer from the date hereof. The foregoing references to and summaries or descriptions of provisions of the Bonds, the Indenture, the Financing Agreement, and the Regulatory Agreement, and all references to other materials not stated to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. After the Closing Date, copies of the Indenture, the Financing Agreement, and the Regulatory Agreement may be obtained from the Trustee at its designated corporate trust office.

Additional information may be obtained from the undersigned at Federation Plaza Preservation, L.P., c/o The Related Companies, 30 Hudson Yard, 72nd Floor, New York, NY 10001.

FINANCIAL ADVISOR

The Issuer has retained Zomermaand Financial Advisory Services, L.L.C., Tampa, Florida, as financial advisor (the “Financial Advisor”) to the Issuer in connection with the preparation of the Issuer’s plan of financing and with respect to the authorization and issuance of the Bonds. Although the Financial Advisor assisted in the preparation of this Official Statement, the Financial Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Issuer and the purchasers or owners of any Bonds.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement and the distribution thereof have been duly authorized and approved by the Issuer and this Official Statement has been duly executed and delivered on behalf of the Borrower.

[Remainder of Page Intentionally Left Blank]

(Borrower's Signature Page to Official Statement)

Federation Plaza Preservation, L.P.,
a Florida limited partnership

By: Southeast Housing Preservation, Inc.,
a Florida nonprofit corporation,
its general partner

By: _____
Name: Melissa Vincent
Title: Vice President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms, or summaries thereof, used in the Indenture or appearing in this Official Statement.

“Act” means Ordinance 79-41, enacted by the Board of County Commissioners Broward County, Florida (the “County”) on June 20, 1979, as amended, and a resolution to be adopted by the County on August [22], 2023, Resolution Nos. 2022-002, 2022-008, and 2023-[___] adopted by the Issuer on January 19, 2022, April 20, 2022, and June 21, 2023, respectively, and in accordance with Florida Housing Finance Authority Law, Sections 159.601 through 159.623, Florida Statutes, as amended.

“Actual/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

“Attesting Officer” means such officer or official of the Issuer who in accordance with the Bond Resolution, the laws of the State, the bylaws or other governing documents of the Issuer or practice or custom, regularly certifies official acts and records of the Issuer, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“Authorized Officer” means the Chairperson or Vice Chairperson of the Governing Body and the Executive Director of the Issuer.

“Bankruptcy Code” means the Federal Bankruptcy Code, Title 11 of the United States Code.

“Beneficial Owner” means the purchaser of a beneficial interest in the Bonds.

“Bonds” means the Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza), in the principal amount of \$[33,025,000]* issued pursuant to the Indenture.

“Bond Counsel” means any counsel nationally recognized as having an expertise in connection with the excludability of interest on obligations of states and local governmental units from gross income for federal income tax purposes and appointed by the Issuer, and initially means Bryant Miller Olive P.A.

“Bond Documents” means the Financing Agreement, the Regulatory Agreement, the Fee Guaranty, the Tax Certificate, the Indenture and the Bond Purchase Agreement.

“Bond Fund” means the Fund created and so designated in the Indenture.

“Bondholder” or “holder” or “owner” of any Bond or any similar term shall mean the person in whose name any Bond is registered.

* Preliminary; subject to change.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated August ___, 2023, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the registration books of the Issuer maintained by the Trustee as provided in the Indenture on which registration and transfer of the Bonds is to be recorded.

“Bond Registrar” means the Trustee.

“Bond Resolution” means the resolutions of the Issuer adopted on January 19, 2022, April 20, 2022, and June 21, 2023 authorizing the issuance and sale of the Bonds.

“Book Entry Bonds” means the Bonds for which a Depository or its Nominee is the Bondholder.

“Borrower” means Federation Plaza Preservation, L.P., a Florida limited partnership.

“Business Day” means, with respect to the Pass-Through Certificate and the Bonds, any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent for the Pass-Through Certificate is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a certificate account is located if the related withdrawal is being made from that certificate account, and, with respect to the Bonds, any such day that is also a day on which the Trustee is open for business.

“City” means the City of Hollywood, Florida, a municipal corporation of the State.

“Class B Limited Partner” means Federation Plaza Preservation Class B, LLC, a New York limited liability company.

“Closing Date” means the date the Bonds are initially issued and delivered to the original purchaser or purchasers thereof.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import enacted after the date of the Indenture, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Collateral Security Fund” means the Fund of that name created and so designated in the Indenture.

“Collateral Security Interest Account” means the Account of that name created and so designated in the Indenture.

“Collateral Security Principal Account” means the Account of that name created and so designated in the Indenture.

“Completion Certificate” means the certificate attached as an exhibit to the Regulatory Agreement.

“Completion Date” means the date the Project is substantially completed and available and suitable for use as multifamily housing, as set forth in the Completion Certificate completed by the Borrower and delivered to the Trustee and the Issuer.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of the date of the Indenture between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms of the Indenture, in the form attached hereto as APPENDIX F.

“Costs of Issuance” has the meaning given to such term in the Tax Certificate.

“Costs of Issuance Fund” means the Fund created and so designated in the Indenture.

“Counsel’s Opinion” means a written opinion, including opinions supplemental thereto, signed by an attorney or firm of attorneys (who may be counsel for the Issuer, the Borrower or Fannie Mae) acceptable to the Trustee.

“County” means Broward County, Florida.

“County Loan” means a loan from the County to the Borrower in the amount of \$[2,000,000].

“County Loan Documents” means any document entered into by the County and the Borrower relating to the County Loan.

“Depository” means, initially, DTC and any replacement securities depository appointed under the Indenture.

“Dissemination Agent” means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

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

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Indenture and approved in writing by Fannie Mae.

“Event of Default” means any occurrence or event specified as such in the Indenture.

“Extension Deposit” means the deposit of Preference Proof Moneys described in the Indenture.

“Fannie Mae” means Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., § 1716 et seq., and its successors.

“Fannie Mae Trust Indenture” means the 2021 Multifamily Master Trust, effective January 1, 2021 Agreement (as amended or replaced from time to time) and the related trust issue supplement.

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not adversely affect the Federal Tax Status of the Bonds (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon the original issuance of the Bonds or other customary exceptions acceptable to the recipient(s) thereof).

“Federal Tax Status” means, as to the Bonds, the status under existing law of the interest on the Bonds as excludable from gross income for federal income tax purposes (except on any Bond for any period during which it is held by a “substantial user” of the Project or by a “related person” to such a “substantial user,” each within the meaning of Section 147(a) of the Code).

“Fee Guaranty” means that certain Fee Guaranty and Environmental Indemnity Agreement dated as of August 1, 2023 by and among the Issuer, the Trustee, the Borrower, the Class B Limited Partner and The Related Companies, L.P.

“Final Payment Date” means the Business Day after the receipt of the final payment on the Pass-Through Certificate scheduled for September 25, 2040*, or the following Business Day if such date is not a Business Day.

“Financing Agreement” means the Financing Agreement dated as of the date of the Indenture among the Issuer, the Borrower, the Lender and the Trustee, as it may be amended from time to time.

“First Payment Date” means September 26, 2023*.

“Fund” or “Account” means a fund or account created by or pursuant to the Indenture.

“General Partner” means Southeast Housing Preservation, Inc., a Florida not-for-profit corporation, and its successors and assigns.

“Governing Body” means the members of the board of the Issuer, or any governing body that succeeds to the functions of the governing board of the Issuer.

“Government Obligations” means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

“Indenture” means the Indenture of Trust as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

“Issuer” means the Housing Finance Authority of Broward County, Florida, a public body corporate and politic created, organized and existing under the laws of the State of Florida.

“Issuer Extraordinary Fees and Expenses” means the expenses and disbursements payable to the Issuer under the Indenture for extraordinary services and extraordinary expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Financing Agreement.

* Preliminary; subject to change.

“Issuer Fees” means, collectively, the Issuer Ordinary Fees, Issuer Ordinary Expenses and the Issuer Extraordinary Fees and Expenses.

“Issuer Indemnified Party” or “Issuer Indemnified Parties” means the Issuer, the past, present and future members of the Issuer, executives, employees and agents, individually and collectively.

“Issuer Ordinary Expenses” means the reasonable expenses of the Issuer with respect to the Bonds and related transactions which are not Issuer Extraordinary Fees and Expenses.

“Issuer Ordinary Fees” means collectively, the Issuer’s (i) one (1) time initial issuance fee payable to the Issuer on or before the Closing Date in the amount of \$[_____] * equal to [____] basis points [(%) of the original par amount of Bonds; and (ii) the annual fee of the Issuer, payable by the Borrower in the amount of [____] basis points [(%) of the original principal amount of the Bonds payable in semiannual installments in arrears on each [_____] 1 and [_____] 1, commencing [____] 1, 20__]. Issuer Ordinary Fees do not include Issuer Ordinary Expenses.

“Lender” means Wells Fargo Bank, National Association, a national banking association, and its successors and assigns.

“Loan Agreement” means the Multifamily Loan and Security Agreement between Borrower and the Lender, and dated the Closing Date, as the same may be supplemented, amended or modified from time to time.

“Mandatory Redemption Date” means October 26, 2023*, as further described in Section 3.01(b) of the Indenture, as such date may be extended pursuant to the Indenture.

“Maturity Date” means September 1, 2040*. The final payment of principal with respect to the Pass-Through Certificate will be made on September 25, 2040* (or the next Business Day if such day is not a Business Day) and will be passed through to the Bondholders on the Final Payment Date.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“Mortgage” means the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated the Closing Date, together with all riders and exhibits, securing the Mortgage Note, executed by the Borrower with respect to the property described in the Mortgage, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Mortgage Loan” or “Loan” means the mortgage loan made to the Borrower by the Lender with respect to the Project on the Closing Date.

“Mortgage Loan Documents” means, collectively, the Mortgage Note, the Mortgage and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Mortgage Loan, as each such document, agreement or instrument may be amended, supplemented or restated from

* Preliminary; subject to change.

time to time. None of the Financing Agreement, the Regulatory Agreement or the Fee Guaranty is a Mortgage Loan Document and no such document is secured by the Mortgage.

“Mortgage Note” means that certain Multifamily Note from the Borrower payable to the order of the Lender and endorsed by the Lender, without recourse, to the order of Fannie Mae, evidencing the Borrower’s obligation to repay the Mortgage Loan.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

“Officer’s Certificate” means a certificate signed by an Authorized Officer or, if such certificate pertains to official action taken by the Issuer or official records of the Issuer, by an Attesting Officer.

“Operating Fund” means the Fund created and so designated in the Indenture.

“Operating Revenues” means all amounts deposited into the Operating Fund from amounts paid under the Financing Agreement.

“Original Issue Price” means the price of \$[33,025,000]* paid upon the issuance of the Bonds.

“Outstanding” means, when used with reference to the Bonds and as of any particular date, all Bonds theretofore and thereupon being delivered except (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation; (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Permitted Investments or moneys in the amounts, of the maturities and otherwise as described and required under the provisions of the Indenture, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with the notice of redemption provisions of the Indenture, and (c) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the Indenture.

“Participant” means a member of, or a participant in, the Depository.

“Pass-Through Certificate” means the Guaranteed Mortgage Pass-Through Certificate with respect to the Mortgage Loan bearing interest at the Pass-Through Rate, to be issued to and registered in the name of the Trustee by Fannie Mae pursuant to the Indenture, not including any portion thereof liquidated or exchanged pursuant to the Indenture.

“Pass-Through Certificate Purchase Price” means the principal amount outstanding on the Mortgage Loan plus accrued interest on the Pass-Through Certificate at the Pass-Through Rate to but not including the date of purchase. Such amount shall equal the original principal amount of the Mortgage Loan (\$[33,025,000]*) less any scheduled principal payments on or any prepayments of the Mortgage Loan prior to the Purchase Date.

“Pass-Through Certificate Revenues” means all payments made under and pursuant to the Pass-Through Certificate.

* Preliminary; subject to change.

“Pass-Through Rate” means ____% per annum.

“Payment Date” means (i) one Business Day after each date a principal or interest payment is made (or, prior to the Purchase Date, would have been made assuming the Pass-Through Certificate had been issued on the Closing Date) pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (ii) with respect to any redemption in lieu of exchange of the Bonds for the Pass-Through Certificate pursuant to the Indenture, the Business Day on which the Trustee receives funds pursuant to the transfer of the applicable principal amount of the Pass-Through Certificate to or upon the order of the Issuer. The payment of interest on a Payment Date shall relate to the interest accrued during the preceding calendar month. There shall be no further accrual of interest from the Maturity Date to the Final Payment Date.

“Permitted Investments” means, to the extent authorized by law for investment of moneys of the Issuer:

(a) Government Obligations; and

(b) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAM-G or AAA by S&P or Aaa-mf by Moody’s so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAM-G or AAA by S&P, if S&P is a Rating Agency, or Aaa-mf by Moody’s, if Moody’s is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAM-G or AAA by S&P or Aaa-mf by Moody’s.

“Preference Proof Moneys” means (i) moneys drawn on a letter of credit, (ii) proceeds of the Bonds, (iii) proceeds of the Mortgage Loan, or (iv) moneys in connection with which the Trustee shall have been delivered an opinion of bankruptcy counsel acceptable to it to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code.

“Proceeds Fund” means the Fund created and so designated in the Indenture.

“Project” means the multifamily senior rental housing development, known as Federation Plaza, located in Hollywood, Florida, on the site described in the Mortgage.

“Purchase Date” means the date on which funds in the Collateral Security Fund are applied by the Trustee to the purchase of the Pass-Through Certificate.

“Rating Agency” means Moody’s or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns.

“Rebate Fund” means the Fund created and so designated in the Indenture.

“Record Date” means the close of business on the last Business Day of the month immediately preceding each Payment Date.

“Redemption Price” means the amount required to be delivered to pay principal of and interest on the Bonds in connection with a redemption of the Bonds in accordance with the provisions of the Indenture. A redemption premium may be payable to a Beneficial Owner pursuant to the Indenture.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Regulatory Agreement” means the Land Use Restriction Agreement relating to the Project, dated as of the date of the Indenture, by and among the Issuer, the Trustee and the Borrower, as it may be amended, supplemented or restated from time to time.

“Rehabilitation Account” means the Account of that name created and so designated within the Proceeds Fund.

“Rehabilitation Agreement” means the provisions relating to rehabilitation of the Project set forth in the Loan Agreement.

“Related Factor” means the applicable factor posted by Fannie Mae with respect to the Pass-Through Certificate from time to time as the Mortgage Loan amortizes.

“Representation Letter” has the meaning given to such term in the Indenture.

“Reserved Rights” of the Issuer means (a) all of the Issuer’s right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts payable to it pursuant to the Financing Agreement, including the Issuer Fees; (c) all rights of the Issuer to receive any Rebate Amount (as defined in the Tax Certificate) required to be rebated to the United States of America under the Code in connection with the Bonds, as described in the Tax Certificate; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent under the Indenture and under the Financing Agreement, the Regulatory Agreement, the Fee Guaranty and the Tax Certificate; (e) all rights of the Issuer of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Financing Agreement, in the Tax Certificate and in the Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in the Indenture, the Financing Agreement, the Regulatory Agreement, the Fee Guaranty or the Tax Certificate, as applicable, regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act, the Indenture, the Financing Agreement, the Regulatory Agreement, the Fee Guaranty or the Tax Certificate, (4) no liability of the Issuer to third parties, and (5) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to or modification of the Indenture, the Financing Agreement, the Regulatory Agreement, the Fee Guaranty or the Tax Certificate; (h) any and all limitations of the Issuer’s liability and the Issuer’s disclaimers of warranties set forth in the Indenture, the Regulatory Agreement, the Fee Guaranty, the Tax Certificate or the Financing Agreement; and (i) the Issuer’s right to inspect and audit the books, records and permits of the Borrower and the Project.

“Responsible Officer” means any Vice President or Assistant Vice President of the Trustee having regular responsibility for corporate trust matters and direct responsibility for the administration of the Indenture.

“Revenues” means the Pass-Through Certificate Revenues and the Operating Revenues.

“Seltzer” shall mean Seltzer Management Group, Inc., and its permitted successors and assigns.

“S&P” means S&P Global Ratings, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, as assigns credit ratings.

“State” means the State of Florida.

“Subordinate Debt Fund” means the Subordinate Debt Fund established pursuant to the Indenture.

“Substitute Depository” means a securities depository appointed as successor to DTC under the Indenture.

“Supplemental Indenture” means any indenture duly authorized and entered into after the date of the Indenture between the Issuer and the Trustee amending or supplementing the Indenture in accordance with the provisions of the Indenture.

“Tax Certificate” shall mean, collectively, (a) the Arbitrage and Tax Certificate dated the Closing Date and executed by the Issuer, (b) the Arbitrage Rebate Agreement dated as of August __, 2023, executed by the Issuer, the Trustee and the Borrower, and (c) the Proceeds Certificate dated the Closing Date and executed and delivered by the Borrower, in each case including all exhibits and other attachments thereto and in each case as may be amended or supplemented from time to time.

“Tax Credit Investor” means Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company, and its permitted successors and assigns.

“Term Sheet” means the Term Sheet relating to the terms of the Mortgage Loan and, when and if issued, the Pass-Through Certificate, dated the Closing Date and attached hereto as APPENDIX H and attached as Exhibit A to the Financing Agreement.

“Trust Estate” means all the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses in the Indenture.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, and its successors and any successor trustee under the Indenture.

“Underwriter” means, collectively, RBC Capital Markets, LLC and Raymond James & Associates, Inc.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Indenture to which reference is hereby made, a copy of which is on file with the Trustee.

THE BONDS, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE REVENUE OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF FLORIDA, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE, THE CITY, THE COUNTY, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF FLORIDA, THE CITY, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE CITY, THE COUNTY, OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES. The foregoing statement of limitation shall appear on the face of each Bond.

Proceeds Fund

The Trustee shall establish, create and maintain a Proceeds Fund under the Indenture, and within the Proceeds Fund, there shall be established the Rehabilitation Account, and amounts on deposit in the Proceeds Fund shall be disbursed by the Trustee to fund the Project costs pursuant to requisitions in the form of Exhibit B attached to the Indenture. The Trustee shall be entitled to conclusively rely on each requisition signed by the Borrower and approved by the Lender without further investigation. The Proceeds Fund shall not be a part of the Trust Estate upon the funding of the Collateral Security Fund. After the initial disbursement from the Proceeds Fund and other disbursements pursuant to the terms of the Indenture on the Closing Date, the balance left in the Proceeds Fund for rehabilitation purposes shall be deposited in the Rehabilitation Account. Moneys in the Rehabilitation Account shall be held by the Trustee under said Account for reasons of convenience and tax accounting only. Such balance shall, pending disbursement to the Borrower at the written direction of the Lender, pursuant to the terms of the Rehabilitation Agreement within the Loan Agreement, be pledged by the Borrower to the Lender until the Purchase Date, and thereafter to Fannie Mae. The Trustee shall hold such funds as custodian for Lender as the pledgee and not for the Bondholders.

Establishment of Funds

In addition to the Proceeds Fund established under the Indenture, the Trustee shall establish, maintain and hold in trust the following funds, each of which shall be disbursed and applied only as authorized in the Indenture:

- (a) Bond Fund;
- (b) Operating Fund;
- (c) Costs of Issuance Fund;
- (d) Collateral Security Fund;
- (e) Rebate Fund; and
- (f) Subordinate Debt Fund, including therein a County Loan Account.

The Trustee shall, at the written direction of the Lender and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the Funds and Accounts or the Rebate Fund, or result in commingling of funds not permitted under the Indenture.

Application of Revenues

All Pass-Through Certificate Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the Bond Fund.

Application of Operating Fund

All Operating Revenues shall be deposited into the Operating Fund. Amounts in the Operating Fund shall be withdrawn by the Trustee and used solely to pay first, any amount required to be deposited in the Rebate Fund in accordance with the provisions of the Tax Certificate to the extent sufficient funds are not otherwise made available to the Trustee for such purposes; second, the Issuer Ordinary Fees and Expenses on the dates specified in the definition of such term in the Indenture; third, on each Payment Date the fees and expenses of the Trustee; and fourth, the fees and expenses incurred in connection with the determination of rebatable arbitrage in accordance with the provisions of the Tax Certificate. In the event the amounts in the Operating Fund are not equal to the amounts payable from the Operating Fund on any date on which such amounts are due and payable to fund such deficiency, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within five Business Days to the Trustee of the amount of such deficiency. No amount shall be charged against the Operating Fund except as expressly described under this caption.

Application of Bond Fund

The Trustee shall disburse from the Bond Fund, on each Payment Date an amount equal to the amount of the principal, including prepayments and interest received on the Pass-Through Certificate on or immediately prior to such Payment Date.

Investment of Funds

The moneys held by the Trustee shall constitute trust funds for the purposes of the Indenture, which moneys shall be managed, invested, disbursed and administered as provided in the Indenture and in the Tax Certificate. Any moneys attributable to each of the Funds under the Indenture shall be invested by the Trustee at the written direction of the Borrower in Permitted Investments which mature or are redeemable at par on the date on which such funds are expected to be needed for the purposes for which they are held, subject in all cases to the restrictions of the Tax Certificate. Notwithstanding anything in the Indenture to the contrary, (i) all amounts in the Bond Fund shall be invested in Permitted Investments, (ii) the Proceeds Fund shall be held uninvested, and (iii) all amounts in the Collateral Security Fund shall be invested solely in Permitted Investments, provided, however, that following the Purchase Date, payments received with respect to the Pass-Through Certificate shall remain uninvested. If the Trustee does not receive written direction from the Borrower regarding the investment of funds from a list of investments provided by the Trustee to the Borrower, the Trustee shall invest in an investment described in subparagraph (b) of the definition of Permitted Investments, or, if such investment is not available or no longer qualifies as a Permitted Investment, shall hold funds uninvested. The Trustee may conclusively rely upon the Borrower's written instructions as to the legality and suitability of the directed investments. In no event shall the Trustee be responsible for the selection of investments made in accordance with the terms described under this caption or liable for any investment losses incurred thereon. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Borrower to provide timely written investment direction. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees; provided, however, in no event may such fees be paid from amounts on deposit in the Collateral Security Fund. Notwithstanding any provision of the Indenture to the contrary, at no time shall the Borrower direct that any funds constituting Gross Proceeds of the Bonds (as defined in the Tax Certificate) be used in any manner as would constitute failure of compliance with Section 148 of the Code. Notwithstanding the foregoing, in no event shall the Trustee be released from liability for its own negligence or willful misconduct. Notwithstanding anything in the Indenture to the contrary, funds in the County Loan Account shall be held uninvested by the Trustee. The Trustee may conclusively rely upon the Borrower's written direction as to both the suitability and legality of directed investments.

Permitted Investments representing an investment of moneys attributable to any Fund shall be deemed at all times to be a part of such Fund. Such investments shall be sold at the best price obtainable whenever it shall be necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from such Fund. In the case of any required transfer of moneys to another such Fund, such investments may be transferred to that Fund in lieu of the required moneys if permitted by the Indenture as an investment of moneys in that Fund.

All Permitted Investments acquired by the Trustee pursuant to the Indenture shall be purchased in the name of the Trustee and shall be held for the benefit of the holders of the Bonds pursuant to the terms of the Indenture. The Trustee shall take such actions as shall be necessary to assure that such Permitted Investments are held pursuant to the terms of the Indenture.

The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established in the Indenture, but shall account for each separately.

In computing for any purpose in the Indenture the amount in any Fund on any date, obligations so purchased shall be valued at the lower of cost or par exclusive of accrued interest, and may be so valued as of any time within four days prior to such date.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Borrower specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

Rebate Fund

The Rebate Fund is for the sole benefit of the United States of America and shall not be subject to the claim of any other person, including without limitation, the Issuer and shall not be part of the Trust Estate. The Rebate Fund is established for the purpose of complying with Section 148 of the Code. The money deposited in the Rebate Fund, together with all investments thereof and income from investments therefrom, is held in trust and applied solely as provided in the Tax Certificate. Moneys and securities held by the Trustee in the Rebate Fund are not pledged or otherwise subject to any security interest in favor of the Trustee to secure the Bonds or any other payments required to be made under the Indenture or any other document executed and delivered in connection with the issuance of the Bonds. The Trustee will make deposits to and disbursements from the Rebate Fund, as well as investments of the amounts therein, in accordance with the written directions received from the Borrower, all in accordance with the provisions of the Tax Certificate. Notwithstanding the foregoing, the Trustee with respect to the Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it under the Indenture.

Costs of Issuance Fund

No moneys shall be deposited into the Costs of Issuance Fund. On or before the Closing Date the Borrower shall deliver to First American Title Insurance Company (the "Title Company") amounts to pay Costs of Issuance on the Closing Date or as soon as practicable thereafter, in accordance with written instructions to be given to the Title Company, upon delivery to the Title Company of appropriate invoices for such expenses. Any unexpended amounts attributable to deposits made by the Borrower remaining on deposit with the Title Company one month after the Closing Date shall be returned to the Borrower.

Collateral Security Fund

There shall be established within the Collateral Security Fund two Accounts: (i) a Collateral Security Principal Account, and (ii) a Collateral Security Interest Account.

(a) On the Closing Date, (i) proceeds of the Mortgage Loan in an amount equal to the principal amount of the Bonds shall be deposited to the Collateral Security Principal Account, (ii) the amount received under the Bond Purchase Agreement representing accrued interest on the Bonds from August 1, 2023* to but not including the Closing Date shall be deposited to the Collateral Security Interest Account, and (iii) Bond proceeds in an amount equal to the interest on the Bonds from the Closing Date to but not including the initial Mandatory Redemption Date shall be deposited to the Collateral Security Interest Account (for a total deposit to the Collateral Security Interest Account equal to 86* days' interest on the Bonds).

(b) Moneys on deposit in the Collateral Security Fund (derived from the amount on deposit in the Collateral Security Principal Account and an amount on deposit in the Collateral Security Interest Account equal to the accrued interest on the Pass-Through Certificate) shall be applied by the Trustee to purchase the Pass-Through Certificate on the Purchase Date.

(c) If the Purchase Date occurs in the same month as the Closing Date (i.e., August 2023*) or in a subsequent month following the Payment Date for such month then following the Purchase Date the Trustee shall transfer the remaining balance in the Collateral Security Interest Account to the Rehabilitation Account of the Proceeds Fund (after application of moneys therein to pay the accrued interest on the Pass-Through Certificate).

(d) If the Purchase Date (i) occurs in a month following the Closing Date (e.g., September 2023*) and (ii) on or prior to the Payment Date for such month, then the Trustee shall retain the amount on deposit in the Collateral Security Interest Account and apply moneys from such Account to pay the interest on the Bonds on the next Payment Date. So long as payment has already been made or provided for with respect to the Payment Date in the month in which the Purchase Date occurs, any balance in the Collateral Security Interest Account following such Payment Date shall be transferred to the Rehabilitation Account of the Proceeds Fund (after application of moneys therein to pay the accrued interest on the Pass-Through Certificate).

(e) The Borrower or the Tax Credit Investor may at any time (not later than the last day for which notice of redemption must be given pursuant to the Indenture) extend the Mandatory Redemption Date by depositing Preference Proof Moneys (excluding proceeds of the Mortgage Loan, which shall remain on deposit in the Collateral Security Fund) to the credit of the Collateral Security Interest Account in an amount sufficient to pay the interest on the Bonds from the last Payment Date to the extended Mandatory Redemption Date (an "Extension Deposit"). Upon the extension of the Mandatory Redemption Date, the Trustee, as Dissemination Agent, shall post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

(f) Extension Deposits shall continue to be made by the Borrower or the Tax Credit Investor until the Purchase Date occurs or the Borrower or the Tax Credit Investor declines to make an Extension Deposit resulting in the mandatory prepayment of the Bonds upon failure to purchase the Pass-Through Certificate.

(g) If a Purchase Date has not yet occurred and the Borrower or the Tax Credit Investor has extended the Mandatory Redemption Date by making an Extension Deposit, the Trustee shall apply

* Preliminary; subject to change.

* Preliminary; subject to change.

amounts on deposit in the Collateral Security Interest Account to pay the preceding month's accrual of interest on the Bonds on the next Payment Date. Whether or not the Mandatory Redemption Date has been extended, on any Payment Date, the Trustee shall also apply amounts on deposit in the Collateral Security Principal Account equal to the amount set forth in the Mortgage Loan amortization schedule as included in an exhibit to the Financing Agreement on the first day of the month in which such Payment Date occurs to redeem principal of the Bonds on such Payment Date; such redemption shall be in an amount equal to the preceding month's principal amortization on the Mortgage Loan as set forth in the Mortgage Loan amortization schedule included in an exhibit to the Financing Agreement. Notwithstanding the foregoing in the event of any unscheduled principal prepayment prior to or on the Purchase Date, the Trustee shall redeem the Bonds in an amount equal to such unscheduled principal prepayment.

(h) After the Purchase Date, and after making the transfers described in paragraphs (c) and (d) above, the Trustee shall remit to the Borrower any moneys on deposit in the Bond Fund deriving from the Mortgage Loan that are not needed to pay debt service on or the Redemption Price of the Bonds due to the operation of the Collateral Security Interest Account.

(i) Moneys on deposit in the Collateral Security Fund shall be invested as described under the caption "Investment of Funds" above and as provided in the Tax Certificate.

Subordinate Debt Fund

The County shall deposit or cause to be deposited with the Trustee monies from the County Loan into the County Loan Account of the Subordinate Debt Fund to be used solely for Project Costs. Notwithstanding anything in the Indenture to the contrary, no monies from the County Loan Account shall be disbursed without the written approval of Seltzer and receipt by the Trustee of a signed requisition in the form attached to the Indenture.

Further, notwithstanding anything in the Indenture, the Financing Agreement or in any of the related documents to the contrary, funds disbursed by the Trustee from the County Loan Account shall be used only for the purposes set forth in the loan agreement between the County and the Borrower. Further, notwithstanding anything in the Indenture, the Financing Agreement or any of the related documents to the contrary, any County Loan funds deposited with the Trustee and not drawn down within 6 months after the completion of the Project shall be returned to the County upon the written direction of either the County or Seltzer to the Trustee.

Defeasance

If all Bonds shall be paid and discharged as described under this caption, then all obligations of the Trustee and the Issuer under the Indenture with respect to all Bonds shall cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to the Indenture, (ii) the obligation of the Issuer to pay the amounts owing to the Trustee under the Indenture from the Trust Estate, and (iii) the obligation of the Issuer to comply with the Indenture and the Tax Certificate. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer, shall be paid as provided in the Indenture.

(a) Any Bond or portion thereof in an Authorized Denomination shall be deemed no longer Outstanding under the Indenture if paid or discharged in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest on such Bond which have become due and payable; or

(ii) by depositing with the Trustee, in trust, cash which, together with the amounts then on deposit in the Bond Fund and dedicated to this purpose, is fully sufficient to pay when due all principal of and interest on such Bond to the maturity or earlier redemption date thereof; or

(iii) by depositing with the Trustee, in trust, any investments listed in subparagraph (a) under the definition of Permitted Investments in such amount as in the written opinion of a certified public accountant will, together with the interest to accrue on such Permitted Investments without the need for reinvestment, be fully sufficient to pay when due all principal of and interest on such Bond to the maturity or earlier redemption date thereof, notwithstanding that such Bond shall not have been surrendered for payment.

(b) Notwithstanding the foregoing, no deposit under clauses (ii) and (iii) of paragraph (a) above shall be deemed a payment of such Bond until the earlier to occur of:

(i) if such Bond is by its terms subject to redemption within 45 days, proper notice of redemption of such Bond shall have been previously given in accordance with the Indenture to the holder thereof or, in the event such Bond is not by its terms subject to redemption within 45 days of making the deposit under clauses (ii) and (iii) of paragraph (a) above, the Issuer shall have given the Trustee irrevocable written instructions to mail by first-class mail, postage prepaid, notice to the holder of such Bond as soon as practicable stating that the deposit required by clauses (ii) or (iii) of paragraph (a) above, as applicable, has been made with the Trustee and that such Bond is deemed to have been paid and further stating such redemption date or dates upon which money will be available for the payment of the principal and accrued interest thereon; or

(ii) the maturity of such Bond.

(c) The Trustee shall be entitled to receive a report from a nationally recognized accounting firm verifying the mathematical calculations of the sufficiency of monies or investments so deposited to provide for the payment of all Bonds to be defeased pursuant to the provisions described under this caption.

No Release of Pass-Through Certificate

Except as described under the caption "Transfer of Pass-Through Certificate" below, and "DESCRIPTION OF THE BONDS - Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds," the Trustee shall not release and discharge the Pass-Through Certificate from the lien of the Indenture until the principal of and interest on the Bonds shall have been paid or duly provided for under the Indenture. The Trustee shall not release or assign its beneficial interest in the Pass-Through Certificate other than as provided in "DESCRIPTION OF THE BONDS - Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds" to any person other than a successor Trustee so long as Fannie Mae shall not be in default thereunder.

Transfer of Pass-Through Certificate

The Trustee shall maintain the Pass-Through Certificate in book entry form, in the book entry system maintained by the United States Federal Reserve Banks, in the name of the Trustee and may not sell, assign, transfer or otherwise dispose of its beneficial interest in the Pass-Through Certificate except as described under the captions "No Release of Pass-Through Certificate" above and "Acceleration; Rescission of Acceleration" below, and in accordance with "DESCRIPTION OF THE BONDS - Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds" in this Official Statement.

Modification of Mortgage Terms

The consent of the Issuer shall not be required in connection with any modification of the Mortgage Loan, including any modification of the amount of time for payment of any installment of principal or interest on the Mortgage Loan or the security for or any terms or provisions of the Mortgage Loan or Mortgage or the security for the same or the rate or rates of interest on the Mortgage Loan.

Events of Default

Each of the following shall constitute an Event of Default under the Indenture:

- (a) Failure by Fannie Mae to pay principal, interest or premium, if any, due under the Pass-Through Certificate;
- (b) Failure to pay the principal or interest on the Bonds when the same shall become due; or
- (c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in the Indenture or the Tax Certificate and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of at least 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee, upon any failure by Fannie Mae to distribute to the Trustee any payment required to be made under the terms of the Pass-Through Certificate, shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) requiring the failure to be remedied.

The Trustee will immediately notify the Issuer, the Bondholders, the Lender and Fannie Mae after a Responsible Officer obtains knowledge or receives notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Acceleration; Rescission of Acceleration

Upon (i) the occurrence of an Event of Default as described in paragraph (a) under the caption "Events of Default" above or (ii) prior to the purchase of the Pass-Through Certificate, the occurrence of an Event of Default as described in paragraph (b) under the caption "Events of Default" above, the Trustee may, and upon the written request of the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, which written request shall acknowledge that the amounts due on the Pass-Through Certificate cannot be accelerated solely by virtue of acceleration of the Bonds, and

upon receipt of indemnity satisfactory to it, shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. An Event of Default (i) following the purchase of the Pass-Through Certificate under paragraph (b) under the caption "Events of Default" above, or (ii) an Event of Default as described in paragraph (c) under the caption "Events of Default" above shall not give rise to an acceleration pursuant to the provisions described under this caption, provided, however, that following such an Event of Default, the holders of 100% of the Bonds then Outstanding may direct the Trustee in writing to transfer the Pass-Through Certificate to them or their designee, in which case, the Trustee shall cancel the Bonds upon such release and transfer of the Pass-Through Certificate, and upon such transfer, the Bonds will no longer be Outstanding. In the event any payments are received by the Trustee after the transfer of the Pass-Through Certificate and cancellation of the Bonds, all such payments shall belong to and be transferred to the owner of the Pass-Through Certificate.

The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the Pass-Through Certificate.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults under the Indenture have been made good or cured or waived in writing by the holders of a majority in principal amount of the Bonds then Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

Other Remedies; Rights of Bondholders

Subject to the provisions described under the caption "No Interference or Impairment of Pass-Through Certificate" below, upon the happening and continuance of an Event of Default the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Bonds, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

- (a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate, and prior to the Purchase Date, the Mortgage;
- (b) Upon an Event of Default as described in paragraph (a) under the caption "Events of Default" above only, by realizing or causing to be realized through sale or otherwise upon the security pledged under the Indenture (including the sale or disposition of the Pass-Through Certificate); and

(c) By action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

If an Event of Default shall have occurred, and if requested by the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above and in the Indenture.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture, the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate existing as of or after the date of the Indenture at law or in equity.

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

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Application of Moneys After Default

All moneys collected by the Trustee at any time pursuant to the Indenture after an Event of Default shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee to the Bond Fund. Such moneys so credited to the Bond Fund and all other moneys from time to time credited to the Bond Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of the Indenture.

Subject in all instances to the provisions of the Indenture, in the event that at any time the moneys credited to the Bond Fund, or any other funds held by the Trustee available for the payment of interest or principal then due with respect to the Bonds, shall be insufficient for such payment, such moneys and funds (other than funds held for the payment or redemption of particular Bonds as provided in the Indenture) shall be applied as follows:

(a) Only in the event that there has been an Event of Default under the Indenture as described in paragraph (a) under the caption "Events of Default" above as a result of a failure by Fannie Mae to make payments under the Pass-Through Certificate, for payment of all amounts due to the Trustee incurred in performance of its duties under the Indenture and the other documents executed in connection therewith, including, without limitation, the payment of all reasonable fees and expenses of the Trustee incurred in exercising any remedies under the Indenture and the other documents executed in connection with the Indenture;

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

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

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order in which they became due and payable, and, if the amount available is not sufficient to pay in full all the principal of the Bonds so due on any date, then to the payment of principal ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference.

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

(d) Any remaining moneys after application in subparagraphs (a) through (c) above shall be paid to the Issuer in the amount equal to any unpaid Issuer Fee and/or Issuer Extraordinary Fees and Expenses.

Control of Proceedings

In the case of an Event of Default as described in paragraph (a) under the caption “Events of Default” above, the holders of 75% in aggregate principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of the Indenture, by an instrument in writing executed and delivered to the Trustee, to direct 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; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not be taken lawfully, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or otherwise adversely affect the Trustee or be unjustly prejudicial to Bondholders not parties to such direction.

No Interference or Impairment of Pass-Through Certificate

Notwithstanding any other provision of the Indenture to the contrary, so long as the Pass-Through Certificate remains outstanding and Fannie Mae is not in default in its payment obligations thereunder, neither the Issuer, the Trustee nor any person under their control shall, without the prior written consent of Fannie Mae, exercise any remedies or direct any proceedings under the Indenture other than to (a) enforce rights under the Pass-Through Certificate, (b) enforce the tax covenants in the

Indenture, the Tax Certificate and the Financing Agreement, (c) enforce rights of specific performance under the Regulatory Agreement, or (d) enforce its rights under the Fee Guaranty, provided, however, that any enforcement under (b), (c) or (d) above shall not include seeking monetary damages other than actions for Issuer Fees or the Trustee's fees and expenses and indemnification amounts.

Nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at the maturity thereof or the obligation of the Trustee to pay the principal of and interest on the Bonds issued under the Indenture to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed in the Indenture and in said Bonds.

Supplemental Indentures Effective Upon Acceptance

For any one or more of the following purposes and at any time or from time to time, the Issuer and the Trustee may enter into a Supplemental Indenture which, upon the execution and delivery thereof by an Authorized Officer and by the Trustee, and with the prior written consent of Fannie Mae, but without the necessity of consent of the Bondholders, shall be fully effective in accordance with its terms:

(a) To add to the covenants or agreements of the Issuer contained in the Indenture other covenants or agreements to be observed by the Issuer or to otherwise revise or amend the Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;

(b) To add to the limitations or restrictions contained in the Indenture other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the provisions of the Indenture as theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Issuer in the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Indenture and is not materially adverse to the interests of the Bondholders;

(d) To confirm, as further assurance, any pledge of the Trust Estate under the Indenture and the subjection to any lien on or pledge of the Trust Estate created or to be created by the Indenture;

(e) To appoint a co-trustee or successor Trustee or successor co-trustee;

(f) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Indenture;

(g) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not materially adverse to the interests of the Bondholders; and

(h) To make such changes and modifications that are necessary or desirable to provide for all interest and principal paid with respect to the Bonds are in the exact respective amounts of the payments of interest and principal paid under and pursuant to the Pass-Through Certificate.

Supplemental Indentures Requiring Consent of Bondholders

In addition to those amendments to the Indenture which are authorized by the provisions described under the caption "Supplemental Indentures Effective Upon Acceptance" above, any modification or amendment of the Indenture may be made by a Supplemental Indenture with the written consent, given as provided in the Indenture, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, or the rate of interest on, any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon the Trust Estate (except as expressly provided in the Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

Accounting and Examination of Records After Default

The Issuer has covenanted with the Trustee and the Bondholders that, if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer relating to the Bonds and the Project shall at all times during normal business hours be subject to the inspection and use of the Trustee and of its agents and attorneys.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Financing Agreement to which reference is hereby made, a copy of which is on file with the Trustee.

Amount and Source of Mortgage Loan

Upon the issuance and delivery of the Bonds, pursuant to the Indenture, the Issuer will apply the proceeds of the Bonds as provided in the Indenture to pay Project costs. The Trustee shall apply the proceeds of the Mortgage Loan as described in "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Collateral Security Fund" to secure the Bonds until the Purchase Date and then to purchase the Pass-Through Certificate. The Borrower will accept the Mortgage Loan from the Lender, upon the terms and conditions set forth in the Financing Agreement, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Tax Certificate and the Regulatory Agreement. The Borrower has caused the proceeds of the Mortgage Loan to be provided to the Trustee for deposit to the Collateral Security Principal Account of the Collateral Security Fund. The Borrower has acknowledged its obligation to pay all amounts necessary to pay principal of and interest on the Bonds. The Borrower has made arrangements for the delivery to the Trustee of the Pass-Through Certificate and of certain other Preference Proof Moneys as contemplated in the Financing Agreement and in the Indenture. Payments on the Pass-Through Certificate received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of and interest on the Bonds.

Payment of Fees and Expenses

In addition to all fees, costs, expenses and other amounts required to be paid by the Borrower under the Mortgage Loan Documents, the Borrower shall pay, without duplication, the following fees and expenses:

(a) All amounts required to (i) pay the fees of the Trustee for its duties and services as Trustee in connection with the Bonds (as such duties and services are set out in the Indenture), and (ii) reimburse the Trustee for all out-of-pocket expenses, fees, costs and other charges, including reasonable counsel fees and taxes (excluding income, value added and similar business taxes), reasonably and necessarily incurred by the Trustee in performing its duties as Trustee under the Indenture and the Tax Certificate. All payments for fees and expenses shall be made by the Borrower not later than ten (10) days after receipt of invoices or other statements rendered to the Borrower by the Trustee.

(b) The Issuer Fees, and the reasonable fees and expenses of the Issuer or any agents, attorneys, accountants, consultants selected by the Issuer to act on its behalf in connection with the Bond Documents, the Mortgage Loan Documents or the Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds or in connection with any litigation which may at any time be instituted involving the Bond Documents, the Mortgage Loan Documents or the Bonds or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing.

(c) Reserved.

(d) The fees of the Rebate Analyst (as defined in the Tax Certificate) and any other consultant as required by the Tax Certificate and, upon receipt of an appropriately completed invoice, all out-of-pocket expenses of the Rebate Analyst and any other consultant.

(e) The annual rating maintenance fee, if any, of any Rating Agency then rating the Bonds.

(f) All Costs of Issuance of the Bonds, including, but not limited to, Rating Agency fees, printing expenses, attorneys' fees and underwriters' fees, and all expenses of originating the Mortgage Loan by the Lender and assigning and delivering the Mortgage Loan to Fannie Mae, the Borrower acknowledging that all such fees, costs and expenses (excluding the portions of the ongoing trust administration fees of the Trustee, the Issuer Fees and the Rebate Analyst's fee to the extent included in the Mortgage Note Rate, as such term is defined in the Financing Agreement) must be paid by the Borrower separate and apart from payments due under the Mortgage Loan and will not be included in the Mortgage Note Rate.

(g) The Costs of Issuance deposit to be made to the Costs of Issuance Fund on the Closing Date pursuant to the Indenture.

(h) The fees and expenses of Seltzer in connection with the County Loan.

The Borrower shall either pay the foregoing items directly or, to the extent such items are to be paid by the Trustee under the Indenture, shall pay as Operating Revenue to the Trustee for deposit to Operating Fund under the Indenture amounts sufficient to enable the Trustee to pay the foregoing items in a timely manner.

The Borrower shall pay through the Lender all fees and expenses not included within the Mortgage Note Rate. All fees and expenses not included in the Mortgage Note Rate shall not be secured by the Mortgage, and shall be subordinate to the Borrower's obligations under the Mortgage Loan in all respects. No such fees or expenses payable to the Issuer or the Trustee shall be paid from the proceeds of the Pass-Through Certificate, except with respect to the Trustee to the extent set forth in the Indenture.

Notification of Prepayment of Mortgage Note

The Lender shall notify the Trustee promptly of the receipt of any prepayment of the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise, unless the Lender has received written evidence that the Borrower has notified the Trustee of such prepayment. If such prepayment results in revisions to the amortization schedule included in an exhibit to the Financing Agreement, Lender shall provide the revised amortization schedule to the Trustee and the Issuer.

Term Sheet

The Lender will deliver on the Closing Date the Term Sheet in the form attached as APPENDIX H hereto and will certify by its execution of the Financing Agreement that the information set forth therein is accurate as of the Closing Date. The Lender has agreed that it will promptly advise the Issuer, the Trustee and the Underwriter in writing of any changes which occur in the information set forth in the

Term Sheet after the Closing Date and before the date on which the Pass-Through Certificate is acquired by the Trustee pursuant to the provisions of the Indenture; provided, however, that such changes may only be made to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Term Sheet.

Indemnification

To the fullest extent permitted by applicable law, the Borrower has covenanted and agreed as follows: to protect, indemnify and save the Issuer and its governing board members, directors, officers, agents and employees harmless from and against all liability, losses, damages, costs, expenses (including reasonable attorneys' fees), taxes, causes of action, suits, claims, demands and judgments of any nature or form, by or on behalf of any person arising in any manner from the transaction of which the Financing Agreement is a part or arising in any manner in connection with the Project or the financing of the Project including, without limiting the generality of the foregoing, arising from (i) the work done on the Project or the operation of the Project during the term of the Financing Agreement or (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under the Financing Agreement, or (iii) the Project or any part thereof, or (iv) any violation of contract, agreement or restriction relating to the Project excluding the payment of the principal of and interest on the Bonds, or (v) any liability, violation of law, ordinance or regulation affecting the Project or any part thereof or the ownership or occupancy or use thereof. Upon notice from the Issuer or any of its respective governing board members, directors, officers, agents or employees, the Borrower shall defend the Issuer or any of its respective governing board members, directors, officers, agents or employees in any action or proceeding brought in connection with any of the above; provided, however, that the Issuer shall have the right to employ separate counsel in any action described in the preceding sentence at the expense of the Borrower.

It is the intention of the parties to the Financing Agreement that the Issuer and its respective governing board members, directors, officers, agents and employees shall not incur pecuniary liability by reason of the terms of the Financing Agreement or by reason of the undertakings required of the Issuer and its respective governing board members, directors, officers, agents and employees in connection with the issuance of the Bonds, including but not limited to the execution and delivery of the Indenture, the Financing Agreement, the Tax Certificate, the Regulatory Agreement, and all other instruments and documents required to close the transaction; the performance of any act required of the Issuer and its respective governing board members, directors, officers, agents and employees by the Financing Agreement; or the performance of any act requested of the Issuer and its respective governing board members, directors, officers, agents and employees by the Borrower or in any way arising from the transaction of which the Financing Agreement is a part or arising in any manner in connection with the Project or the financing of the Project, including but not limited to the execution and delivery of the Indenture, the Financing Agreement, the Tax Certificate, the Regulatory Agreement and all other instruments and documents required to close the transaction; nevertheless, if the Issuer or its respective governing board members, directors, officers, agents and employees should incur any such pecuniary liability with respect to events occurring after the date of the Financing Agreement, then in such event the Borrower shall indemnify and hold the Issuer and its respective governing board members, directors, officers, agents and employees harmless against all claims by or on behalf of any person, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon timely notice from the Issuer the Borrower shall defend the Issuer and its respective governing board members, directors, officers, agents and employees in any such action or proceeding, and provide competent counsel satisfactory to the Issuer and the Borrower shall pay the Issuer expenses including payment of the counsel used by the Issuer; provided

however, that the Issuer shall have the right to employ separate counsel in any action described in the preceding sentence at the expense of the Borrower.

Notwithstanding any provision of the Financing Agreement to the contrary, the Issuer shall be indemnified by the Borrower with respect to liabilities arising from the Issuer's own gross negligence, negligence or breach of contractual duty, but not for any liabilities arising from the Issuer's own bad faith, fraud or willful misconduct.

Notwithstanding any provision of the Financing Agreement to the contrary the Borrower's obligations with respect to indemnification will not be secured by the Project and shall be personal obligations of the Borrower and any successor owner of the Project by foreclosure, deed in lieu of foreclosure or otherwise shall not be responsible for or incur any liability with respect to any indemnification obligations described in the Financing Agreement.

The Borrower has covenanted and agreed to indemnify, hold harmless and defend the Trustee, and its respective officers, members, directors, officials, agents and employees and each of them (each an "indemnified party") from and against, (a) any and all claims, joint or several, by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated by the Financing Agreement or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating thereto; (b) any and all claims, joint or several, arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Mortgage Loan or the execution or amendment of any document related thereto, including, but not limited to, the Mortgage Loan Documents; (c) any and all claims, joint or several, arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Mortgage Loan or the Project including but not limited to, the Mortgage Loan Documents; (d) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought thereon; (e) any and all claims arising in connection with the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any Person other than the Issuer or the party seeking indemnification in connection therewith and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Indenture, the Tax Certificate, the Regulatory Agreement, the Fee Guaranty and the Financing Agreement; (f) any and all claims arising in connection with the operation of the Project, or the conditions thereof, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof; and (g) any and all losses, claims, damages, liabilities or expenses, joint or several, arising out of or connected with the Trustee's acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under the Financing Agreement, the Tax Certificate, the Regulatory Agreement or any other agreements in connection therewith to which it is a party, except in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials and employees, to the extent such damages are caused by the negligence or willful misconduct of such Person. In the event that any action or proceeding is brought against any indemnified party with respect to which indemnity may be sought under the Financing Agreement, the Borrower, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the indemnified party in such party's sole but reasonable discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Trustee and the Issuer shall have the right to review and approve or disapprove any such compromise or settlement. Each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the

investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each indemnified party pursuant to the provisions described under this caption if such subsequent owner fails to indemnify any party entitled to be indemnified under the Financing Agreement, unless such indemnified party has consented to such transfer and to the assignment of the rights and obligations of the Borrower under the Financing Agreement.

During any period that Fannie Mae owns the Project and that the provisions described under this caption are applicable to Fannie Mae, Fannie Mae's obligations under this caption shall be limited to acts and omissions of Fannie Mae occurring during the period of Fannie Mae's ownership of the Project.

Nothing described under this caption shall in any way be construed to limit the indemnification rights of the Issuer contained in the Regulatory Agreement or the Fee Guaranty. With respect to the Issuer, the Regulatory Agreement or the Fee Guaranty shall control in any conflicts between the provisions described under this caption and the Regulatory Agreement and Fee Guaranty.

Events of Default

(a) Each of the following shall constitute an event of default under the Financing Agreement, and the term "Event of Default" shall mean, whenever used in the Financing Agreement, any one or more of the following events:

(i) Failure by the Borrower to pay any amounts due under the Financing Agreement at the times and in the amounts required thereby; or

(ii) Failure by the Borrower to observe or perform any covenants, agreements or obligations in the Financing Agreement on its part to be observed or performed (other than as provided in clause (i) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to the Financing Agreement; provided, however, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure shall have been cured within ninety (90) days of receipt of notice of such failure; or

(iii) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Tax Certificate or the Regulatory Agreement, including any exhibits thereto, which continues beyond all applicable notice, grace, and cure periods; or

(iv) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Bond Documents, which continues beyond all applicable notice, grace, and cure periods.

Nothing contained in the provisions of the Financing Agreement described under this caption is intended to amend or modify any of the provisions of the Mortgage Loan Documents nor to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents. Issuer, Trustee, Lender and Fannie Mae agree that (i) Tax Credit Investor shall have the right, but not the obligation, to cure any default on behalf of the Borrower on the same terms provided to the Borrower in the Financing Agreement; and (ii) any cure of any Event of Default under the Financing Agreement made or tendered by the Tax Credit Investor shall be deemed to be a cure by the Borrower, and shall be accepted or rejected under the Financing Agreement on the same basis as if made or tendered by the Borrower.

Remedies Upon an Event of Default

(a) Subject to the provisions described in paragraph (d) below, whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies existing as of or after the date of the Financing Agreement at law or in equity to collect all amounts then due and thereafter to become due under the Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under the Financing Agreement (subject to the nonrecourse provisions of the Financing Agreement and the Regulatory Agreement) or, to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under the Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under (1) the Financing Agreement, (2) the Tax Certificate, or (3) the Regulatory Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of the Financing Agreement described in paragraph (a) above are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable under the Financing Agreement by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default under the Financing Agreement and shall have paid the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default may be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and the Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate the Financing Agreement or cause the Mortgage Loan to become due and payable, (ii)

cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Bond Documents, the Mortgage Loan Documents or any other documents contemplated thereby to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which would reasonably be expected to have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Bond Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Tax Certificate any amounts collected pursuant to action taken as described under this caption shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No such action taken as described under this caption shall relieve the Borrower from the Borrower's obligations pursuant to the provisions described under "Indemnification" above.

(e) No remedy in the Financing Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy existing as of or after the date of the Financing Agreement pursuant to any other agreement at law or in equity or by statute.

(f) Notwithstanding any other provision of the Financing Agreement to the contrary, after the Purchase Date, so long as Fannie Mae is not in default under the Pass-Through Certificate, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under the Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the Pass-Through Certificate, (ii) enforce the tax covenants in the Indenture, the Financing Agreement and the Tax Certificate, or (iii) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii) or (iii) above shall not include seeking monetary damages other than the Issuer Fees and the Trustee's fees and expenses.

Default Under Regulatory Agreement

(a) If the Borrower fails, at any time for any reason, to comply with the requirements of the Regulatory Agreement, then within ninety (90) days after the earlier of the date the violation is discovered by the Issuer or the Trustee or the date the Issuer or the Trustee received notice thereof, the Issuer (if necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes) or the Trustee, on behalf of and at the request of the Issuer, shall institute an action for specific performance to correct the violation. The Borrower has acknowledged and agreed that were money damages a remedy under the Regulatory Agreement, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement, and therefore the Borrower has agreed that the remedy of specific performance (subject to the provisions described in paragraph (c) under the caption "Remedies Upon an Event of Default" above) shall be available to the Issuer and/or the Trustee in any such case. The Borrower shall reimburse the Issuer and/or the Trustee for any attorney fees or costs incurred in connection with such action.

(b) Notwithstanding the availability of the remedy of specific performance described in paragraph (a) above, promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall, by notice in writing to the Lender and the Borrower, inform the Lender and the Borrower that a violation of the Regulatory Agreement has occurred; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them has acknowledged that they shall not have, any right to cause or direct acceleration of the Mortgage Loan, to enforce the Mortgage Note or to foreclose on the Mortgage.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The Borrower will execute the Regulatory Agreement with respect to the Project. The Regulatory Agreement will contain representations and covenants of the Borrower concerning the acquisition, rehabilitation, and equipping of the Project and the tax-exempt status of the Bonds that must be complied with continuously subsequent to the date of issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Regulatory Agreement to which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Regulatory Agreement and such terms as used herein shall have the same meanings as so defined.

The Issuer, the Owner, and the Trustee will execute the Regulatory Agreement with respect to the Project. The Regulatory Agreement contains representations and covenants of the Owner concerning the constructing and equipping of the Project and the tax-exempt status of the Bonds that must be complied with continuously subsequent to the date of issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes.

As used herein:

“Affiliated Party” of a person means a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (ii) such persons are members of the same controlled group of corporations as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code.

“Applicable Income Limit” means sixty percent (60%) of area median gross income (within the meaning of Section 142(d) of the Code) for Broward County, Florida, Standard Metropolitan Statistical Area, as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination), including adjustments for family size.

“Bond Counsel” means any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income of interest on bonds for federal income tax purposes issued by states and political subdivisions selected by the Issuer.

“Bonds” means Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza).

“Certificate of Continuing Program Compliance” means the certificate required to be delivered by the Owner to the Issuer and the Trustee pursuant to the Regulatory Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations or

temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“Compliance Agent” shall mean initially, the Issuer, and thereafter such other organization subsequently designated by the Issuer to serve as Compliance Agent for the Project.

“County” means Broward County, Florida.

“Current Annual Family Income” is determined in accordance with Section 8 of the Housing Act (or, if such program is terminated, under such program as in effect immediately before such termination), and includes wages and salaries, overtime pay, commissions, fees, tips and bonuses and other forms of compensation for personal services, net income from operation of a business or a profession, interest, dividends and other net income of any kind from real or personal property, periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits or similar types of periodic receipts, payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay, welfare assistance, periodic and determinable allowances such as alimony and child support and regular pay, special pay and allowances of a member of the Armed Forces, and other forms of income described in the Income Certification (as promulgated by the Issuer from time to time in accordance with the Housing Act) but does not include earnings of children under eighteen (18), payments received for care of foster children or adults, lump sum insurance payments, inheritances, capital gains and settlements for personal or property losses, amounts received specifically for, or in reimbursement of, the cost of medical expenses, income of a live-in aide, certain student financial assistance, special pay to a member of the Armed Forces who is exposed to hostile fire, amounts received under certain training programs and other social service programs, temporary, nonrecurring or sporadic income or other forms of income that the Income Certification specifies may be excluded.

“Elderly Persons” means persons 62 years of age or older; however, this definition does not prohibit housing from being deemed “housing for the elderly” as defined hereafter. “Housing for the elderly” means any nonprofit housing community that is financed by a mortgage loan made or insured by the United States Department of Housing and Urban Development (“HUD”) under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4), or s. 236 of the National Housing Act, as amended, and that is subject to income limitations established by HUD, or any program funded by the Rural Development Agency of the United States Department of Agriculture (“USRDA”) and subject to income limitations established by the USRDA. A project which qualifies for exemption under the Florida Fair Housing Act as “housing for older persons” as defined by Section 760.29(4), Florida Statutes, shall qualify as housing for the elderly for purposes of the Regulatory Agreement.

“Eligible Persons” means one or more natural persons or a family, irrespective of race, creed, religion, color, national origin, familial status, mental or physical handicap or sex, who are either Lower-Income Persons or whose Current Annual Family Income does not exceed one hundred fifty percent (150%) of the area median gross income (within the meaning of Section 142(d) of the Code) for Broward County, Florida, Standard Metropolitan Statistical Area, subject to family size adjustment, as indicated in the latest published Decile Distributions of Family Income by Standard Metropolitan Statistical Areas and Non-Metropolitan Counties prepared and published from time to time by HUD, or such other reliable compilation of income statistics as the Issuer may determine to employ, as adjusted by the Issuer according to the most recent Consumer Price Index statistics; provided that persons of sixty-five (65) years of age or older shall be defined as “Eligible Persons” regardless of their income.

“Financing Agreement” means that certain Financing Agreement entered into among the Issuer, the Trustee, Wells Fargo Bank, National Association, and the Owner dated as of August 1, 2023, as amended or supplemented from time to time.

“Housing Act” means the United States Housing Act of 1937, as amended from time to time, any successor legislation, and all implementing regulations issued thereunder or in furtherance thereof.

“HUD” means the United States Department of Housing and Urban Development, or any successor agency.

“Income Certification” means the certification required to be obtained from each Lower-Income Tenant by the Owner pursuant to the Regulatory Agreement.

“Indenture” means the Indenture of Trust dated as of August 1, 2023 between the Issuer and the Trustee relating to the issuance of the Bonds, as amended or supplemented from time to time.

“Issuer” means the Housing Finance Authority of Broward County, Florida, a public body corporate and politic created, organized, and existing under the laws of the State of Florida.

“Issuer’s Compliance Fee” means a compliance monitoring fee in an annual amount (without proration for any partial year) equal to \$25.00 per rental unit in the Project (or such other amount as is implemented by the Issuer) to be paid to the Issuer, if, but only if, at any time during the Qualified Project Period or for such longer period if the set-aside requirements required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force and there are no Bonds outstanding. Such fee will be due in a lump sum payment on the date the Bonds are paid in full. The fee will be calculated for the period commencing on the date the Bonds are paid in full and ending on the last date of the Qualified Project Period, or such longer period if the set-aside required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force after there are no Bonds outstanding.

“Land” means the real property located in Broward County, Florida, described in an exhibit to the Regulatory Agreement.

“Loan” means the loan to the Owner made in connection with the issuance and delivery of the Bonds, evidenced by the Bonds and secured by the Mortgage, and further defined in the Financing Agreement.

“Lower-Income Persons” means Eligible Persons whose Current Annual Family Income does not exceed the Applicable Income Limit; provided, however, that the occupants of a unit shall not be considered to be Lower-Income Persons if all of the occupants of such unit are students (as defined in Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code. Notwithstanding the foregoing, a dwelling unit shall not fail to be treated as a dwelling unit that is occupied by Lower-Income Persons merely because such dwelling unit is occupied (a) by an individual who is a student and (i) receiving assistance under Title IV of the Social Security Act, (ii) was previously under the care and placement responsibility of the State agency program responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act, or (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State or local laws, or (b) entirely by full-time students if such students are (i) single parents and their children and

such parents are not dependents of another individual and such children are not dependents of another individual other than a parent of such children, or (ii) married and file a joint return.

“Owner” means Federation Plaza Preservation, L.P., a Florida limited partnership, and its successors and assigns.

“Project” means the acquisition, rehabilitation and equipping of a multi-family senior residential housing development in Hollywood, Broward County, Florida known as the Federation Plaza, located on the Land and financed with proceeds of the Bonds pursuant to the Financing Agreement.

“Qualified Project Period” means the period beginning on the date the Bonds are issued, and ending on the latest of (a) the date that is fifteen years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; (b) the first date on which no tax-exempt private activity bond issued with respect to the Project is outstanding (within the meaning of the Code) or (c) the date that any assistance provided for the Project under Section 8 of the Housing Act terminates.

“Regulations” means the Income Tax Regulations issued under the Code, as applicable (including applicable final regulations or temporary regulations).

“State” means the State of Florida.

“Tax Credit Investor” means Wells Fargo Community Investment Holdings, LLC, and its permitted successors and assigns.

Residential Rental Property

The Owner has represented, covenanted, and agreed as follows:

(a) (1) The Owner will acquire, rehabilitate, equip, own, and operate the Project for the purpose of providing a “qualified residential rental project” as such phrase is used in sections 142(a)(7) and 142(d)(1) of the Code, (2) the Owner shall own the entire Project for federal tax purposes, and (3) the Project shall be owned, managed, and operated as a multifamily residential rental property, comprised of a building or structure or several buildings or structures containing similarly constructed units, together with any functionally related and subordinate facilities and no other facilities, in accordance with Section 142(d) of the Code and sections 1.103-8(b)(4) and 1.103-8(a)(3) of the Regulations, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) Each residential unit in the Project shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished, and constructed (except as to number of bedrooms), each of which will contain separate and complete facilities for living, sleeping, eating, cooking, and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range or microwave oven, refrigerator, and sink, all of which are separate and distinct from the other units.

(c) None of the units in the Project will at any time be (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer, court, or park, or (3) rented for initial lease periods of less than six (6)

months. No part of the Project will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.

(d) All of the units will be rented or available for rent on a continuous basis to members of the general public who are Elderly Persons (other than units for a resident manager or maintenance personnel), and the Owner will not give preference to any particular class or group of persons in renting the units in the Project, except to the extent that units are required to be leased or rented to Lower-Income Persons, Eligible Persons, or Elderly Persons, or except as required by HUD. Lower-Income Persons, Eligible Persons and Elderly Persons who are residents of the Project will have equal access to and enjoyment of all common facilities of the Project at all times. Except to the extent required by HUD, the Owner will not discriminate against children of any age when renting the units in the Project.

(e) The Land consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream, or similar property, and the Project comprises buildings, structures, and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas, and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment, or units for resident managers, maintenance, or security personnel) are functionally related and subordinate to the Project and are commensurate with its size and intended use.

(f) The Owner or an Affiliated Party of the Owner shall not occupy any of the units in the Project; provided, however, that the Owner or an Affiliated Party of the Owner may occupy a unit in a building or structure in the Project that contains five or more units if the Owner or an Affiliated Party of the Owner is a resident manager or other necessary employee (*e.g.*, maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.

(g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

(h) On (i) the Closing Date for an acquisition/rehabilitation in which at least fifty percent (50%) of the residential units in the Project are occupied on such Closing Date, or (ii) the first day on which fifty percent (50%) of the residential units in the Project are first occupied for (a) new construction, and/or (b) an acquisition/rehabilitation in which less than fifty percent (50%) of the residential units in the Project are occupied on the Closing Date, the Owner shall submit to the Issuer and the Trustee a signed certificate for purposes of the calculation of the commencement and termination of the Qualified Project Period. Such certificate shall set forth the dates on which the Project achieved ten percent (10%) occupancy and fifty percent (50%) occupancy. In the event Owner does not submit the above-described certificate as required in the Regulatory Agreement, Issuer shall utilize information provided to it by or on behalf of the Owner in satisfaction of the monthly data reporting requirements for purposes of calculating the commencement and termination of the Qualified Project Period.

The requirements described under this caption shall remain in effect during the term of the Regulatory Agreement (as described under the caption "Term" below).

Lower-Income Persons, Eligible Persons and Elderly Persons

The Owner has represented, warranted, and covenanted as follows:

(a) At all times during the Qualified Project Period, not less than forty percent (40%) of the residential units in the Project shall be occupied (or held available for occupancy) on a continuous basis by persons or families who at the time of their initial occupancy of such units are Lower-Income Persons. This occupancy requirement is referred to in the Regulatory Agreement as the "Lower-Income Requirement".

(b) At all times during the term of the Regulatory Agreement (as defined under the caption "Term" below), at least sixty percent (60%) of the completed units in the Project shall be rented to or be available for rent by Eligible Persons or Elderly Persons.

(c) For purposes of paragraphs (a) and (b) above, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person (or Eligible Person or Elderly Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person or Elderly Person) during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Person (or Eligible Person or Elderly Person). However, a Lower-Income Person whose income as of the most recent Income Certification (as described below) exceeds one hundred forty percent (140%) of the Applicable Income Limit shall not continue to be treated as a Lower-Income Person if after delivery of such Income Certification, but before the delivery of the next Income Certification, any residential unit in the Project of comparable or smaller size is occupied by a new resident who is not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person (or Eligible Person or Elderly Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person or Elderly Person) until it is reoccupied other than for a temporary period of not more than thirty-one (31) days, at which time the unit shall be considered to be occupied by a Lower-Income Person (or Eligible Person or Elderly Person) only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person (or Eligible Person or Elderly Person).

Reporting Requirements

The Owner shall obtain and maintain on file an Income Certification from each Lower-Income Person and Eligible Person dated immediately prior to the initial occupancy of such tenant in the Project in the form and containing such information as may be required by Section 142(d) of the Code, as the same may be from time to time amended by the Issuer on the advice of Bond Counsel in the exercise of its opinion that any such amendment is necessary, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code

The Owner shall prepare and submit to the Trustee at the beginning of the Qualified Project Period, and on the tenth (10th) day of each month thereafter, rent rolls and to the Issuer and the Trustee, a Certificate of Continuing Program Compliance in the form and content approved by the Issuer, executed by the Owner stating (i) the percentage of residential units that were occupied by Lower-Income Persons and Eligible Persons as of the 20th day of the previous month, (ii) that at all times during the previous month 60% of the residential units, were occupied (or held available for occupancy) by Eligible Persons (as determined in accordance with the Regulatory Agreement), (iii) that at all times during the previous month at least 40% of the residential units were occupied (or held available for occupancy) by Lower-

Income Persons (as determined in accordance with the Regulatory Agreement), and (iv) that no default has occurred under the Regulatory Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Owner has taken or proposes to take to correct such default.

Tenant Lease Restrictions

All tenant leases shall contain clauses, among others, wherein each individual lessee:

- (a) Certifies the accuracy of the statements made in the Income Certification;
- (b) Agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of such lessee's tenancy; that such lessee will comply promptly with all requests for information with respect thereto from the Owner, the Trustee or the Issuer, and that such lessee's failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of such lessee's tenancy; and
- (c) Agrees not to sublease to any person or family who does not execute and deliver an Income Certification.

Sale and Conversion of the Project

The Owner shall not sell, assign, convey, or transfer any material portion of the land, fixtures, or improvements constituting a part of the Land or Project, or any material portion of the personal property constituting a portion of the Project during the term of the Regulatory Agreement, without (a) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, (b) the Trustee and the Issuer having received an Opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes, and (c) except for transfers permitted by the terms of the Regulatory Agreement, upon receipt by the Issuer of a fee from the Owner upon transfer of ownership in excess of fifty percent (50%) interest in the Project or the Owner (which fee shall be refunded by the Issuer to the Owner in the event the Issuer does not approve the transfer of the Project to the proposed purchaser or assignee thereof, or in the event such transfer is not consummated) as outlined in the Regulatory Agreement.

The Owner shall not sell or otherwise transfer the Project in whole, nor shall there be substituted a new general partner of the Owner or a change in the controlling ownership in the general partner of the Owner, or other merger, transfer or consolidation of the Owner, unless (a) the Owner has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Issuer and its professionals have been paid, including the Transfer Fee (as defined in the Regulatory Agreement), (c) the Owner shall not be in default under the Regulatory Agreement, (d) it is reasonably expected that continued operation of the Project will comply with the requirements of the Regulatory Agreement, (e) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer with respect to assuming the obligations of the Owner under the Regulatory Agreement, (f) the Issuer shall not have any reason to

believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (g) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (h) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of the Regulatory Agreement, (i) the Trustee and the Issuer shall receive an Opinion of Bond Counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under the Regulatory Agreement are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Trustee and the Issuer shall have received an Opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes.

It is expressly stipulated and agreed that any sale, transfer, or other disposition of the Project in violation of the provisions described under this caption shall be ineffective to relieve the Owner of its obligations under the Regulatory Agreement or the Financing Agreement. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Mortgage (as defined in the Financing Agreement), the Financing Agreement, and the Regulatory Agreement, the Owner shall be released from its obligations thereunder, other than its obligations under the Regulatory Agreement arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

Notwithstanding anything described under this caption to the contrary, ownership of the Project may be transferred in connection with a foreclosure thereof under the Mortgage, or the acceptance of the Project by the mortgagee or its designee in lieu of foreclosure under the Mortgage, without complying with the requirements described under this caption; provided, however, that this sentence shall cease to apply if, at any time during that part of the Qualified Project Period subsequent to such transfer, the Owner or an Affiliated Party with respect to any of such parties obtains an ownership interest in the Project for federal tax purposes.

Notwithstanding anything described under this caption to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Project or any portion thereof shall not be applicable to any of the following: (a) leases of apartment units and applicable commercial spaces, as contemplated by the Regulatory Agreement, (b) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Project, providing same are granted in connection with the operation of the Project as contemplated by the Regulatory Agreement, (c) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (d) the placing of a subordinate mortgage lien, assignment of leases, and/or rents or security interest on or pertaining to the Project which is made expressly subject and subordinate to the Regulatory Agreement and to the Mortgage, or (e) subject to the provisions of the Mortgage, any transfer of partnership interests in the Owner or in the entities which are partners in the Owner.

Notwithstanding anything in the Regulatory Agreement to the contrary, the Owner's limited partners may transfer all or a portion of their partnership interest in the Owner without prior consent from the Issuer. Pursuant to the Regulatory Agreement, the Owner's limited partners retain the right to remove and replace the Owner's general partner pursuant to the terms and conditions of the Owner's organizational documents, without prior consent from the Issuer.

Negative Covenants

During the term of this Agreement, the Owner shall not:

- (a) Except pursuant to the provisions of the Regulatory Agreement, or except upon a sale or transfer of the Project in accordance with the terms of the Regulatory Agreement, the Financing Agreement and the Mortgage, encumber any of the mortgaged property, including the grant of commercial leases (other than for commercial space uses, vending machines, coin operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day to day operation of an apartment complex), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for apartment leases) for the Qualified Project Period. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project;
- (b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or
- (c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

Covenants to Run with Land

The Regulatory Agreement and the covenants, reservations and restrictions therein shall be deemed covenants running with the Land and, except as set forth in the caption "Term" below, shall pass to and be binding upon the Owner's assigns and successors and all subsequent owners of the Land or the Project or any interest therein; provided, however, that upon the termination of the Regulatory Agreement in accordance with the terms thereof said covenants, reservations and restrictions shall expire. Except as provided in the caption "Term" below, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Project.

Term

The Regulatory Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that the Regulatory Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure, or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions thereunder, or condemnation or a similar event (as determined by Bond Counsel), but only if within a reasonable period thereafter (a) the Bonds are retired in full or (b) the proceeds received as a result of such event are used to finance a project that complies with the provisions of the Regulatory

Agreement and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Owner or an Affiliated Party to the Owner, obtains an ownership interest in the Project for federal tax purposes.

Correction of Noncompliance

The failure of the Owner to comply with any of the provisions of the Regulatory Agreement shall not be deemed a default thereunder unless such failure has not been corrected within a period of sixty (60) days following the date that the Owner, or with respect to the requirements described under the captions "Residential Rental Property" or "Lower-Income Persons and Eligible Persons" above, any of the parties to the Regulatory Agreement, learned of such failure, or should have learned of such failure by the exercise of reasonable diligence, which sixty (60) day period may be extended if (a) such failure cannot reasonably be corrected within such sixty (60) day period, (b) diligent action to correct such failure commences within such sixty (60) day period, (c) such action is diligently pursued until such failure is corrected, and (d) with respect to a failure to comply with any of the requirements described under the captions "Residential Rental Property" or "Lower-Income Persons and Eligible Persons" above, the Owner delivers to the Issuer and the Trustee an Opinion of Bond Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes). After the Trustee learns of such failure, the Trustee shall attempt with reasonable diligence to notify the Owner and the Issuer of such failure by telephonic and written communication. Notwithstanding anything to the contrary contained in the Regulatory Agreement, the limited partners of the Owner shall have the right, but not the obligation, to cure an event of default thereunder and the Issuer agrees to accept or reject such cure on the same basis as if provided by Owner itself.

Application of Insurance and Condemnation Proceeds

If during the Qualified Project Period, the Project is damaged or destroyed or if all or a portion of the Land or Project is taken through eminent domain proceedings, or under the threat thereof, proceeds from insurance on the Project or any condemnation awards pertaining to such eminent domain proceedings shall be applied as provided in the Mortgage.

Remedies; Enforceability

(a) The benefits of the Regulatory Agreement shall inure to, and may be enforced by, respectively, the Issuer and the Trustee and their successors, the holders of the Bonds and their successors and assigns to the extent permitted by the Indenture, and solely as to certain provisions of the Regulatory Agreement, the Lower-Income Persons and Eligible Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to the provisions described under the caption "Lower-Income Persons and Eligible Persons" above for the period set forth under the caption "Term" above, whether or not the Mortgage or Loan may be paid in full, and whether or not the Bonds are outstanding. If a material violation of any of the provisions of the Regulatory Agreement occurs and is not cured within the period provided under the caption "Correction of Noncompliance" above, any or all of such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to compel specific performance under the Regulatory Agreement, it being recognized that the beneficiaries of the Owner's obligations under the Regulatory Agreement cannot be adequately compensated by monetary damages in the event of the Owner's default.

The remedies of the beneficiaries of the Regulatory Agreement other than the Issuer shall be limited to those described in the preceding sentence.

(b) In addition to such other remedies as may be provided for in the Regulatory Agreement, if a violation of any of the provisions of the Regulatory Agreement occurs which is not corrected during the period provided under the caption "Correction of Noncompliance" above, the Issuer shall have the right (but not the obligation), and is specifically authorized by the Owner, to terminate the manager and appoint a new manager of the Project to operate the Project in accordance with the Regulatory Agreement and the Financing Agreement, and take all actions necessary, in the reasonable judgment of the Issuer, to cure any default by the Owner under the Regulatory Agreement, and such new manager assuming such management thereunder shall be paid by or on behalf of the Owner, from the rents, revenues, profits, and income from the Project, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of Broward County, Florida. Subject to the provisions described under the caption "Term" above, the provisions described under this caption are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions of the Regulatory Agreement as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the provisions of the Regulatory Agreement or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation of the Regulatory Agreement at any later time or times. All rights and remedies provided in the Regulatory Agreement are cumulative, non-exclusive, and in addition to any and all rights and remedies that the parties and beneficiaries thereof may otherwise have.

Notwithstanding anything contained in the Regulatory Agreement to the contrary, without the prior written consent of the Issuer, the Trustee or any person under their control shall not exercise any remedies or direct any proceeding under the Regulatory Agreement other than to enforce rights of specific performance thereunder, provided that such enforcement shall not include seeking monetary damages. The Issuer shall provide, and shall cause the Trustee to provide, the Tax Credit Investor with a copy of any notice of default sent to the Borrower under the Regulatory Agreement at the Tax Credit Investor's address as set forth in the Indenture, and the Issuer and the Trustee agree that the Tax Credit Investor shall have the right, but not the obligation, to cure any default hereunder on behalf of the Borrower on the same terms provided to the Borrower and shall be accepted or rejected under the Regulatory Agreement on the same basis as if made or tendered by the Borrower.

Fannie Mae Rider

The Fannie Mae Rider (the "Rider") attached to the Regulatory Agreement forms an integral part of the Regulatory Agreement and the terms thereof have been incorporated into the Regulatory Agreement. All capitalized terms used in the Rider have the meanings given to those terms in the Regulatory Agreement, the Indenture, or the Rider, as applicable.

"Lender" means Wells Fargo Bank, National Association, a national banking association, and its successors and assigns.

“Lender Loan” means the loan made by Lender in the amount of \$[33,025,000]* pursuant to the terms of the Lender Loan Agreement.

“Lender Loan Agreement” means the Multifamily Loan and Security Agreement dated as of August __, 2023, between the Lender and the Owner.

“Lender Note” means that certain Multifamily Note from the Owner payable to the order of the Lender and endorsed by the Lender, without recourse, to the order of Fannie Mae, evidencing the Owner’s obligation to repay the Lender Loan.

“Lender Security Instrument” means that Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Filing dated as of August __, 2023, securing the obligations of Owner pursuant to the Lender Loan Agreement.

“Lender Loan Documents” means the Lender Note, the Lender Loan Agreement, the Lender Security Instrument and any other documents executed in connection with the Lender Loan.

1. **Obligations not Secured by the Project.** The Regulatory Agreement shall not constitute a mortgage, equitable mortgage, deed of trust, deed to secure debt, or other lien or security interest in the Project, other than for establishing the priority of the Regulatory Agreement covenants. None of the obligations of the Owner or any subsequent owner of the Project under the Regulatory Agreement shall be secured by a lien on, or security interest in, the Project. All such obligations are expressly intended to be and shall remain unsecured obligations. The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Lender Security Instrument.

2. **Subordination.** The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in certain sections of the Regulatory Agreement, and the Rider are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Lender Loan Documents. Upon a conveyance or other transfer of title to the Project by foreclosure, deed in lieu of foreclosure, or comparable conversion of the Lender Loan, the Person who acquires title to the Project pursuant to such foreclosure, deed in lieu of foreclosure, or comparable conversion of the Lender Loan (unless such person is the Owner or a person related to the Owner within the meaning of Section 1.103-10(e) of the Regulations, in which event the Regulatory Agreement shall remain in full force and effect in its entirety) and from and after the date on which such person acquires title to the project, the terms, covenants and restriction of the Regulatory Agreement shall automatically terminate and be of no force and effect.

3. **Obligations Personal.** The Issuer agrees that no owner of the Project (including Fannie Mae) subsequent to the Owner will be liable for, assume or take title to the Project subject to: (a) any failure of any prior owner of the Project to perform or observe any representation or warranty, affirmative or negative covenant or other agreement or undertaking under the Regulatory Agreement and (b) the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by any prior owner of the Project under the Regulatory Agreement. The Owner and each subsequent owner of the Project shall be responsible under the Regulatory Agreement for its own acts and omissions occurring during the period of its ownership of the Project. All such liability and

* Preliminary; subject to change.

obligations shall be and remain personal to such person even after such person ceases to be the owner of the Project.

4. **Sale or Transfer.**

(a) **Restrictions Not Applicable to Certain Transfers.** All provisions of the Regulatory Agreement regarding the sale or transfer of the Project or of any interest in the Owner, including any requirement, limitation or condition precedent for any of (a) the consent of the Issuer or the Trustee to such transfer, (b) an agreement by any transferee to abide by the requirements and restrictions of the Regulatory Agreement, (c) transferee criteria or other similar requirements, (d) an opinion of legal counsel and (e) the payment of any assumption fee, transfer fee, penalty or other charges, shall not apply to any of the following:

(1) any transfer of title to the Project to Fannie Mae or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Project or to any subsequent transfer by Fannie Mae (or a third party) following such foreclosure, deed in lieu of foreclosure, or comparable conversion;

(2) notwithstanding the foregoing, so long as the Bonds are outstanding, the Owner and Fannie Mae agree that a purchaser may not succeed to the interest of the Owner in the project pursuant to a foreclosure sale or otherwise as described above, if the proposed transferee is ineligible to participate in the Issuer's program pursuant to Section 420.507(35), Florida Statutes, and the regulations promulgated thereunder; and

(3) provided that no Bonds are then outstanding or all Bonds are to be simultaneously fully paid, redeemed, or defeased, any execution and delivery of a mortgage, deed of trust, deed to secure debt or other lien by the Owner to secure any indebtedness incurred by the Owner which effectively refinances the Lender Loan.

(b) **Incurrence of Additional Indebtedness.** All the provisions of the Regulatory Agreement relating to the incurrence of additional indebtedness, including but not limited to, any requirement, limitation, or condition precedent for the consent of the Issuer to such incurrence of additional indebtedness, will not apply to any "supplemental loan" or similar loan, originated by a Fannie Mae DUS lender and sold and/or assigned to Fannie Mae, which is secured by the property and subordinate in priority of lien to the Lender Loan.

(c) **Fannie Mae Rights to Consent Not Impaired.** Nothing contained in the Regulatory Agreement shall affect any provision of the Lender Security Instrument or any of the other Lender Loan Documents which requires the Owner to obtain the consent of Fannie Mae as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Owner, excluding transfers permitted by the Lender Security Instrument. In addition, the Issuer shall not exercise its right under the Regulatory Agreement to change the property manager without obtaining the prior written consent of the Lender, which such consent shall be governed by the terms and conditions of the Lender Loan Documents.

(d) **Conclusive Evidence.** Any written consent to a sale or transfer obtained from the Issuer shall constitute conclusive evidence that the sale or transfer is not a violation of the transfer provisions of the Regulatory Agreement.

5. **Damage, Destruction, or Condemnation of the Project.** In the event that the Project is damaged or destroyed or title to the Project, or any part thereof, is taken through the exercise or the threat of the exercise of the power of eminent domain, the Owner shall comply with all applicable requirements of the Lender Security Instrument and the other Lender Loan Documents.

6. **Regulatory Agreement Default.** Notwithstanding anything contained in the Regulatory Agreement to the contrary, (a) the occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Lender Security Instrument, (b) the occurrence of an event of default under the Regulatory Agreement shall not be or be deemed to be a default under the Lender Loan Documents, except as may be otherwise specified in the Lender Loan Documents, and (c) upon any default by the Owner under the Regulatory Agreement, the Subordination Agreement shall govern the remedies and other actions which the Issuer may take on account of such default.

7. **Amendments.** The Issuer shall not consent to any amendment, supplement to, or restatement of the Regulatory Agreement without the prior written consent of Fannie Mae.

8. **Termination.** The Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee, the Lender, and the Owner upon receipt of an opinion of a nationally recognized bond counsel selected by the Issuer, and acceptable to the Trustee, that such termination will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income purposes. So long as the Bonds have been redeemed or are redeemed within a reasonable period thereafter, the Regulatory Agreement shall terminate and be of no further force or effect from and after the date of any transfer of title to the Project by foreclosure, deed in lieu of foreclosure, or comparable conversion of any lien on the Project; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Regulatory Agreement shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure, or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

On the date of issuance of the Bonds in definitive form, Bryant Miller Oliver P.A., Bond Counsel, proposes to render its approving opinion in substantially the following form:

August __, 2023

Housing Finance Authority of Broward County, Florida
Fort Lauderdale, Florida

[\$33,025,000]*

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)**

Ladies and Gentlemen:

We have acted as Bond Counsel to the Housing Finance Authority of Broward County, Florida (the "Issuer") in connection with the issuance and sale by the Issuer of its \$[33,025,000]* Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the "Bonds"). The Issuer is a public body corporate and politic, established pursuant to Chapter 159, Part IV, Florida Statutes, as amended, Ordinance 79-41 enacted on June 20, 1979, as amended, by the Board of County Commissioners of Broward County, Florida (the "County"), and a Resolution of the County adopted on August [22], 2023, (collectively, the "Act"), Resolution Nos. 2022-002, 2022-008, and 2023-[__] of the Issuer adopted on January 19, 2022, April 20, 2022, and June 21, 2023, respectively (collectively, the "Resolutions"). The proceeds of the Bonds are being used to fund a loan by the Issuer to Federation Plaza Preservation, L.P., a Florida limited partnership (the "Borrower"), to finance a portion of the cost of the construction and equipping of a multifamily residential housing project (the "Project") to be occupied by "persons or families of low, moderate, or middle income," within the meaning of the Florida Housing Finance Authority Law, Sections 159.601-159.623, Florida Statutes, as amended.

In connection with the delivery of this opinion, we have examined the following: (a) the Act; (b) the Resolutions (c) an executed copy of the Indenture of Trust, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"), dated as of August 1, 2023 (the "Indenture"); (d) an executed copy of the Financing Agreement, by and among the Issuer, the Trustee, and the Borrower, dated as of August 1, 2023 (the "Financing Agreement"); and (e) an executed copy of the Land Use Restriction Agreement,

* Preliminary; subject to change.

dated as of August 1, 2023 (the "Regulatory Agreement") by and among the Issuer, the Trustee and the Borrower. In addition, we have examined and relied upon such other agreements, documents and opinions, including certificates and representations of public officials, officers and representatives of the Borrower, and various other parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions set forth below. All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Indenture and the Financing Agreement.

The Bonds are limited obligations of the Issuer, payable, as to principal, premium (if any), and interest, solely as provided in the Indenture of certain payments to be made by the Borrower under the Financing Agreement. The Issuer has no taxing power. The Bonds shall not constitute an obligation, either general or special, of the County, the State of Florida (the "State") or of any local government thereof; and neither the County, the State, nor any local government thereof shall be liable thereon. Neither the faith, revenues, credit, nor taxing power of the County, the State, or any local government thereof shall be pledged to the payment of the principal of, premium (if any), or interest on the Bonds.

As to questions of fact material to our opinion, we have examined and relied upon representations of the Issuer, the Borrower, the Trustee and the other parties contained in the certified proceedings related to the issuance of the Bonds, and other certifications of public officials and other persons furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Annika Ashton, Deputy County Attorney, serving as counsel for the Issuer, as to the due creation and valid existence of the Issuer, the due adoption of the Resolutions, the due authorization, execution and delivery of the Bonds and the compliance by the Issuer with all conditions precedent to the issuance of the Bonds required under applicable local laws, rules and regulations.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State, federal income tax laws of the United States of America, the Securities Act of 1933 and the Trust Indenture Act of 1939.

Based on our examination and the foregoing, we are of the opinion, as of the date hereof, that:

(1) Pursuant to the Act, the Issuer is empowered to enter into and perform its obligations under the Indenture and to issue the Bonds for the purpose of financing the Project.

(2) The Indenture has been duly authorized and executed by the Issuer and, assuming due authorization and execution thereof by the Trustee, is valid and binding upon the Issuer, and is enforceable in accordance with its terms. The Bonds are entitled to the benefits and security of the Indenture for the payment thereof in accordance with the terms of the Indenture.

(3) The Financing Agreement and the Regulatory Agreement have been duly authorized and executed by the Issuer and, assuming due authorization and execution thereof by the other parties thereto, are valid and binding upon the Issuer, and are enforceable in accordance with their terms.

(4) The Bonds have been duly authorized, executed and issued by the Issuer in accordance with the laws of the State, including the Act, and represent the valid and binding limited obligations of the Issuer, enforceable in accordance with their respective terms and the terms of the Indenture.

(5) The Internal Revenue Code of 1986, as amended (the "Code"), contains certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for purposes of federal income taxation. Failure to comply with such requirements may cause the interest on the Bonds to become included in gross income retroactive to the date of issue of the Bonds. The Issuer has covenanted in the Indenture; and the Borrower has covenanted in the Financing Agreement and the Regulatory Agreement, to take, or refrain from taking, such actions as are required under the Code to maintain the exclusion from gross income of the interest on the Bonds. Assuming continuing compliance by the Issuer and the Borrower with the above described covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes of the owners of the Bonds, except that such exclusion shall not apply to interest on the Bonds for any period during which the Bonds are held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. Additionally, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code. Other provisions of the Code may give rise to adverse federal income tax consequences to particular owners of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership of, or the receipt or accrual of interest on, or disposition of the Bonds.

In rendering the opinion in paragraph (5) above with respect to the Bonds, we have assumed continuous compliance with certain procedures designed to meet the requirements of Section 142(d) of the Code and the regulations thereunder or applicable thereto, including the requirements that for a period of time specified in Section 142(d) of the Code and the regulations thereunder (i) at least forty percent (40%) of the occupied rental units in a project must be initially occupied, and thereafter occupied or held available for occupancy on a continuous basis by "individuals whose income is sixty percent (60%) or less of area median

gross income,” within the meaning of the Code, and (ii) all of the units in a project must be available for rental on a continuous basis.

All opinions as to the enforceability of the legal obligations of the Issuer set forth herein are subject to and limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors’ rights, and (ii) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief.

The scope of our engagement in relation to the issuance of the Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein, and our services as bond counsel to the Issuer have been limited to delivering the foregoing opinions based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We express no opinion as to the financial resources of the Borrower, its ability to provide for payment of the Bonds or the accuracy or completeness of any information that may have been relied upon by anyone in making the decision to purchase Bonds.

This opinion letter should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Bonds. We have not been engaged nor have we undertaken to review or verify and therefore express no opinion herein as to the accuracy, adequacy, fairness, or completeness of the Official Statement related to the Bonds or any other offering material related to the Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Bonds. In addition, other than as expressly set forth herein, we have not passed upon and therefore express no opinion as to the compliance by the Issuer, the Borrower, or any other party involved in this financing with, or the necessity of such parties complying with, any federal securities laws or state “Blue Sky,” legal investment or other securities statute, regulation or ruling with respect to the sale or distribution of the Bonds. No opinion is expressed as to the perfection or priority of the lien on the Trust Estate created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. The legal opinions set forth herein are intended for the information solely of the addressees hereof and solely for the purpose of the contemplated transactions described herein, and are not to be relied upon by any other person or entity or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any government or other administrative agency or other person or entity for any other purpose without our prior written consent.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX F
FORM OF CONTINUING DISCLOSURE AGREEMENT

[See Attached]

APPENDIX G

FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

This summary of the Fannie Mae Mortgage Backed Securities Program, the Fannie Mae Certificates and the documents referred to herein has not been provided or approved by Fannie Mae, does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Yield Maintenance) for Guaranteed Mortgage Pass-Through Certificates (the “Fannie Mae MBS Prospectus”) which will be available if and when the MBS is issued. The template for the Fannie Mae MBS Prospectus, as of the date of this Official Statement can be found at <https://capitalmarkets.fanniemae.com/media/23441/display>. The Fannie Mae MBS Prospectus, if and when available, will consist of the template for the Fannie Mae MBS Prospectus applicable at the time of the issuance of the MBS with the cover page completed with the MBS-specific information, an Additional Disclosure Addendum substantially in the form attached as APPENDIX I hereto, and an Annex A containing information substantially consistent with the Term Sheet attached hereto as APPENDIX H.

Security.....Guaranteed Mortgage Pass-Through Certificates (Multifamily Residential Mortgage Loans)

General.....Fannie Mae is a government-sponsored enterprise that was chartered by the U.S. Congress in 1938 under the name “Federal National Mortgage Association” to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. The address of our principal office is 1100 15th Street, NW, Washington, DC 20005; the telephone number is 800-2FANNIE (800-232-6643).

Fannie Mae has been under conservatorship since September 6, 2008. The conservator, the Federal Housing Finance Agency (“FHFA”), succeeded to all rights, titles, powers and privileges of Fannie Mae and of any shareholder, officer or director of the company with respect to the company and its assets. For additional information on the conservatorship, see “**FANNIE MAE – Regulation and Conservatorship**” in the Fannie Mae MBS Prospectus.

Fannie Mae’s regulators include FHFA, the U.S. Department of Housing and Urban Development (“HUD”), the Securities and Exchange Commission (the “SEC”), and the U.S. Department of the Treasury (the “Treasury”). The Office of Federal Housing Enterprise Oversight, the predecessor of FHFA, was Fannie Mae’s safety and soundness regulator prior to enactment of the Federal Housing Finance Regulatory Reform Act of 2008.

On September 7, 2008, Fannie Mae entered into a senior preferred stock purchase agreement with the Treasury pursuant to which Fannie Mae issued to it one million shares of senior preferred stock and a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. **Nevertheless, Fannie Mae alone is responsible for making payments under its guaranty. The MBS, if issued by Fannie Mae and acquired by the Trustee, and payments of principal of and interest on the MBS, will not be guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**

Sponsor and DepositorFannie Mae is the sponsor of this offering of certificates and the depositor of the mortgage loans into the trust.

Description of MBS.....The MBS, if issued by Fannie Mae and acquired by the Trustee, will represent a pro rata undivided beneficial ownership interest in (i) the Mortgage Loan or (ii) the pool of mortgage loan participation interests that comprise the trust. See “THE MORTGAGE LOAN” in the Official Statement. Fannie Mae will issue the MBS in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. The book-entry MBS will not be convertible into physical certificates.

Minimum Denomination.....Fannie Mae will issue the MBS in minimum denominations of \$1,000, with additional increments of \$1.

Issue Date.....The date specified on the front cover page, which is the first day of the month in which the MBS is issued.

Settlement DateThe date specified on the front cover page, which is a date no later than the last business day of the month in which the issue date occurs.

Distribution DateThe “Distribution Date” is the 25th day of each month which is the date designated for payments to the Trustee as holder of the MBS, if issued. If that day is not a Business Day, payments will be made on the next Business Day. The first Distribution Date for the MBS will occur in the month following the month in which the MBS is issued. For example, if the issue date is January 1st, the distribution date is February 25th or, if February 25th is not a Business Day, the first Business Day following February 25th.

Maturity DateThe date specified on the front cover page, which is the date that the final payment is due on the last mortgage loan remaining in the pool.

Use of ProceedsThe MBS is backed by a pool of one or more mortgage loans that Fannie Mae recently acquired or already owned. Fannie Mae is issuing the MBS either in exchange for the recently acquired mortgage loans or for cash proceeds that are generally used for purchasing other mortgage loans or for general corporate purposes.

Interest.....On each Distribution Date, Fannie Mae will pass through on the MBS, if issued, one month's interest at the "Pass-Through Rate".

Because Fannie Mae's guaranty requires it to supplement amounts received by the trust as required to permit timely payment of interest, the amount of interest distributed to certificate holders on a Distribution Date will not be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

PrincipalFannie Mae will receive collections on the Mortgage Loan on a monthly basis. The period Fannie Mae uses to differentiate between collections in one month and collections in another month is called the due period. The due period is the period from and including the second calendar day of the preceding month in which the Distribution Date occurs to and including the first calendar day of the month in which the Distribution Date occurs.

On each Distribution Date, Fannie Mae will pass through principal of the MBS, if issued, as follows:

- the aggregate amount of the scheduled principal due on the Mortgage Loan in the pool during the related due period; and
- the aggregate amount of the unscheduled principal payments specified below:
 - the stated principal balance of the Mortgage Loan as to which prepayments in full were received during the calendar month immediately preceding the month in which that Distribution Date occurs;
 - the stated principal balance of the Mortgage Loan if it was purchased from the pool during the calendar month immediately preceding the month in which that Distribution Date occurs; and
 - the amount of any partial prepayments on the Mortgage Loan that were received during the calendar month immediately preceding the month in which that Distribution Date occurs.

Because Fannie Mae's guaranty requires it to supplement amounts received by the trust as required to permit timely payment of the principal amounts specified above, the amount of principal distributed to certificate holders on a Distribution Date will **not** be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

Fannie Mae may treat a prepayment in full received on the first Business Day of a month as if the prepayment were received on the last Business Day of the preceding month. If Fannie Mae does so, it passes through these prepayments on the Distribution Date in the same month in which the prepayment actually was received. For example, if a prepayment on the Mortgage Loan in full is actually received on the first Business Day of July, it would be treated as if it had been received on the last Business Day of June and, therefore, would be passed through on July 25 (or the next Business Day, if July 25 is not a Business Day).

The Mortgage Loan may permit the reamortization of principal after an involuntary partial prepayment caused by the receipt of proceeds from insurance or condemnation. A reamortization will cause a change in the amount of principal that is passed through to certificateholders.

Monthly Pool FactorsOn or about the fourth Business Day of each month, Fannie Mae publishes the monthly pool factor for each issuance of its Certificates. If an investor multiplies the monthly pool factor by the original principal balance of the MBS, the investor will obtain the current principal balance of the MBS, after giving effect to the monthly principal payment to be passed through on the Distribution Date in that month. The most current pool factor is generally available through DUS Disclose on Fannie Mae's Web site at <http://www.fanniemae.com>.

GuarantyFannie Mae guarantees to each trust that on each Distribution Date it will supplement amounts received by the trust as required to permit payments on the MBS in an amount equal to:

- the aggregate amounts of scheduled and unscheduled principal payments described in “—Principal” above, and
- one month's interest on the MBS, as described in “—Interest” above.

In addition, Fannie Mae guarantees to the related trust that it will supplement amounts received by the trust as required to make the full and final payment of the unpaid principal balance of the related certificates on the Distribution Date in the month of the maturity date specified in the prospectus supplement.

Certificate holders have certain limited rights to bring proceedings against the Treasury if Fannie Mae fails to pay under its guaranty. The total amount that may be recovered from the Treasury is subject to limits imposed in the senior preferred stock purchase agreement. For a description of certificate holders' rights to proceed against Fannie Mae and the Treasury, see "**FANNIE MAE—Certificate holders' Rights Under the Senior Preferred Stock Purchase Agreement**" in the Fannie Mae MBS Prospectus.

Prepayments.....A borrower may voluntarily prepay the loan in full. Except during the open period, each mortgage loan in the pool requires payment of a prepayment premium if the loan is prepaid voluntarily, as disclosed on Annex A. A portion of the prepayment premium, if collected, may be shared with certificate holders under the circumstances described in "**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan**" in the Fannie Mae MBS Prospectus. **Fannie Mae does not guarantee to any trust the payment of any prepayment premiums.**

Master Servicing/Servicing.....Fannie Mae is responsible as master servicer for certain duties. Fannie Mae has contracted with the mortgage servicer identified on Annex A to perform servicing functions for us subject to our supervision. Fannie Mae refers to this servicer or any successor servicer as its primary servicer. In certain limited circumstances, Fannie Mae may act as primary servicer. For a description of Fannie Mae's duties as master servicer and the responsibilities of its primary servicer, see "**THE TRUST DOCUMENTS-Collections and Other Servicing Practices**" and "**FANNIE MAE PURCHASE PROGRAM-Servicing Arrangements**" in the Fannie Mae MBS Prospectus.

Business DayAny day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed or is authorized or obligated by law or executive order to remain closed, or, for purposes of withdrawals from a certificate account, a day when the Federal Reserve Bank is closed in the district where the certificate account is maintained if the related withdrawal is being made from that certificate account.

Trust Documents.....If issued, the MBS will be issued pursuant to the 2021 Multifamily Master Trust Agreement effective as of January 1, 2021, as supplemented by a trust issue supplement for that issuance. Certain pertinent provisions of the trust agreement in the Fannie Mae MBS Prospectus will apply. Investors should refer to the trust agreement and the related trust issue supplement for a complete description of their rights and obligations as well as those of Fannie Mae in its various capacities. The current form of the trust agreement, as of the date hereof, may be found on Fannie Mae’s Web site: <http://www.fanniemae.com>.

Trustee.....Fannie Mae serves as the trustee for the trust pursuant to the terms of the trust agreement and the related trust issue supplement.

Paying Agent.....An entity designated by Fannie Mae to perform the functions of a paying agent. The Federal Reserve Bank of New York currently serves as Fannie Mae’s paying agent for certificates such as the MBS.

Fiscal AgentAn entity designated by Fannie Mae to perform certain administrative functions for the trust. The Federal Reserve Bank of New York currently serves as Fannie Mae’s fiscal agent for certificates such as the MBS.

Multifamily Mortgage Loan Pool Each mortgage loan in the pool is a fixed-rate loan included in one of the following categories:

- Fixed-rate loans with monthly payments of interest only during their entire loan terms, with a balloon payment of all outstanding principal at maturity;
- Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest for their remaining loan terms, with a balloon payment of all outstanding principal at maturity;
- Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest that fully amortize over their remaining loan terms;
- Fixed-rate loans with monthly payments of principal and interest during their entire loan terms, with a balloon payment of all outstanding principal at maturity; and
- Fixed-rate loans that fully amortize over their loan terms.

Multifamily Mortgage Loans Each mortgage loan in the pool was acquired from a multifamily mortgage loan seller that Fannie Mae has approved. A mortgage loan may have been originated by the seller or may have been acquired by the seller from the originator of the loan, which may or may not be an approved mortgage loan seller. Each mortgage loan that Fannie Mae acquires either meets its published standards or is reviewed by Fannie Mae before delivery to determine its suitability. Fannie Mae may modify its standards or permit waivers on specific transactions from time to time.

Types of Property Each mortgage loan in the pool is secured by a lien on one or more of the following types of property:

- Multifamily residential properties;
- Cooperative housing projects;
- Dedicated student housing;
- Manufactured housing communities;
- Military housing; or
- Seniors housing

Annex A discloses the type of property securing each mortgage loan in the pool and the priority of each lien. Any type of property may also be considered affordable housing; Annex A discloses certain affordable housing characteristics.

Termination The trust will terminate when the certificate balance of the certificates has been reduced to zero, and all required distributions have been passed through to certificate holders. Fannie Mae has no unilateral option to cause an early termination of the trust other than by purchasing a mortgage loan from the pool for a reason permitted by the trust documents.

Federal Income Tax Consequences The mortgage pool will be classified as a fixed investment trust. Unless otherwise disclosed in the Additional Disclosure Addendum to the Fannie Mae Prospectus, Fannie Mae will file an election to treat the mortgage pool as being included in the assets of a real estate mortgage investment conduit (“REMIC”). In that case, for federal income tax purposes the related certificate will represent ownership of a REMIC regular interest and an interest in any associated prepayment premiums, in each case, in respect of each mortgage loan in the pool. See “**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**” in the Fannie Mae MBS Prospectus.

Whole Pool Certificates.....Fannie Mae’s counsel, Katten Muchin Rosenman LLP, has advised Fannie Mae that certificates issued under the trust documents that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in the related trust and with respect to which REMIC elections are made will qualify as “whole pool certificates” to the same extent as certificates that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in a trust with respect to which no REMIC elections are made.

Resecuritization Following the assignment of mortgage loans to a trust, the related certificates upon issuance will represent the initial securitization of the mortgage loans. Any further assignment of the certificates to a REMIC trust or other issuance vehicle will represent the initial resecuritization of the mortgage loans. Certificates backed by mortgage loans with respect to which a REMIC election is made may be resecuritized to the same extent as, and may be commingled freely with, certificates backed by mortgage loans with respect to which no REMIC election is made.

Legal Investment Considerations Under the Secondary Mortgage Market Enhancement Act of 1984, the certificates offered by this prospectus will be considered “securities issued or guaranteed by ... the Federal National Mortgage Association.” Nevertheless, investors should consult their own legal advisor to determine whether and to what extent the certificates of an issuance constitute legal investments for them.

ERISA Considerations.....For the reasons discussed in “ERISA CONSIDERATIONS” in the Fannie Mae MBS Prospectus, an investment in the certificates by a plan subject to the Employee Retirement Income Security Act (“ERISA”) will not cause the assets of the plan to include the mortgage loans underlying the certificates or the assets of Fannie Mae under the fiduciary provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”).

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APPENDIX H

TERM SHEET

This Term Sheet assumes the Mortgage Loan is originated in an amount equal to the maximum amount available under the Lender Commitment and that all the conditions to delivery of the Pass-Through Certificate have been satisfied and have not been waived or modified. See "Multifamily Schedule of Loan Information" herein.

<p>[\$33,025,000]*</p> <p>Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza)</p> <p>CLOSING DATE: August __, 2023 FANNIE MAE MULTIFAMILY POOL NUMBER: BS6806 BOND CUSIP: _____</p> <p>POOL STATISTICS</p>	
<p>TAX-EXEMPT BOND ISSUE INFORMATION <i>(Information provided by Issuer for this Official Statement)</i></p>	
BOND ISSUER NAME	Housing Finance Authority of Broward County, Florida ("Issuer")
BOND ISSUE SERIES	Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza)
BOND ISSUE PAR	[\$33,025,000]*
BOND DATED DATE	August 1, 2023
BOND MATURITY DATE	September 1, 2040*
BOND ISSUE TAX STATUS	See "TAX MATTERS" in the Official Statement.
BOND ISSUE CUSIP	_____
COLLATERAL FOR THE BOND ISSUE	Fannie Mae DUS MBS (see pool info below)
BOND ISSUE CREDIT RATING	"Aaa"
BOND CLOSING DATE	August __, 2023
BOND PAYMENT DATES	One business day later than payment on underlying Fannie Mae MBS ¹
BOND FIRST PAYMENT DATE	September 26, 2023*
BOND FINAL PAYMENT DATE	The Business Day after the Pass-Through Certificate payment is received on September 25, 2040*, or, if such day is not a Business Day, the next Business Day

* Preliminary; subject to change.

¹ There shall be no further accrual of interest from the Bond Maturity Date to the Bond Final Payment Date. Because of this lag in payment of principal and interest inherent in the payment terms of the Bonds and the one Business Day lag in payment, the effective yield on the Bonds will be lower than the Bond Net Pass-Through Rate on the Bonds.

* Preliminary; subject to change.

ALL OTHER BOND ISSUE TERMS	Same as underlying MBS
BOND PREPAYMENT TERMS	See “DESCRIPTION OF THE BONDS –Redemption of Bonds – <u>Mandatory Redemption from Principal Payments or Prepayments</u> ” in the Official Statement.
BOND NET PASS-THROUGH RATE	____%
BOND OFFERING PRICE	____%
BOND UNDERWRITER	RBC Capital Markets, LLC and Raymond James & Associates, Inc.
MANDATORY REDEMPTION OF BONDS	See “DESCRIPTION OF THE BONDS – Redemption of Bonds” in the Official Statement.
OPTIONAL REDEMPTION OF BONDS	The Bonds are not subject to optional redemption other than in connection with prepayment of the Mortgage Loan.
BOND EXCHANGE FEATURE	See “DESCRIPTION OF THE BONDS – Optional Exchange for Pass-Through Certificate or Mandatory Redemption of Bonds” in the Official Statement.
PURCHASE DATE DEADLINE	The Mandatory Redemption Date for failure to purchase the Pass Through Certificate is October 26, 2023*, and requires 5 business days’ notice. The Pass Through Certificate may be delivered up to October 24, 2023* if the redemption notice so allows. These dates may be extended in accordance with the terms of the Indenture.
BOND TRUSTEE	The Bank of New York Mellon Trust Company, N.A.
BOND REMAINING TERM TO MATURITY	From the Closing Date to September 1, 2040*
WEIGHTED AVERAGE MATURITY	_____ years
UNDERLYING FANNIE MAE POOL STATISTICS (AS OF ISSUE DATE) <i>(Information provided by Lender for this Official Statement)</i>	
NOTE RATE	____%
ISSUANCE PASS-THROUGH RATE	____%
POOL ISSUANCE UPB	[\$33,025,000]*
MAXIMUM ISSUANCE UPB	[\$33,025,000]*
POOL MATURITY DATE	September 1, 2040*
EXPECTED PURCHASE DATE	September __, 2023
WEIGHTED AVERAGE ORIGINAL LOAN TERM (MONTHS)	17 years (204 months)
REMAINING TERM TO MATURITY (MONTHS)	From the Closing Date to September 1, 2040*
NUMBER OF LOANS	1
POOL SECURITY FUNDS TRANSFER TYPE	Fed Wire
TRANSACTION TYPE	DUS
POOL FIRST PAYMENT DATE	25 th day of the month following the month in which the Pass-Through Certificate is delivered, or the following

	Business Day if such day is not a Business Day
POOL FINAL PAYMENT DATE	September 25, 2040*, or the following Business Day if such day is not a Business Day
SECURITY TYPE	Fannie Mae MBS
SELLER NAME	Wells Fargo Bank, National Association
SERVICER NAME	Wells Fargo Bank, National Association
POOL NUMBER	BS6806
% OF INITIAL POOL BALANCE	100%
POOL PREFIX	HY
MULTIFAMILY SCHEDULE OF LOAN INFORMATION <i>(Information provided by Lender for this Official Statement)</i>	
FANNIE MAE LOAN NUMBER	_____
LOAN MATURITY DATE	September 1, 2040*
TIER	2
TIER DROP ELIGIBLE	No
LIEN PRIORITY	First
WEIGHTED AVERAGE LTV	N/A
WEIGHTED AVERAGE ISSUANCE UW NCF DSCR(x)	N/A
BALLOON	Yes
OTHER DEBT	No
ORIGINAL UPB	[\$33,025,000]*
ISSUANCE UPB	[\$33,025,000]*
ISSUANCE UPB/UNIT	\$251,613*
PREPAYMENT PREMIUM OPTION	Yield Maintenance – CMT as defined in the Fannie Mae Multifamily MBS Prospectus
PREPAYMENT PREMIUM TERM	Fannie Mae yield maintenance premium from Closing Date through August 31, 2033* (120 months). ² Thereafter, a 1% prepayment penalty shall apply through August 31, 2038* (60 months). ³ Thereafter, no prepayment premium shall apply.
PREPAYMENT PREMIUM END DATE	August 31, 2033* (YM); August 31, 2038* (1%)
FIRST LOAN PAYMENT DATE	October 1, 2023*
ORIGINAL TERM (MONTHS)	204 months
WEIGHTED AVERAGE AMORTIZATION TERM	40 years (480 months)

* Preliminary; subject to change.

² A portion of this prepayment premium, if collected, may be shared with Certificateholders under the circumstances described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

³ No portion of this prepayment premium, if collected, will be shared with Certificateholders under any circumstances as is described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

* Preliminary; subject to change.

(MONTHS)	
INTEREST TYPE	Fixed
INTEREST ACCRUAL METHOD	Actual/360
INTEREST ONLY END DATE	N/A
INTEREST ONLY TERM (MONTHS)	N/A
NOTE DATE	August __, 2023
WEIGHTED AVERAGE ACCRUING NOTE RATE (%)	N/A
LOAN PURPOSE	Acquisition/Rehabilitation
ISSUANCE NOTE RATE (%)	___%
MONTHLY DEBT SERVICE	\$ _____
MONTHLY DEBT SERVICE AMOUNT PARTIAL IO	N/A
FRAMEWORK CRITERIA?	No
COLLATERAL INFORMATION	
<i>(Information provided by Lender for this Official Statement)</i>	
LOAN NUMBER	820123147
PROPERTY ID	Will be available upon issuance of the MBS
PROPERTY NAME	Federation Plaza
PROPERTY STREET ADDRESS	3081 Taft Street
PROPERTY CITY	Hollywood
PROPERTY STATE	Florida
PROPERTY ZIP CODE	33021
PROPERTY COUNTY	Broward
MSA	Miami-Fort Lauderdale-West Palm Beach, FL Metro Area
YEAR BUILT	1998
PHYSICAL OCCUPANCY	98.39% as of 7/31/22
UNDERWRITTEN ECONOMIC OCCUPANCY	2.5%
PASS-THROUGH RATE	___%
REMAINING AMORTIZATION TERM	420 months
ISSUANCE LTV	71.73%
ALL-IN ISSUANCE LTV	71.73%
UNDERWRITTEN EFFECTIVE GROSS INCOME	\$3,051,428
UNDERWRITTEN TOTAL OPERATING EXPENSES	\$860,090
UNDERWRITTEN REPLACEMENT RESERVES	\$300 per unit per year
UW NCF (\$)	\$2,191,338
CROSS-COLLATERALIZED (Y/N)	No
CROSS-DEFAULTED (Y/N)	No
GENERAL PROPERTY TYPE	Multifamily
SPECIFIC PROPERTY TYPE	Multifamily
LAND OWNERSHIP RIGHTS	Fee Simple
PROPERTY VALUE	\$45,400,000 (as of 8/23/22)

SEISMIC RISK	There is no seismic risk at the Project that requires mitigation.
TERRORISM INSURANCE COVERAGE (Y/N)	Yes
TOTAL NUMBER OF UNITS	124 (including one employee unit)
AFFORDABLE HOUSING TYPE	Low-Income Housing Tax Credits ("LIHTC") (123 units)
TAXES CURRENTLY ESCROWED	Yes
PROPERTY OWNER	Federation Plaza Preservation, L.P.
SPONSOR	The Foundation for Affordable Housing and The Related Companies, L.P.
PROPERTY MANAGER	PK Management, LLC
PROPERTY MANAGER EXPERIENCE	The Property Manager is a diversified property management organization operating over 10,000 apartment units spread across 125 multifamily affordable housing properties in 22 states in the United States. With a team of over 500 professionals, the Property Manager has extensive experience in managing affordable housing supported by various federal, state and local subsidies including HUD, tax-exempt obligations and federal low-income housing tax credits.
UNIT OF MEASURE	Units
MULTIFAMILY SCHEDULE OF LOAN INFORMATION	
CRA INFORMATION	
<i>(Information provided by Borrower for this Official Statement)</i>	
UNITS AT OR BELOW 50% OF MEDIAN INCOME	N/A
UNITS AT OR BELOW 60% OF MEDIAN INCOME	99% (123 units)
UNITS WITH INCOME OR RENT RESTRICTION %	99% (123 units)
AGE RESTRICTED INDICATOR	Yes
TAX ABATEMENT	Yes
TAX CREDIT INVESTOR	Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company
REGULATORY AGREEMENTS OVERSEER	The Issuer (Regulatory Agreement) and Florida Housing Finance Corporation (Extended Use Agreement)
REGULATORY AGREEMENT SET-ASIDES	Under the Regulatory Agreement, the Borrower is required to rent at least 40% of the units in the Project to tenants whose income does not exceed 60% of AMI. Under the Extended Use Agreement, up to 100% of the residential revenue-generating units in the Project will be rented to tenants whose income does not exceed 60% of AMI.

LOW-INCOME HOUSING TAX CREDIT ELIGIBILITY

The Project has applied for and received 4% LIHTC in the State of Florida, which requires a certain amount of rehabilitation and limits the income of the tenants as described above. The Project must have tax-exempt financing for over 50% of project cost in order to be eligible for LIHTC.

APPENDIX I

FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM

The following information supplements the information in the Fannie Mae MBS Prospectus. In the event of any inconsistency between the information provided in this Addendum and the information in the Fannie Mae MBS Prospectus, the information in this Addendum shall prevail.

The mortgaged property is subject to affordable housing regulatory agreements that impose income restrictions on tenants of the mortgaged property and is an Affordable Housing Loan. See “THE MORTGAGE LOANS – Affordable Housing Loans”; “RISK FACTORS – RISKS RELATING TO YIELD AND PREPAYMENT – Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties – The successful operation of a mortgaged property securing an affordable housing mortgage loan may depend upon additional factors” in the Fannie Mae MBS Prospectus for additional information. In addition, the mortgaged property has received an allocation of low-income housing tax credits. See “THE MORTGAGE LOANS – Affordable Housing Loans – LIHTC Loans” and “RISK FACTORS – RISKS RELATING TO YIELD AND PREPAYMENT – Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties – An affordable housing mortgage loan may be secured by a mortgaged property that has received an allocation of low-income housing tax credits but that fails to remain in compliance with the requirements for maintaining eligibility to receive the tax credits due to operations of the property or a casualty on the property” in the Fannie Mae MBS Prospectus for additional information.

The MBS certificates will initially serve as collateral for a tax exempt issue of multifamily housing bonds (the “Bonds”) issued by the Housing Finance Authority of Broward County, Florida (the “Issuer”) pursuant to and secured by an indenture of trust by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee, and will be held as collateral for the Bonds. The mortgage loan documents provide that the mortgage loan is cross-defaulted with certain agreements relating to the Bonds entered into at the time of the issuance of the Bonds, including but not limited to any housing regulatory agreements that limit rents, impose income restrictions or otherwise restrict the use of the property.

Because the mortgage loan documents provide that the mortgage loan is cross-defaulted with certain of the agreements relating to the Bonds, a default under any of the cross-defaulted documents may trigger an event of default on the mortgage loan. If Fannie Mae accelerates the mortgage loan as a result of any event of default under the mortgage loan, the mortgage loan will be paid in full, and the stated principal balance of the MBS certificates will be passed through to the holder of the MBS certificates. In this case, no yield maintenance or other prepayment premiums will be payable to the holder of the MBS certificates.

Section 196.1975, Florida Statutes, exempts nonprofit “homes for the aged” from ad valorem taxation. The percentage of the abatement of the ad valorem taxes is equal to the percentage of units occupied by the eligible tenants under the statute. The mortgaged property currently qualifies as a nonprofit “home for the aged” and the Borrower believes that the mortgaged property will continue to qualify for the abatement for the 2022-2023 tax year and each tax year thereafter during their ownership of the mortgaged property. It is anticipated that on average 95% of the units will be occupied by eligible tenants and therefor on average the Borrower anticipates receiving a tax abatement equal to 95% of the ad valorem property taxes. A percentage of the tax abatement, if granted each tax year as currently

anticipated, should continue so long as there is not a change in law and the mortgaged property continues to meet the requirements for receiving the benefits of the tax abatement. See “THE MORTGAGE LOANS—Characteristics of Multifamily Properties—Mortgage Loan Secured by Property Receiving Real Estate Tax Benefits” and “RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgage Properties – A mortgaged property may benefit from a state or local property tax exemption or tax abatement that requires the borrower and the property to maintain compliance with specific requirements. The failure to meet those requirements may be an event of default under the mortgage loan” in the Fannie Mae MBS Prospectus for additional information.

An affiliate of the Lender will be the limited partner tax credit investor of the Borrower and will have a 90% or more limited partnership interest in the Borrower.

In addition to the matters described above, the eligible multifamily lender making the mortgage loan may request the disclosure of additional matters relating to the mortgage loan or upon delivery of the mortgage loan to Fannie Mae, in Fannie Mae’s discretion it may determine that matters identified in the Term Sheet attached as APPENDIX H hereto or otherwise may need to be disclosed in the Additional Disclosure Addendum provided in connection with the issuance of the MBS certificates.

[Remainder of Page Intentionally Left Blank]

APPENDIX J

FORM OF NOTICE OF REQUEST TO EXCHANGE

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds (M-TEBS), Series 2023
(Federation Plaza)

Housing Finance Authority of Broward County, Florida
110 NE 3rd Street, Suite 300
Fort Lauderdale, FL 33301
Attention: Executive Director

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Broward HFA Relationship Manager

The undersigned Beneficial Owner of Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (M-TEBS), Series 2023 (Federation Plaza) (the “Bonds”), hereby requests The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) to exchange Bonds in an original face amount and current principal amount equal to \$_____ and \$_____, respectively, for a like original face amount and current principal amount of the Pass-Through Certificate. The Bonds were issued pursuant to an Indenture of Trust dated as of August 1, 2023 (the “Indenture”), by and between Housing Finance Authority of Broward County, Florida (the “Issuer”) and the Trustee. The undersigned has arranged with its securities dealer (and/or DTC participant) to deliver such Bonds to the Trustee (via DTC withdrawal or Deposit/Withdrawal At Custodian (“DWAC”)) on or before the Business Day next succeeding the date hereof (such Business Day being the “Exchange Date”). Pursuant to the provisions of the Indenture, if the exchange requested hereby has been confirmed and the DTC DWAC has been verified and approved by the Trustee, the Trustee is hereby requested to deliver free the above-referenced original face and current principal amount of the Pass-Through Certificate using the automated book-entry system maintained by the Federal Reserve Banks acting as depositories for the issuer of the Pass-Through Certificate in accordance with the Beneficial Owner’s Fed delivery instructions. Such Pass-Through Certificate will be (1) in book-entry form and (2) transferred in accordance with current market practices, including the applicable provisions of the *SIFMA’s Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities* (if in effect on such date). The undersigned Beneficial Owner shall pay the Trustee’s exchange fee and the Issuer’s exchange fee by wire transfer on the Exchange Date. If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the exchanged Bonds to the undersigned Beneficial Owner using the wire instructions set forth below. The undersigned acknowledges that the submission of this notice of request (the “Notice”) is subject to all of the terms and conditions of the Indenture.

Capitalized terms used in this Notice but not defined herein shall have the meanings assigned such terms in the Indenture.

Dated: _____

Signature: _____

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Beneficial Owner's Fed delivery instructions: _____

Beneficial Owner's wire instructions: _____

Trustee's wire instructions: _____

EXHIBIT F

FORM OF TRUSTEE FEE AGREEMENT

TRUSTEE FEE AGREEMENT

Between

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

DATED AS OF AUGUST [___], 2023

PROVIDING FOR

**A FEE SCHEDULE FOR SERVICES
RENDERED BY TRUSTEE
FOR**

\$_[_____]

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS (M-TEBS)
(FEDERATION PLAZA), SERIES 2023**

TRUSTEE FEE AGREEMENT

This is an Agreement between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the “Issuer”), a public body corporate and politic created under the laws of the State of Florida and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, having a corporate office in the City of Jacksonville, Florida and qualified to exercise trust powers under the laws of the State of Florida (“BNY”).

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, the Issuer and BNY agree as follows:

ARTICLE I PREAMBLE

- 1.1 BNY did submit certain proposals to serve as Trustee for all financings of the Issuer during 2023, including the Issuer’s \$[_____] Multifamily Housing Revenue Bonds (M-TEBS) (Federation Plaza), Series 2023 (the “Series 2023 Bonds”). All terms used in capitalized form herein and not defined have the meanings ascribed to such terms in the Indenture (hereinafter defined).
- 1.2 Said proposals of BNY to serve as Trustee contain a description of the types of services to be provided, a schedule of fees for the various services to be provided to the Issuer, and a brief discussion of BNY’s corporate qualifications and capabilities.
- 1.3 BNY is willing to provide the services stated in its proposals at the rates set forth in said proposals, and the Issuer is willing to accept the services of BNY as set forth in its proposals at the stated rates. It is the interest of the parties hereto to establish the terms of the said proposals of BNY to serve as Trustee with respect to the Series 2023 Bonds.

ARTICLE II SCOPE OF SERVICES AND FEES

- 2.1 BNY hereby accepts all of the duties, responsibilities and obligations imposed on it as trustee under the terms of the Trust Indenture dated as of August 1, 2023 by and between the Issuer and BNY (the “Indenture”) and hereby confirms the accuracy of all representations and warranties of the Trustee contained in the Indenture. The terms of this Agreement attached hereto as Exhibit “A” are accepted and adopted by reference by the parties to this Agreement. These terms include the scope of services to be provided

by BNY and the fees and costs charged by BNY for such services. The fees and charges indicated include all expenses incurred by BNY in connection with the sale and closing of the Series 2023 Bonds. Exhibit "A" contains one (1) page under the title of "PROPOSAL FORM FOR TRUSTEE SERVICES".

ARTICLE III
OTHER PROVISIONS

- 3.1 This Agreement shall continue in full force and effect and be binding on both the Issuer and BNY for so long as the terms of the Indenture are effective.

IN WITNESS WHEREOF, the parties hereto have made and executed this Trustee Fee Agreement as of the date first above written.

[SEAL]

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

ATTEST: _____
Milette Manos, Secretary

By: _____
Name: Scott Ehrlich
Title: Chair

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.**

By: _____

Name:

Title:

**COUNTERPART SIGNATURE PAGE TO TRUSTEE FEE AGREEMENT
(FEDERATION PLAZA)**

EXHIBIT "A"

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

PROPOSAL FORM FOR TRUSTEE SERVICES

\$_[_____]

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS (M-TEBS)
(FEDERATION PLAZA), SERIES 2023

(1) Acceptance Fee:

Acceptance and assumption of fiduciary responsibilities and duties as Trustee under the Trust Indenture dated as of August 1, 2023 (the "Indenture") by and between the Housing Finance Authority of Broward County, Florida (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A. ("BNY"), complete study and consideration of the Indenture and all supporting documents, meetings with interested parties, consultations with counsel, attendance at closing, authentication of securities, establish and implement procedures and tickler system necessary to perform duties under the Indenture.

ALL INCLUSIVE ACCEPTANCE FEE AND INITIAL ANNUAL ADMINISTRATIVE FEE TO BE PAID TO TRUSTEE AT BOND CLOSING: \$_[_____].

(2) Annual Administration Fee:

The charge for normal administration functions includes: continuing fiduciary responsibilities, maintenance of administrative records, contact compliance monitoring, trustee, dissemination agent, registrar/transfer agent, paying agent and monthly reports, duties in connection with the Indenture provisions, and various normal administrative questions.

ANNUAL ADMINISTRATION FEE - \$_[_____] PAYABLE SEMI-ANNUALLY IN ADVANCE ON EACH JUNE 1 AND DECEMBER 1 WITH THE FIRST FEE PAYABLE ON THE CLOSING DATE OF THE SERIES 2023 BONDS.

(3) Rebate Analyst Fee:

ITEM 5

**Housing Finance HFA of Broward County
June 21, 2023 – Board Meeting**

Multifamily Bonds/Bonds Pinnacle 441 Phase 2- Action Item

- A. MOTION TO ACCEPT draft credit underwriting report.
- B. MOTION TO APPROVE a Resolution providing authorization and/or approval: a) to issue the HFA's Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the "Bonds") in an aggregate amount not to exceed \$22,000,000, for the purpose of financing the acquisition, construction, and equipping of a multifamily residential rental development in Broward County, Florida known as Pinnacle 441 Phase 2, b) of the parameters for the award of the sale and the terms of the Bonds, c) of the form, execution and delivery of the documents included as Exhibits A-G hereto, d) to execute certain additional agreements, instruments, certifications, and affidavits in connection with the issuance of the Bonds, e) of the negotiated sale of the Bonds and appointment of a Bidding Agent pursuant to the Bond Purchase Agreement (as defined within the HFA Resolution), f) preparation, distribution and, as applicable, execution of a Preliminary and Final Official Statement, g) to appoint a Trustee, Paying Agent and Registrar of the Bonds, h) to allow the Borrower (as defined within the HFA Resolution) to place subordinate financing on the Project (as defined within the HFA Resolution) and to execute such agreements as may be necessary for such subordinate financing, i) to waive the annual audit fee, j) partially waive the HFA's policy for mailing Preliminary Official Statements prior to receipt of Bond Issuance approval from the Broward County Board of County Commissioners, k) of the proper officers of the HFA to take other actions required to issue and deliver the Bonds, and l) for the establishment of an effective date.

Background

1. On September 22, 2021, the HFA received a multifamily bond application from Pinnacle 441 Phase 2, LLC, a Florida limited liability company, pertaining to a 100-unit new construction development, known as Pinnacle 441 Phase 2 (the "Development"). The Development is located at 6028 Johnson St., Hollywood, FL. The application requested that the HFA issue bonds to support the Development in the amount of \$22,000,000.
2. At its August 17, 2022, meeting the Board adopted Resolution No. 2022-014 (the "Inducement Resolution") declaring its official intent to issue bonds in an amount not to exceed \$22,000,000 (the "Bonds"), (ii) authorizing the issuance of the Bonds in an amount not to exceed \$22,000,000, subject to certain findings and conditions, and (iii) authorizing the publishing of a TEFRA Hearing notice (the "TEFRA Notice") and holding a TEFRA Hearing (the "TEFRA Hearing").
3. The HFA has tax-exempt carry forward allocation available to fully fund this transaction and all pending transactions.

Present Situation

1. As the multifamily bond audit is no longer required per County Ordinance, the Borrower requested a waiver of the HFA's Audit Fees. This waiver only pertains to the audit of funds held with the Trustee. Borrower's request is addressed within the HFA Resolution (Exhibit 2).

2. Due to certain timing limitations related to the low-income housing tax credit award, the Borrower has requested a partial waiver of the HFA Posting Policy (as defined within the HFA Resolution) as more specifically described within the recitals to and Section 16 of the HFA Resolution (Exhibit 2).
3. The TEFRA Notice reflecting an amount not to exceed \$22,000,000 was published in the Sun-Sentinel on June 7, 2023, and the TEFRA Hearing was held on June 15, 2023.
4. HFA approval of the draft Credit Underwriting Report (“CUR”) is administrative and additional revisions may be required in conjunction with the issuance and delivery of the Bonds. Revisions to the CUR will be made pursuant to Section 18 of the Resolution (Exhibit 1).
5. The closing for the financing of this Development is presently scheduled for August 2023.

Recommendation

Request the following Board actions:

1. Motion A - Acceptance of draft Credit Underwriting Report, and
2. Motion B - Approval of HFA Resolution providing:
 - (i) authorization and/or approval:
 - a) to issue the HFA’s Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the “Bonds”) in an aggregate amount not to exceed \$22,000,000, for the purpose of financing the acquisition, construction, and equipping of a multifamily residential rental development in Broward County, Florida known as Pinnacle 441 Phase 2,
 - b) of the parameters for the award of the sale and the terms of the Bonds,
 - c) of the form, execution and delivery of the documents included as Exhibits A-G hereto,
 - d) to execute certain additional agreements, instruments, certifications, and affidavits in connection with the issuance of the Bonds,
 - e) of the negotiated sale of the Bonds and appointment of a Bidding Agent pursuant to the Bond Purchase Agreement (as defined within the HFA Resolution),
 - f) preparation, distribution, and, as applicable, execution of a Preliminary and Final Official Statement,
 - g) to appoint a Trustee, Paying Agent, and Registrar of the Bonds,
 - h) to allow the Borrower (as defined within the HFA Resolution) to place subordinate financing on the Project (as defined within the HFA Resolution) and to execute such agreements as may be necessary for such subordinate financing,
 - i) to waive the annual audit fee,
 - j) partially waive the HFA’s policy for mailing Preliminary Official Statements prior to receipt of Bond Issuance approval from the Broward County Board of County Commissioners,
 - k) of the proper officers of the HFA to take other actions required to issue and deliver the Bonds, and
 - l) for the establishment of an effective date.

EXHIBITS

1. Credit Underwriting Report
2. HFA Resolution
 - A. Form of Indenture
 - B. Form of Loan Agreement
 - C. Form of Land Use Restriction Agreement
 - D. Form of Bond Purchase Agreement

- E. Form of Preliminary Official Statement
- F. Form of Trustee Fee Agreement
- G. Form of the Collateral Funds Agreement

ATTACHMENT 1

Housing Finance Authority of Broward County

Credit Underwriting Report

Pinnacle 441, Phase 2

Tax Exempt Loan Program

Section A Report Summary

Section B Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Draft Report

June 13, 2023

PINNACLE 441, PHASE 2

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Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. (“SMG” or “Seltzer” or “Servicer”) recommends a Housing Finance Authority of Broward County (“HFABC” or “Authority”) fund Multifamily Mortgage Revenue Bonds (“MMRB”) in the amount of \$22,000,000 to Pinnacle 441, Phase 2 (“Development”) for construction and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: Pinnacle 441, Phase 2

RFA/Program Numbers: RFA 2022-205 / 2023-119SN 2022-525C

Address: 6028 Johnson Street

City: Hollywood Zip Code: 33024 County: Broward County Size: Large

Development Category: New Construction Development Type: High Rise

Construction Type: Masonry

Demographic Commitment:
 Primary: Family for 100% of the Units

Unit Composition:
 # of ELI Units: 10 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0
 # of Link Units: 5 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 5

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	756	22%			\$374	\$68	\$306		\$306	\$306	\$306	\$18,360
1	1.0	3	756	30%			\$510	\$68	\$442		\$442	\$442	\$442	\$15,912
1	1.0	22	756	60%			\$1,020	\$68	\$952		\$952	\$952	\$952	\$251,328
2	2.0	5	960	30%			\$612	\$81	\$531		\$531	\$531	\$531	\$31,860
2	2.0	42	960	60%			\$1,225	\$81	\$1,144		\$1,144	\$1,144	\$1,144	\$576,576
2	2.5	1	1,184	60%			\$1,225	\$81	\$1,144		\$1,144	\$1,144	\$1,144	\$13,728
3	2.0	2	1,231	30%			\$707	\$105	\$602		\$602	\$602	\$602	\$14,448
3	2.0	20	1,231	60%			\$1,415	\$105	\$1,310		\$1,310	\$1,310	\$1,310	\$314,400
		100	96,066											\$1,236,612

Applicant committed to set-aside 10% (or 10 units) as ELI units.

Persons with Special Needs Set-Aside Commitment: The proposed development must set aside fifty percent (50%) of the ELI Set-Aside units (5 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one Florida Housing designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed development will be located (Broward County). The executed MOU was approved by FHFC on May 22, 2023.

After 15 years, all of the ELI set-aside units (10 units) may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirements must be maintained through the entire 50 year Compliance Period.

NHTF Set-Aside Commitment: The proposed development must set aside five (5) units as NHTF Link units targeted for Persons with Special Needs. These units are required to be set aside for residents earning at or below 22% AMI and are in addition to the ten percent (10%) requirement for ELI set aside units. After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set aside commitment must be maintained through the entire 50 year Compliance Period.

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 110 Accessible Spaces - 3

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB	40.0%	40	60%	50
SAIL/ELI/HC	10.0%	10	30%	50
SAIL/HC	90.0%	90	60%	50
NHTF Assisted	5.0%	5	22%	50

Absorption Rate: 25 units per month for 4.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 1.667 Density: 59.9880 Flood Zone Designation: AH
 Zoning: C-JS, Central Johnson Street Mixed Use District Flood Insurance Required?: Yes

Applicant/Borrower:	Pinnacle 441 Phase 2, LLC	
General Partner	PC 441 Phase 2, LLC	0.01%
Limited Partner	Bank of America, N.A. and, or, its affiliates ("BofA")	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Pinnacle 441 Phase 2, LLC	
CC Guarantor 2:	PC 441 Phase 2, LLC	
CC Guarantor 3:	Pinnacle Communities, LLC	
CC Guarantor 4:	Louis Wolfson III	
CC Guarantor 5:	David O. Deutch	
CC Guarantor 6:	The Estate of Mitchell M. Friedman	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Pinnacle 441 Phase 2, LLC	
OD Guarantor 2:	PC 441 Phase 2, LLC	
OD Guarantor 3:	Pinnacle Communities, LLC	
OD Guarantor 4:	Louis Wolfson III	
OD Guarantor 5:	David O. Deutch	
OD Guarantor 6:	The Estate of Mitchell M. Friedman	
Bond Purchaser		
Developer:	Pinnacle Communities, LLC	
Principal 1	Louis Wolfson III	
Principal 2	David O. Deutch	
Principal 3	The Estate of Mitchell M. Friedman	
General Contractor 1:	PC Building, LLC	
Management Company:	Professional Management, Inc.	
Syndicator:	BofA	
Bond Issuer:	Housing Finance Authority of Broward County	
Architect:	Joseph B. Kaller & Associates, P.A.	
Market Study Provider:	Meridian Appraisal Group, Inc. ("Meridian")	
Appraiser:	Meridian	

	1st Mortgage	2nd Mortgage	3rd Mortgage	4th Mortgage	5th Mortgage	6th Mortgage
Lien Position	1st Mortgage	2nd Mortgage	3rd Mortgage	4th Mortgage	5th Mortgage	6th Mortgage
Lender/Grantor	Citibank, N.A.	FHFC - SAIL	FHFC - ELI	FHFC-NHTF	Broward County	City of Hollywood
Amount	\$4,500,000	\$4,000,000	\$750,000	\$1,850,000	\$10,000,000	\$1,000,000
Underwritten Interest Rate	5.77%	1.00%	0.00%	0.00%	0.00%	0.00%
Loan Term	18.0	18.0	18.0	18.0	30.0	30.0
Amortization	40.0	N/A	N/A	N/A	N/A	N/A
Market Rate/Market Financing LTV	13.0%	24.6%	26.7%	32.1%	61.0%	63.9%
Restricted Market Financing LTV	54.2%	102.3%	111.3%	133.6%	253.9%	265.9%
	9.7%	18.2%	19.8%	23.8%	45.3%	47.4%
		8.6%				
	1.380	1.180	1.167	1.149	1.149	1.149
	\$281,291					
	4.1					

Deferred Developer Fee	\$5,234,107
As-Is Land Value	\$3,500,000
Market Rent/Market Financing Stabilized Value	\$34,600,000
Rent Restricted Market Financing Stabilized Value	\$8,310,000
Projected Net Operating Income (NOI) - Year 1	\$414,485
Projected Net Operating Income (NOI) - 15 Year	\$412,693
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Short Term, Cash Backed, Tax Exempt Bonds
Housing Credit (HC) Syndication Price	\$0.9775
	\$1,455,000
HC Annual Allocation - Qualified in CUR	\$1,984,155
	\$1,974,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	Broward HFA/BofA	\$22,000,000	\$0	\$0.00
Regulated Mortgage	Citibank, N.A.	\$0	\$4,500,000	\$45,000.00
FHFC - SAIL	FHFC	\$4,000,000	\$4,000,000	\$40,000.00
FHFC - SAIL ELI	FHFC	\$750,000	\$750,000	\$7,500.00
FHFC - NHTF	FHFC	\$1,850,000	\$1,850,000	\$18,500.00
Local Government	Broward County	\$8,000,000	\$10,000,000	\$100,000.00
Local Government	City of Hollywood	\$1,000,000	\$1,000,000	\$10,000.00
HC Equity	BofA	\$2,894,089	\$19,293,920	\$192,939.20
Deferred Developer Fee	Developer	\$6,133,938	\$5,234,107	\$52,341.07
TOTAL		\$46,628,027.36	\$46,628,027.36	\$466,280.27

Financing Structure:

Applicant submitted a Multifamily Mortgage Revenue Bond (“MMRB”) Program Application to the Housing Finance Authority of Broward County (“HFABC”). Bank of America (“BofA”) will loan \$22,000,000 to the HFABC through a taxable loan in connection with the construction financing of the Development. Upon conversion to the permanent period, the BofA taxable loan will be satisfied and Citibank, N.A. (“Citi”) shall provide a Tax Exempt Loan (“TEL”) to the HFABC in an amount currently estimated at \$4,500,000.

The initial bonds will be Short Term Cash Backed Tax Exempt Bonds in the amount of \$22,000,000 and will be issued and delivered at closing. BofA will provide the taxable construction loan that will be drawn over time and used to collateralize the short term cash backed bonds. Initially, the bond proceeds will collateralize the bonds. The short term bonds will have a maturity date that will coincide with the Citi TEL. United States Treasury investments will secure the short term bonds and the investment income is expected to fully pay the debt service on the short term bonds until their mandatory tender date. Upon conversion of the loan to permanent, the short term bonds will be redeemed, and the Citi TEL will be purchased. The proceeds of the City TEL and tax credit equity will be used to repay the BofA taxable construction loan.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	

Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?		3
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

The following are explanations of each item checked "No" in the table above:

1. See the below changes in the source of funds:
 - Per the April 10, 2023 Invitation to Enter Credit Underwriting the Applicant was awarded additional funding in the amount of \$1,850,000 in the form of a National Housing Trust Fund ("NHTF") loan.
 - According to the Application, Broward County approved gap financing in an amount not to exceed \$10,000,000. However, per a subsequent email on March 28, 2023 by Broward County, up to 80% of the County Loan funds may be disbursed during construction for eligible development costs. The remaining 20% will be released after receipt of final funding sources, Final Cost Certification and 8609. To the extent that the funding gap is less than underwritten (increased sources, reduced costs, excess reserves, etc.), the last 20% may be subject to reduction. Therefore, Seltzer is only reflecting 80% (or \$8,000,000) as a source during construction.
 - According to a June 1, 2023 Commitment Letter from the City of Hollywood Florida ("the City"), the City has awarded and will allocate \$1,000,000 in resources for the Development.
2. Total Development Costs ("TDC") as stated in the application were \$39,907,599. TDC have increased to \$46,628,027, an increase of \$6,720,428 or 16.84%. This increase is primarily due to increases in construction, general development and financing costs and the addition of an operating deficit reserve.
3. See the below changes in the set-aside commitments:

- At the time of Application, the set-asides committed to include 100% of the units set aside at or below 60% of area median income (“AMI”) for MMRB and Non-Competitive HC and a SAIL commitment of 10% of the units at or below 30% of AMI and the remaining 90% at or below 60% of AMI. Per the Invitation to Credit Underwriting dated April 10, 2023 the Development was awarded a NHTF loan which requires an additional deep targeted set-aside for Persons with Special Needs at or below 22% of AMI. This requirement is in addition to the 10% ELI set-aside for SAIL and as such the Development is required to set aside five units as NHTF Link units.

These changes have no substantial material impact to the SAIL, ELI, NHTF and HC recommendations for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

Florida Housing’s Past Due Report dated May 25, 2023 reflects the following past due item(s): None

Florida Housing’s Asset Management Noncompliance Report dated May 24, 2023 reflects the following noncompliance items: None

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing and the issuance of the annual HC Allocation Recommendation herein.

Strengths:

1. Per the Market Study, Meridian states the capture rates are low and indicate there is sufficient demand for the subject units and average occupancy for the comparables within the Subject’s Primary Market Area (“PMA”) is 99.2%.
2. Although the Borrower and managing member are newly formed, the Developer, its Principals, General Contractor, and the management company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions:

1. The Applicant estimated a hard cost contingency of 7.00%. This contingency percentage is supported by the Plan and Cost Analysis (“PCA”) completed by GLE Associates, Inc. (“GLE”), however, the percentage is in excess of the Rule and RFA requirements. Per the RFA and Rules, the maximum hard cost contingency is 5%. At the April 1, 2022, FHFC Telephonic Board meeting, the Board delegated staff the authority to approve contingency reserve increases upon recommendations by the credit underwriter. Seltzer recommends that FHFC approve the contingency of 7.00%. Applicant made a formal request to FHFC on June 8, 2023 to approve the increase in hard cost contingency and is pending FHFC approval.
2. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation’s RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the

amendment is executed and provided to the Corporation. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve’s original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation was included as an Information Item in the April 29, 2022 FHFC Board Meeting.

Additional Information:

1. The survey states the subject property consists of 1.667 acres. The Developer notes that the total gross acreage is 1.922 and includes out to the centerline of adjoining rights of way. The City of Hollywood uses the 1.922 acres for measuring density and other requirements under the code, but only 1.667 acres is owned by the Applicant.
2. Developer will provide a Letter-of-Credit (“LOC”) in the amount of 25% of the construction contract amount in lieu of a 100% Payment and Performance (“P&P”) Bond and has been made a condition to closing.

Issues and Concerns: None

Mitigating Factors: None

Recommendation:

SMG recommends HFABC issue the MMRB in the amount of \$22,000,000 to Pinnacle 441, Phase 2 for construction and permanent financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). The reader is cautioned to refer to these sections for complete information.

This recommendation is only valid for six months from the date of the report.

Prepared by:

Reviewed by:



Keith Whitaker
Senior Credit Underwriter

Josh Scribner
Credit Underwriting Manager

Overview

Construction Financing Sources

First Mortgage	Broward HFA/BofA	\$22,000,000	\$22,000,000	\$22,000,000	8.80%	\$4,696,051
Second Mortgage	FHFC - SAIL	\$4,000,000	\$4,000,000	\$4,000,000	0.00%	\$0
Third Mortgage	FHFC - ELI	\$750,000	\$750,000	\$750,000	0.00%	\$0
Fourth Mortgage	FHFC-NHTF	\$0	\$1,850,000	\$1,850,000	0.00%	\$0
Fifth Mortgage	Broward County	\$10,000,000	\$8,000,000	\$8,000,000	0.00%	\$0
Sixth/Bridge	City of Hollywood		\$1,000,000	\$1,000,000	0.00%	\$0
HC Equity	BofA	\$2,484,954	\$2,894,088	\$2,894,089		
Deferred Developer Fee	Developer	\$10,672,645	\$6,279,353	\$6,133,938		
Total		\$49,907,599	\$46,773,441	\$46,628,027		\$4,696,051

Tax Exempt Construction Loan:

Applicant applied for and was approved \$22,000,000 in Tax-Exempt Bonds to be issued by the HFABC for the acquisition and construction of Pinnacle 441, Phase 2.

Applicant provided a term sheet from BofA dated April 12, 2023, for the purchase of \$22,000,000 of Tax-Exempt Bonds, the proceeds of which will fund a construction loan to the Applicant. The term sheet requires completion of construction within 30 months from closing, subject to an optional six (6) month extension. The interest rate will be a floating rate based upon the Bloomberg Short Term Bank Yield Index ("BSBY") Daily Floating Rate plus a margin of 2.35%. As of June 5, 2023, the daily BSBY was 5.4463%. For any future increases in the BSBY Daily Floating Rate, Seltzer has included an underwriting cushion of 100 basis points, resulting in an all in interest rate of 8.80%. The construction debt service calculation above reflects the MMRB funded at an average of 57% during the construction phase. An origination fee of 0.75% of the maximum construction loan amount will be payable at loan closing. Repayment will be interest only during the construction period of 30 months, plus one six-month extension option.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a SAIL in the amount of \$4,000,000, an ELI loan in the amount of \$750,000, a NHTF loan in the amount of \$1,850,000, Broward County loan in the amount of \$8,000,000, the City loan in the amount of \$1,000,000, Housing Credit equity of \$2,894,089, and deferred Developer Fees in the amount of \$6,133,938. See the Permanent Financing section below for details.

Construction/Stabilization Period:

An April 27, 2023, an executed AIA Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, reflects PC Building, LLC ("PC Building") as contractor. The Agreement calls for a date of commencement five days after the latest to occur: all required permits and approvals from all applicable government agencies or commence construction, date a written notice to proceed is issued by the Owner to the Contractor, or Owner records the Notice of Commencement. Substantial completion will be no later than 480 calendar days (or approximately 16 months) from the date of commencement. In Meridian's rental market

analysis, the absorption performance of comparable/competitive apartment rentals was analyzed and indicated a range of 12 to 123 units per month. Based on this data, Meridian determined an absorption rate of 25 units per month and estimates the Development will achieve stabilized occupancy within four months after receiving its certificate of occupancy. To be conservative, SMG has utilized a 36-month construction/stabilization period for purposes of this credit underwriting report.

Permanent Financing Sources

First Mortgage	Citibank, N.A.	\$6,000,000	\$4,500,000	\$4,500,000	5.77%	40	18	\$288,504
Second Mortgage	FHFC - SAIL	\$4,000,000	\$4,000,000	\$4,000,000	1.00%	N/A	18	\$40,000
Third Mortgage	FHFC - ELI	\$750,000	\$750,000	\$750,000	0.00%	N/A	18	\$0
Fourth Mortgage	FHFC-NHTF	\$0	\$1,850,000	\$1,850,000	0.00%	N/A	18	\$0
Fifth Mortgage	Broward County	\$10,000,000	\$10,000,000	\$10,000,000	0.00%	N/A	30	\$0
Sixth Mortgage	City of Hollywood	\$0	\$1,000,000	\$1,000,000	0.00%	N/A	30	\$0
HC Equity	BofA	\$16,566,343	\$19,293,920	\$19,293,920				
Def. Developer Fee	Developer	\$12,591,256	\$5,379,521	\$5,234,107				
Total		\$49,907,599	\$46,773,441	\$46,628,027				\$328,504

Tax Exempt Permanent Loan:

Applicant provided a term sheet from Citi dated April 5, 2023 for permanent financing for Pinnacle 441, Phase 2. Upon the satisfaction of the conditions to conversion, as determined by Citi, Citi will arrange for a tax-exempt forward commitment for a permanent-only loan for the Development under a Tax-Exempt loan structure in the maximum amount of \$4,500,000. The Applicant initially estimated the permanent first mortgage amount to be \$6,000,000.

Loan interest will be based on a fixed rate equal to the sum of the 18-year Secured Overnight Financing Rate ("SOFR") swap index plus a spread of 2.33%; subject to a floor of 0.75%. Per Citi, as of June 8, 2023, the 18-year SOFR swap index was 3.44%. Based on current rates SMG estimates the "all-in" interest rate at 5.77%. The term of the loan shall be 18 years with monthly interest only payments for the first two years, then principal and interest payments due to fully amortize the loan over a 40 year schedule.

The annual HFABC Issuer Fee of 18 basis points (0.18%) and the annual Trustee Fee of \$3,750 are included in the operating pro forma section of this report.

SAIL

Borrower applied to FHFC under RFA 2022-205 for SAIL funds in the amount of \$4,000,000. SAIL will have a total term of 21 years, of which three years is for the construction/stabilization period. The SAIL term will be co-terminus with the first mortgage as allowed by the Rule. The SAIL will be non-amortizing and will bear 1.00% simple interest per annum. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$1,023.

ELI Loan

Applicants who submitted an Application under RFA 2022-205 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) \$750,000; or (b) the maximum amount based on the ELI set-aside per unit limits; for 10% of the total units. The ELI Loan is in the form of a forgivable loan in an amount of \$750,000.

The ELI AMI for Broward County is 30%. The Borrower committed to set aside 10% of the units (10 units) at or below 30% of AMI for ELI. The ELI Loan is non-amortizing at 0.00% simple interest per annum. The

principal is forgivable at maturity provided the units for which the ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50 year Compliance Period. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirement must be maintained through the entire 50 year Compliance Period. The ELI Loan will have a total term of 21 years, of which three years is for the construction/stabilization period and the ELI loan term will be co-terminus with the first mortgage. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month and the Compliance Monitoring Fee is based on an annual multiple program fee of \$1,023.

NHTF Loan

Applicants who submitted an Application for RFA 2022-205 are also eligible for NHTF Loan funding to subsidize additional deep targeted units for Persons with Special Needs ("NHTF Link units"). The Applicant was selected to receive an NHTF Loan in the form of a forgivable loan in an amount of \$1,850,000 and is required to designate five units as NHTF units targeted for Persons with Special Needs at or below 22% of AMI. This set-aside requirement is in addition to the ELI set-aside commitments.

The NHTF Loan shall be a non-amortizing loan at 0.00% simple interest per annum. The principal is forgivable at maturity provided the units for which the NHTF Loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50 year Compliance Period. After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. The NHTF Loan will have a total term of 21 years, of which three years is for the construction/stabilization period. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$936 per month, subject to a minimum of \$236 per month and the Compliance Monitoring Fee is based on an annual multiple program fee of \$1,023.

Broward County

Per a January 23, 2023 Gap Financing Funding Award Notification letter, Broward County will provide a loan in the amount of \$10,000,000. This loan is made through the Broward County Affordable Housing Development Program. Terms include a 30 year affordability restriction, at an interest rate of 0.00%, maturity not to exceed 30 years unless required otherwise to be co-terminus with the first mortgage, and payable upon expiration of the loan term, or upon sale, refinancing or transfer, whichever comes earlier. There will be no application fee or origination fee for the loan.

Based on the loan amount of \$10,000,000, no more than 80%, as shown in the construction sources above, will be disbursed during construction. The additional 20% remaining will be disbursed once the HFA has been provided evidence of the final development source and use and subject to achievement of stabilized operations and release of the BofA stabilization capital contribution. The release of the final 20% will be subject to a reduction if the disbursement will result in a Deferred Developer Fee less than 35% of the total Developer Fee. The county disbursement will be reduced to an amount that will result in a Deferred Developer Fee equal to 35% of the Developer Fee.

City of Hollywood:

According to a letter from the City dated December 1, 2021 and Resolution R-2021-330, the City has awarded and will allocate \$1,000,000 in City resources for the Development. The City issued a June 1,

2023 loan commitment confirming the \$1,000,000 loan amount. Terms include a non-recourse and non-amortizing loan with a term of 32 years and an interest rate of 0% throughout the term. The loan will close simultaneously with all other sources of debt and equity to financing the Development. In essence, there will be a two year construction period and a 30 year permanent period, for a total term of 32 years. The loan will be repaid in full at maturity, with a provision for forgiveness of the loan in its entirety, exercisable by the lender in its sole discretion at the end of the loan term. There is a loan commitment fee of 1% (or \$10,000) to be paid at closing.

Housing Credits Equity Investment:

The Borrower has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt bond financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a May 2, 2023 Letter of Intent, BofA or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

1st Installment	\$2,894,089	15.00%	At Closing of Operating Company, Closing initial construction financing, commitments of permanent financing with fixed interest for 15 years, Evidence of site control, Tax Opinion for Operating Company acceptable to Investor, Completion of Investor's due diligence.
2nd Installment	\$1,929,392	10.00%	At 100% Construction Completion, Temp. C.O. been issued, no mechanics' liens on title, no earlier than 1/1/2025.
3rd Installment	\$13,988,091	72.50%	3 months 1.15x DSC, Min. 93% occupancy, all tax credit units leased at least one time, Perm. Loans closed, C.O.s issued, All reserves funded, Draft Cost Certification, no earlier than 10/1/2025.
4th Installment	\$482,348	2.50%	Form 8609, Final Cost Certification, Recorded EUA, Third-party compliance audit, Final adjusters and no earlier than 12/1/2025.
Total	\$19,293,920	100.00%	

Annual Tax Credits per Syndication Agreement: \$1,974,000

Total HC Available to Syndicator (10 years): \$19,738,026

Syndication Percentage (investor member interest): 99.99%

Calculated HC Exchange Rate (per dollar): \$0.9775

Proceeds Available During Construction: \$2,894,089

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the BofA LOI have been received, the Developer will have to defer \$5,234,107 of Developer Fees.

Uses of Funds

				\$0	
				\$0	\$0
				\$0	
	\$19,695,000	\$18,486,499	\$18,486,499	\$184,865	\$150,000
		\$1,943,452	\$1,943,452	\$19,435	\$291,518
Constr. Contr. Costs subject to GC Fee	\$19,695,000	\$20,429,951	\$20,429,951	\$204,300	\$441,518
General Conditions	\$2,757,299	\$1,225,797	\$1,225,797	\$12,258	
Overhead		\$1,225,797	\$1,225,797	\$12,258	
Profit		\$408,599	\$408,599	\$4,086	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$136,000	\$136,000	\$1,360	
Payment and Performance Bonds		\$30,645	\$30,645	\$306	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$22,452,299	\$23,456,789	\$23,456,789	\$234,568	\$441,518
Hard Cost Contingency	\$1,122,615	\$1,641,975	\$1,641,975	\$16,420	
Demolition paid outside Constr. Contr.	\$313,750	\$128,348	\$128,348	\$1,283	\$128,348
FF&E paid outside Constr. Contr.		\$370,000	\$370,000	\$3,700	\$120,000
		\$25,597,112			

Notes to the Construction Costs:

- The Applicant has provided a contractor executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated April 27, 2023 in the amount of \$23,456,789. The contract provides for a date of commencement five days after the latest to occur: all required permits and approvals from all applicable government agencies or commence construction, date a written notice to proceed is issued by the Owner to the Contractor, or Owner records the Notice of Commencement. Substantial completion will be no later than 480 calendar days (or approximately 16 months) from the date of commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter.

Final payment will be made when (1) the General Contractor has fully performed the contract, (2) the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment, and (3) final certificate for payment has been issued by the Architect. The Owner's final payment to the General Contractor shall be made no later than 30 days after the Architect's final Certificate for Payment.

- The construction contract and PCA have been reviewed and the Schedule of Values contains the following allowances:
 - Signage (\$30,951)
 - Building Access Control & CCTV (\$100,000)
- SMG received the General Contractor's Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapters 67-21 and 67-48 ("Rules"), Florida Administrative Code.

4. General Contractor fees as stated are within the 14% maximum per the RFA and Rules.
5. General liability insurance and costs associated with the letter-of-credit, reflected above, are paid for by the Contractor inside the Contract.
6. The Hard Cost Contingency for this development has been limited to the Applicant's request of 7.00% of the total construction contract, which exceeds the 5% limit per Rule for new construction. However, the PCA provider recommends between a 6% to 8% contingency for a development of this scope and size and is deemed reasonable by Seltzer. The hard cost contingency is not included in the construction contract amount.
7. Demolition costs include the removal of the existing mobile homes, septic tanks, interior roads, and final disconnects of power on the subject property.
8. FF&E outside the construction contract includes the cost of recreational/owner items, with \$120,000 representing the purchase of washers and dryers for rental purposes and marked as a HC ineligible cost.
9. SMG engaged and received a Plan and Cost Analysis ("PCA") from GLE Associates, Inc. ("GLE"). Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$75,000	\$75,000	\$75,000	\$750	\$37,500
Appraisal	\$6,500	\$6,500	\$6,500	\$65	
Architect's Fee - Site/Building Design	\$460,000	\$460,000	\$460,000	\$4,600	
Architect's Fee - Supervision	\$60,000	\$60,000	\$60,000	\$600	
Building Permits	\$521,680	\$569,702	\$569,702	\$5,697	
Builder's Risk Insurance	\$224,523	\$469,136	\$469,136	\$4,691	
Engineering Fees	\$300,000	\$360,000	\$360,000	\$3,600	
Environmental Report	\$25,000	\$25,000	\$25,000	\$250	
FHFC Administrative Fees	\$156,960	\$177,660	\$178,574	\$1,786	\$178,574
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$30	\$3,000
FHFC Credit Underwriting Fee	\$19,909	\$25,652	\$25,652	\$257	\$25,652
FHFC Compliance Fee	\$163,849	\$225,000	\$222,799	\$2,228	\$222,799
FHFC Other Processing Fee(s)		\$25,000		\$0	
Impact Fee	\$258,600	\$0	\$0	\$0	
Lender Inspection Fees / Const Admin	\$48,900	\$48,900	\$48,900	\$489	
Green Building Cert. (LEED, FGBC, NGBS)	\$30,000	\$30,000	\$30,000	\$300	
Insurance	\$140,000	\$200,000	\$200,000	\$2,000	
Legal Fees - Organizational Costs	\$350,000	\$400,000	\$400,000	\$4,000	\$200,000
Local Subsidy Underwriting Fee				\$0	
Market Study	\$5,500	\$5,500	\$5,500	\$55	\$5,500
Marketing and Advertising	\$100,000	\$100,000	\$100,000	\$1,000	\$100,000
Plan and Cost Review Analysis	\$3,600	\$3,600	\$3,600	\$36	
Property Taxes	\$214,000	\$270,000	\$270,000	\$2,700	\$135,000
Soil Test	\$15,000	\$15,000	\$15,000	\$150	
Survey	\$50,000	\$40,000	\$40,000	\$400	\$10,000
Tenant Relocation Costs		\$259,137	\$259,137	\$2,591	
Title Insurance and Recording Fees	\$150,000	\$200,000	\$200,000	\$2,000	\$50,000
Utility Connection Fees	\$396,900	\$396,900	\$396,900	\$3,969	
Soft Cost Contingency	\$188,901	\$208,119	\$208,119	\$2,081	
Other:				\$0	
Total General Development Costs:	\$3,967,822	\$4,658,806	\$4,632,519	\$46,325	\$968,025

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Joseph B. Kaller & Associates, P.A. dated September 15, 2022.
2. Engineering Fees are based on the Agreement for Professional Services by and between the owner and Keith and Associates, Inc. dba KEITH dated May 5, 2022.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2020-202. The total FHFC Credit Underwriting Fees are \$25,652.
4. Green Building Certification Fee is based on the National Green Building Standard Green Verifier agreement between Owner and Abney + Abney Green Solutions, dated March 20, 2023.
5. The City passed an ordinance to waive impact fees for affordable housing. The County waives all impact fees except for school fees. However, the County has issued its concurrency certificate and

stated a credit was applied to the school fees for the prior use as a trailer park, and therefore, no further fees are due.

6. Tenant Relocation Costs are the estimated costs associated with removing and relocating the tenants from the existing mobile home park once acquired by the Applicant.
7. Utility Connection Fees are estimates provided by the Applicant.
8. Soft cost contingency is within the 5% as allowed per the RFA and Rules.
9. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$136,000	\$165,000	\$165,000	\$1,650	
Construction Loan Closing Costs		\$81,151	\$81,151	\$812	
Construction Loan Interest	\$2,174,172	\$2,644,829	\$4,696,051	\$46,961	\$1,860,500
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee		\$25,000	\$25,000	\$250	\$25,000
Permanent Loan Origination Fee	\$643,660	\$45,000	\$45,000	\$450	\$45,000
Permanent Loan Closing Costs		\$100,912	\$100,912	\$1,009	\$100,912
Local HFA Application Bond Fee				\$0	\$0
Local HFA Bond Underwriting Fee		\$16,489	\$16,489	\$165	\$16,489
Local HFA Bond Trustee Fee		\$24,500		\$0	\$0
Local HFA Bond Cost of Issuance		\$169,538	\$482,130	\$4,821	\$482,130
Local HFA Bond Closing Costs		\$18,000	\$18,000	\$180	\$18,000
Local HFA Bond Interest		\$1,980,000		\$0	\$0
Local HFA Legal - Issuer's Counsel		\$81,000		\$0	\$0
Local HFA Legal - Lender's Counsel		\$15,000		\$0	\$0
SAIL Commitment Fee		\$40,000	\$40,000	\$400	\$40,000
SAIL Closing Costs		\$12,500	\$12,500	\$125	\$12,500
SAIL Interest				\$0	\$0
SAIL Servicing Fee				\$0	\$0
SAIL-ELI Commitment Fee		\$7,500	\$7,500	\$75	\$7,500
SAIL-ELI Closing Costs		\$6,500	\$6,500	\$65	\$6,500
SAIL-ELI Servicing Fee				\$0	
Misc Loan Origination Fee		\$10,000	\$10,000	\$100	
NHTF Subsidy Layering Review		\$1,951	\$1,951	\$20	\$1,951
NHTF Commitment Fee				\$0	\$0
NHTF Closing Costs		\$12,500	\$12,500	\$125	\$12,500
NHTF Servicing Fee		\$8,000	\$8,000	\$80	\$8,000
Legal Fees - Financing Costs		\$109,045	\$109,045	\$1,090	\$109,045
Placement Agent/Underwriter Fee		\$0	\$0	\$0	\$0
Initial TEFRA Fee		\$7,000	\$7,000	\$70	\$7,000
Other: Financial Advisor		\$39,000		\$0	\$0
Other: Issuer Fee		\$294,900		\$0	
Total Financial Costs:	\$2,953,832	\$5,915,315	\$5,844,729	\$58,447	\$2,753,027
Dev. Costs before Acq., Dev. Fee & Reserves	\$30,810,318	\$36,171,233	\$36,074,360	\$360,744	\$4,410,918

Notes to the Financial Costs:

1. Construction Origination Fee of \$165,000 is 0.75% of the maximum BofA construction loan amount of \$22,000,000.
2. Construction Loan Interest is based on SMG's estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimate assumes an "all-in" interest rate of 8.80%, a construction/stabilization period of 36 months, and 57% of the loans outstanding (on average) during the construction schedule.
3. Permanent Loan Application fee of \$25,000 is a non-refundable fee charged by Citi.
4. Permanent Loan Origination Fee is based on 1.00% of the permanent loan amount per Citi.

5. Local HFA Bond Cost of Issuance includes fees and expenses of the Issuer, Counsel, Trustee Fee, Servicer Fee, Legal, Conversion Fee and other fees.
6. SAIL Commitment Fee consists of a SAIL commitment fee equal to 1% of the SAIL amount.
7. SAIL-ELI Commitment Fee consists of an ELI commitment fee equal to 1% of the ELI Loan amount.
8. Miscellaneous Loan Origination Fee is a 1% fee charged by the City of Hollywood.
9. NHTF Servicing Fee represents the Environmental Review Fee for Section 3 required by the NHTF loan.
10. The SAIL, SAIL-ELI and NHTF closing costs are \$12,500, \$6,500 and \$12,500, respectively, for FHFC legal counsel fees.

			\$0	\$0	
			\$0	\$0	
			\$0	\$0	

Notes to the Non-Land Acquisition Costs:

1. Since this is a new construction development, there are no non-land acquisition costs.

	\$5,562,281	\$6,541,925	\$6,493,384	\$64,934	

Notes to the Other Development Costs:

1. Developer Fee does not exceed 18% of the Development’s construction cost, exclusive of land acquisition costs and reserves, as required per the RFA and Rule.

	\$35,000	\$35,000	\$35,000	\$350	\$35,000
	\$3,500,000	\$3,500,000	\$3,500,000	\$35,000	\$3,500,000
		\$243,992	\$243,992	\$2,440	\$243,992

Notes to the Land Acquisition Costs:

1. Applicant provided a fully executed Closing Statement dated October 6, 2022 between the “Lender”, Pinnacle Communities, LLC and the “Buyer”, Pinnacle 441 Phase 2, LLC with a purchase price of \$3,500,000 and a brokerage fee of \$35,000. Applicant also provided a Special Warranty Deed dated October 5, 2022 from TP Hollywood, LLC to Pinnacle 441 Phase 2, LLC.

The appraised value of the vacant land is \$3,500,000, which supports the purchase price.

2. Land Carrying Costs represent interest paid on the land purchase loan between Pinnacle Communities, LLC and Pinnacle 441 Phase 2, LLC.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)		\$281,291	\$281,291	\$2,813	\$281,291
Total Reserve Accounts:	\$0	\$281,291	\$281,291	\$2,813	\$281,291

Notes to Reserve Accounts:

1. Reserves – Operating Deficit is the Operating Deficit Reserve (“ODR”) required by the Syndicator (BofA). At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.

Notes to the Total Development Costs:

1. Per RFA 2022-205, Total Development Cost (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of High Rise – ESSC Construction, 8 stories, which had a maximum allowable per unit cost of \$440,000.00. Based on changes to TDC limits as approved at the June 2018 Board meeting and March 2020 Board meeting, the maximum allowable per unit cost is \$475,200.00. Pinnacle 441, Phase 2’s final TDC per unit is \$425,677.44.

Operating Pro Forma

OPERATING PRO FORMA			ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income		\$1,236,612	\$12,366
	Rent Subsidy (ODR)		\$0	\$0
	Other Income:			
	Miscellaneous		\$12,000	\$120
	Washer/Dryer Rentals		\$46,200	\$462
	Gross Potential Income		\$1,294,812	\$12,948
	Less:			
	Economic Loss - Percentage: 0.0%		\$0	\$0
	Physical Vacancy Loss - Percentage: 4.0%		(\$51,792)	(\$518)
	Collection Loss - Percentage: 1.0%		(\$12,948)	(\$129)
Total Effective Gross Revenue			\$1,230,071	\$12,301
EXPENSES	Fixed:			
	Ground Lease		\$0	\$0
	Sub-Ground Lease		\$0	\$0
	Real Estate Taxes		\$130,883	\$1,309
	Insurance		\$200,000	\$2,000
	Variable:			
	Management Fee - Percentage: 5.3%		\$65,704	\$657
	General and Administrative		\$40,000	\$400
	Payroll Expenses		\$150,000	\$1,500
	Utilities		\$97,500	\$975
	Marketing and Advertising		\$5,000	\$50
	Maintenance and Repairs		\$40,000	\$400
	Grounds Maintenance and Landscaping		\$20,000	\$200
	Resident Programs		\$0	\$0
	Contract Services		\$36,500	\$365
	Reserve for Replacements		\$30,000	\$300
Total Expenses			\$815,587	\$8,156
Net Operating Income			\$414,485	\$4,145
Debt Service Payments				
DEBT SERVICE	First Mortgage - Citibank, N.A.		\$288,504	\$2,885
	Second Mortgage - FHFC - SAIL		\$40,000	\$400
	Third Mortgage - FHFC - ELI		\$0	\$0
	Fourth Mortgage - FHFC-NHTF		\$0	\$0
	Fifth Mortgage - Broward County		\$0	\$0
	All Other Mortgages -		\$0	\$0
	First Mortgage Fees - Citibank, N.A.		\$11,850	\$119
	Second Mortgage Fees - FHFC - SAIL		\$11,023	\$110
	Third Mortgage Fees - FHFC - ELI		\$3,855	\$39
	Fourth Mortgage Fees - FHFC-NHTF		\$5,648	\$56
	Fifth Mortgage Fees - Broward County		\$0	\$0
	All Other Mortgages Fees -		\$0	\$0
	Total Debt Service Payments			\$360,880
Cash Flow After Debt Service			\$53,605	\$536

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.380
	DSC - Second Mortgage plus Fees	1.180
	DSC - Third Mortgage plus Fees	1.167
	DSC - Fourth Mortgage plus Fees	1.149
	DSC - Fifth Mortgage plus Fees	1.149
	DSC - All Mortgages and Fees	1.149
Financial Ratios		
	Operating Expense Ratio	66.3%
	Break-Even Ratio	91.1%

Notes to the Operating Pro forma and Ratios:

1. The development will be utilizing Housing Credits, SAIL, ELI and NHTF which will impose rent restrictions. Pinnacle 441, Phase 2 is projected to achieve 2022 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser’s estimate of achievable rents per comparable properties surveyed. The Applicant utilized the HUD Utility Allowance Chart for Broward County Housing Authority for High Rise (4 floors or more) dated January 1, 2023. The residents will pay for electricity and the Applicant will pay for water, sewer, pest control, and trash pick-up. There will be one Live/Work unit, but will be income qualified based on 60% AMI.

A rent roll for the Development is illustrated in the following table:

MSA/County: Fort Lauderdale HMFA / Broward County

			756									\$306	\$306	
			756									\$442	\$442	
			756									\$952	\$952	
			960									\$531	\$531	
			960									\$1,144	\$1,144	
			1,184									\$1,144	\$1,144	
			1,231									\$602	\$602	
			1,231									\$1,310	\$1,310	

2. Miscellaneous income includes vending income, late charges, pet deposits, forfeited security deposits, and other miscellaneous fees estimated at \$10 per unit per month.
3. The Development will offer full size washer/dryer appliances to rent to tenants. Seltzer concurs with Meridian’s projection of a participation rate of 70% and a monthly premium of \$55.
4. The appraiser estimates a stabilized physical vacancy rate of 4.0% and a collection loss of 1.0% for a physical occupancy of 96% and an economic occupancy of 95%.
5. Real estate tax expense is based on the Appraiser’s estimate.
6. Insurance expense is based on the Appraiser’s estimate.
7. Management Fees are based upon a Management Agreement executed on April 11, 2023 with a beginning date of January 1, 2025 and ending date of January 1, 2026. The management fee is the

greater of \$3,500 per month or 5% of the monthly gross receipts. There is also a compliance administration fee of \$3.50 per unit per month.

8. Resident Program costs are covered under General and Administrative cost.
9. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
10. Contract Services includes expenses for pest control, elevator maintenance, and fire protection estimated by the Appraiser at \$365 per unit.
11. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements. For underwriting purposes, Seltzer has increased Replacement Reserves beginning in Year 11 by 3% annually.
12. A 15-year income and expense projection reflects increasing debt service coverage ("DSC") through year 10. This projection is attached to this report as Exhibit 1.

Section B

Supporting Information and Schedules

Additional Development and Third Party Supplemental Information**Appraised Value:**

The appraised value is \$34,600,000 as if completed and stabilized, based on market rents and market financing as reported in the full narrative appraisal with an evaluation date of April 24, 2023 and a report date of May 25, 2023 performed by Meridian Appraisal Group, Inc. (“Meridian”). Robert Von and Erica A. Ernst are State Certified General Real Estate Appraisers and hold Florida Certified General Real Estate Appraiser License Numbers RZ1604 and RZ3560, respectively. In consideration of the appraised value and a permanent period first mortgage loan in the amount of \$4,500,000 from Citibank, N.A. (“Citi”), the Loan-to-Value (“LTV”) Ratio is 13.0%. The “all-in” LTV based on the first mortgage and SAIL of \$4,000,000 is 24.6%.

The appraised value is \$8,310,000 as if completed and stabilized and based on restricted rents and market financing. In consideration of the appraised value and a first mortgage loan in the amount of \$4,500,000, the LTV is 54.2%. The “all-in” LTV based on the first mortgage and SAIL of \$4,000,000 is 102.3%.

Meridian concluded the “As Is” land value for the Development is \$3,500,000, which supports the purchase price.

As reflected in the Appraisal, Pinnacle 441, Phase 2 will consist of 100, high rise units within one, eight-story building. Common area amenities

include a community room, computer room and picnic area. Additionally, the Development will have access to Phase I's amenities including fitness center, pet park area and covered patio/picnic area. Eighteen of the units will have patios/balconies. Additionally, the Development will have one, two bedroom/2.5 bath Live/Work unit that will be income restricted at 60% AMI.

The Primary Market Area ("PMA") is considered to be the area within a ten-mile radius of the Development. Meridian believes that the Development will receive the majority of its tenants from within ten miles. The Competitive Market Area ("CMA") is defined as those developments lying in closest proximity to the Development that are competitive. There are seventeen like-kind properties, consisting of 3,048 units. Note, there are six funded proposed properties but no Guarantee Fund properties located within the Development's PMA or CMA. Meridian projects a moderate impact in the short term to all five of the like-kind (existing) developments with similar income restrictions and demographic commitments located within a three-mile radius of the Development. Meridian projects a weak impact to all developments in the CMA over the long term. The weighted average occupancy of the comparable properties within the Developments CMA is 99.2% (more than the 92% minimum required by Rule).

Meridian concluded that there are an adequate number of households within the income band necessary to support demand for the Development's units in the current market environment. The annual growth rate of income-qualified renter households in the PMA of 98 is smaller than the Development with 100 affordable units. A Capture Rate of 10% or less in the five-mile ring is a typical developer's benchmark that a development is appropriately sized for the market. The Development's capture rate within a three-mile ring of the PMA is 1.2%, 0.5% in the five-mile ring and 0.2% in the 10-mile ring and indicates that there is sufficient demand for the subject units. Based on Meridian's analysis, it appears the Development is appropriately sized, relative to the number of the income-qualified renter households in the market which supports the Development's achievement of stabilized occupancy.

Meridian projects that the Development will obtain maximum allowable 2022 HC rents at all AMI levels, less utility allowances as required by the HC Program. The utility allowances are based on the most recent HUD chart for Broward County Housing Authority (high-rise construction) dated January 1, 2023. According to FHFC requirements, market rents are to exceed restricted rents by a minimum of 10%. In Meridian's analysis, the estimated Market Rents exceed the estimated average Restricted Rents by 142%.

As restricted by the Low Income Housing Tax Credit (“LIHTC”) program, Meridian estimates the Development would have an average absorption rate of 25 units per month. Due to the current strong and consistent demand for low-income affordable housing, Meridian anticipates stabilized occupancy of 96% within four months of final construction completion (assuming all units are completed as scheduled).

Environmental Report:

Gallagher Bassett Services, Inc. (“Gallagher”) of Miami Lakes, Florida performed a Phase I Environmental Site Assessment (“ESA”) in accordance with ASTM Standard E-1527-13. The ESA indicates an issuance date of May 19, 2022, and a report viability date of October 29, 2023.

Based on historical research, Gallagher notes that the property appeared to have been undeveloped land in the 1940s and early 1950s. By the late 1950s, the site was developed and used as a mobile home park. The surrounding properties consisted of Florida Department of Transportation (“FDOT”) owned land, residential properties, retail stores, legal offices, automotive repair facilities, and automobile dealership.

Gallagher’s assessment revealed no evidence of any Recognized Environmental Conditions (“RECs”) or Controlled RECs in connection with the Development site. Gallagher recommends no additional investigation at this time.

Soil Test Report:

Seltzer has reviewed a Report of Subsurface Exploration & Geotechnical Engineering Study completed by NV5, Inc. (“NV5”) dated January 30, 2023.

NV5 explored the site subsurface with six engineering test borings drilled to approximately 50 feet below existing grade. Samples of the subsurface materials were recovered at roughly two foot intervals within the upper 10 feet of the borings and approximately five foot intervals thereafter, using a Standard Penetration Test (“SPT”) split spoon sampler in accordance with ASTM D-1586. NV5 also performed two field permeability tests to 10 feet deep in general accordance with the South Florida Water Management District’s Usual Open Hole Procedure.

NV5 test borings encountered sand and limestone fragments within the first layer, limestone in the second layer, sand in the third layer and limestone in the fourth layer. Groundwater was encountered in the borings at depths of approximately 7.9 to 8.8 feet below the existing ground surface.

Assuming the site has been prepared as recommended by NV5 and the recommended vibro-replacement stone column ground improvement has been properly performed and verified, NV5 states the proposed building may be supported on shallow foundations designed for an

allowable bearing pressure of 8,000 psf. NV5 was not provided with structural loads but estimate maximum column loads of approximately 900 kips for the eight-level structure and exterior wall footings around 20 kips per lineal foot. Ground floor slabs will be loaded to around 150 pounds per square foot. NV5 provided recommendations for suitable fill material and compaction of fill soils, foundation support and compaction, floor slab, as well as typical recommendations for pavement areas. SMG's recommendation is conditioned upon strict adherence to the recommendations within NV5's geotechnical report.

Pre-Construction Analysis:

SMG has reviewed a Plan and Cost Analysis ("PCA") from GLE Associates, Inc. ("GLE") dated May 24, 2023.

The PCA report states that the plans and specifications manual for the construction appear to be adequately prepared to provide the information necessary to satisfactorily complete the construction. GLE states that all documents provided have been reviewed for completeness and general compliance with applicable building codes and standard construction practices including ASTM standards. GLE also indicates that all FHFC Features and Amenities have been included in the plans and specifications.

The PCA states that the Development has been designed to comply with the 2020 Florida Building Code, 2020 Florida Accessibility Code, Florida Fire Prevention Code, Fair Housing Act Design Guide, Section 504, and Americans with Disabilities Act of 1990.

GLE reviewed a GMP A102-2017 Agreement between Owner and Contractor, dated April 27, 2023, in the amount of \$23,456,789. The estimated value of the projected hard construction costs for the site work is \$1,943,452 or approximately \$23.21 per square foot, for the proposed acres of developed area. GLE's opinion is that this cost is within an acceptable range for the scope of work indicated. The estimated value of the projected hard construction costs for the vertical construction is \$18,486,499 or approximately \$151.12 per square foot. It is GLE's opinion that this cost per square foot is within an acceptable range for the scope of work indicated. GLE notes that individual line item costs generally appear appropriate. It should be noted that the Borrower included a Hard Cost Contingency of \$1,641,975 or 7.00% of the overall development budget. This contingency amount is not included in the GMP contract. GLE recommends a 6-8% contingency be provided, for a development of this scope and size.

The construction schedule indicates the Development's substantial completion in 485 days. However, the Owner/Contractor Agreement indicates the Contractor will achieve substantial completion in 480 days from the date of commencement. GLE recommends the construction

schedule be revised to conform with the development duration contractually obligated by the Contractor. GLE notes that this duration appears appropriate for this development and that milestones associated with major trades appear satisfactory.

Site Inspection:

Carrie Staley of Seltzer Management Group, Inc. conducted a site visit on June 7, 2023, for the above referenced development.

The subject site was previously an active mobile home park but is now vacant. Apollo Middle School, Boulevard Heights Elementary School, and Hollywood Park Elementary School are within five miles and west of the site. Nativity Elementary School and BridgePrep Academy are within two miles and east of the site. McArthur High School is within five miles and west of the site. Broward College-South Campus is within two miles of the site. Memorial Regional Hospital, Florida Medical Health Care and AFC Urgent Care Hollywood are within five miles and west of the site. Multiple retail outlets/grocery stores are within five miles of the site and include Lowes, Walmart, Publix, Ross, and Bealls Outlet. There are multiple dining establishments within five miles of the site and include Chili's, Dunkin Donuts, and non-chain restaurants. There are a variety of churches within two miles and multiple parks within five miles of the site, including Montella Park, Washington Park, and Zinkil Park. There are two Elderly affordable housing communities (Pembroke Tower Apartments, Gardens at Driftwood) within four miles of the site. Additionally, there are numerous affordable housing communities, including East Village and Crystal Lakes, within five miles of the site. I-95 Express is east of the site, approximately nine miles of the site. Highway 595 is approximately 12 miles north of the site. Amtrack/T-Rail station is within 3.2 miles of the site. Multiple Broward County Transit bus stops are within two miles of the site. The Fort Lauderdale-Hollywood International Airport is within 13 miles of the site.

There does not appear to be any apparent adverse conditions that would negatively affect this development nor impair the property's ability to attract tenants.

Features, Amenities, and Resident Programs:

Borrower committed to provide certain features and amenities and certain resident programs in the RFA 2022-205 Application. These commitments are set forth in the attached Exhibit 2.

Borrower Information

Applicant/Borrower Name: Pinnacle 441 Phase 2, LLC (“Applicant”)

Applicant/Borrower Type: Florida Limited Liability Company

Ownership Structure: Pinnacle 441 Phase 2, LLC is a Florida Limited Liability Company registered with the State of Florida on September 23, 2015. A copy of the Operating Agreement was provided. The Secretary of State of the State of Florida reflects Applicant as active. The Member of Applicant is PC 441 Phase 2, LLC (“PC 441”) with a 0.01% ownership interest. David O. Deutch is the initial Member with a 99.99% ownership interest.

PC 441 is a Florida Limited Liability Company registered with the State of Florida on September 16, 2020. Its Operating Agreement has been provided to SMG. The Secretary of State of the State of Florida reflects PC 441 as active. PC 441 sole member is PC GP Holdings, LLC (“PC Holdings”), which is owned by Louis Wolfson, III (33.33%), Estate of Mitchell M. Friedman (33.33%) and David O. Deutch (33.34%). PC Holdings is a Florida Limited Liability Company registered with the State of Florida on September 19, 2018. A copy of its Operating Agreement was provided to SMG.

At closing, Bank of America, N.A. or an affiliate will replace David Deutch as the 99.99% Investor Limited Member.

The Developer of Pinnacle 441 is Pinnacle Communities, LLC (“PC”). PC is owned by Louis Wolfson, III (33.33%), Estate of Mitchell M. Friedman (33.33%) and David O. Deutch (33.34%). The General Contractor will be PC Building, LLC of Miami, Florida, a related entity, and the on-site Property Manager will be Professional Management, Inc. (“PMI”), of Miami, Florida.

Contact Information: David O. Deutch
Telephone: 305-854-7100
Email: david@pinnaclehousing.com

Address: 9400 S. Dadeland Blvd., Suite 100
Miami, Florida 33156

Federal Employer ID: 87-3564095

Experience: Applicant, and its Member, PC 441 are new entities formed for the purpose of constructing and operating Pinnacle 441, Phase 2. In and of themselves, they have no development experience. PC and its principals; however, have extensive experience in developing and managing affordable housing communities. PC was formed on September 20, 2018 and under the Pinnacle family of companies, been dedicated to full service real estate development and construction. Pinnacle focuses on

providing best-in-class multifamily luxury and affordable/workforce housing communities. Pinnacle's development portfolio now approaches nearly 10,000 multifamily units located in Florida, Texas and Mississippi. It has a strong concentration in the State of Florida.

Credit Evaluation:

A May 30, 2023, Experian Business Report for the Applicant reflected no trade lines with no late pay activity and no significant adversities. Public record data reflected no bankruptcies, judgments, tax liens, or UCC filings.

A May 30, 2023, Experian Business Report for PC 441 reflected no trade lines with no late pay activity and no significant adversities. Public record data reflected no bankruptcies, judgments, tax liens, or UCC filings.

A Business Credit Report for PC was not available as of May 30, 2023.

A May 30, 2023, Experian Business Report for PC Holdings reflected no trade lines with no late pay activity and no significant adversities. Public record data reflected no bankruptcies, judgments, tax liens, or UCC filings.

May 30, 2023 Merged Credit Reports for the Principals, Mr. Wolfson, Mr. Deutch and the Estate of Mr. Friedman reflected satisfactory personal credit histories, with no collections or negative filings in public records.

Bank and Trade References:

Applicant and PC 441 are newly formed single-purpose entities formed expressly to acquire, own, develop, and operate real property, and have no bank or business references.

Bank and trade references for PC, Mr. Wolfson and Mr. Deutch reported satisfactory business relationships.

Financial Statements:

Applicant and PC 441 are newly formed single-purpose entities formed expressly to acquire, own, develop, and operate real property, and have no financial statements.

Pinnacle Communities, LLC

Cash and Equivalents:	\$672,629
Total Assets:	\$17,538,329
Total Liabilities:	\$20,582,842
Total Equity:	(\$3,044,513)

Financial information for PC is based upon an internally prepared April 30, 2023 financial statement. Also provided for SMG review was Form 1065 Federal Tax Return for 2020, 2021 and an extension for 2022. Major assets other than Cash and Equivalents include Due from Affiliates and Project Investments. Major liabilities include Accounts Payable, Lines of Credit and Due to Affiliates.

SMG has received April 30, 2023 bank statements for PC. The bank statements supported cash and equivalents as stated in the most currently submitted financial statement.

Louis Wolfson, III:

Cash and Cash Equivalents	\$ 10,898,994
Total Assets:	\$ 38,752,057
Total Liabilities:	\$ 1,000,000
Net Worth:	\$ 37,752,057

The financial information is based upon internally prepared certified financial statements for the period ending March 31, 2023. Assets primarily consist of cash and cash equivalents, market value of company and real estate, trust principal and a personal residence. Seltzer reviewed the 2020 and 2021 U.S. Income Tax Returns, which were satisfactory. A copy of an extension was provided for the 2022 tax return.

SMG has received March 31, 2023 bank statements for Mr. Wolfson. The bank statements supported cash and equivalents as stated in the most currently submitted financial statement.

David O. Deutch:

Cash and Cash Equivalents	\$39,640,467
Total Assets:	\$77,675,859
Total Liabilities:	\$ 9,000
Net Worth:	\$77,666,859

The financial information is based upon internally prepared certified financial statements for the period ending March 31, 2023. Assets primarily consist of cash and cash equivalents, personal property, market value of company and a personal residence. Seltzer reviewed the 2020 and 2021 U.S. Income Tax Returns, which were satisfactory. A copy of an extension was provided for the 2022 tax return.

SMG has received March 31, 2023 bank statements for Mr. Deutch. The bank statement supported cash and equivalents as stated in the most currently submitted financial statement.

The Estate of Mitchell M. Friedman:

Cash and Cash Equivalents	\$16,892,861
Total Assets:	\$94,670,385
Total Liabilities:	\$25,000,000
Net Worth:	\$69,670,385

The financial information is based upon internally prepared certified financial statements for the period ending March 31, 2023. Assets primarily consist of cash and cash equivalents, investments, market value

of real estate investments, notes receivable and other investments. Seltzer reviewed the 2020 and 2021 U.S. Income Tax Returns, which were satisfactory. A copy of an extension was provided for the 2022 tax return.

SMG has received March 31, 2023 bank statements for the Estate of Mr. Friedman. The bank statements supported cash and equivalents as stated in the most currently submitted financial statement.

Contingent Liabilities:

There are no contingent liabilities reported for Applicant, PC 441, and PC.

Louis Wolfson reflects contingent liabilities of \$68,146,966 as of December 31, 2022. David Deutch reflects contingent liabilities of \$68,146,966 as of December 31, 2022. Mitchell Friedman reflects contingent liabilities of \$95,146,966 (with estimated Estate Tax Liability) as of December 31, 2022. The Statements of Financial and Credit Affairs for each company and principals do not reflect any lawsuits/litigations.

Summary:

The principals appear to have the experience and financial resources to develop and operate the Development.

Guarantor Information

Guarantor Name:	Pinnacle 441 Phase 2, LLC; PC 441 Phase 2, LLC; Pinnacle Communities, LLC; and Louis Wolfson III; David O. Deutch; The Estate of Mitchell M. Friedman, individually
Contact Information:	David O. Deutch Telephone: 305-854-7100 Email: david@pinnaclehousing.com
Address:	9400 S. Dadeland Blvd., Suite 100 Miami, Florida 33156
Nature of the Guarantee:	<p>The Guarantors will sign standard FHFC Construction Completion, Environmental Indemnity, Recourse Obligation and Operating Deficit Guaranties. The Construction Completion Guaranty will be released upon 100% lien-free completion as approved by the Servicer.</p> <p>For the SAIL, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage (“DSC”) Ratio on the combined permanent first mortgage and SAIL, as determined by the FHFC or Servicer and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant (“CPA”), and verified by the Servicer. The calculation of the DSC Ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy (“C/O”).</p>
Financial Statements:	Please refer to the Borrower Information section of this Credit Underwriting Report.
Contingent Liabilities:	Please refer to the Borrower Information section of this Credit Underwriting Report.
Summary:	Based upon the financial information provided, the Guarantors (through its principals) appear to have adequate development experience and financial strength to serve as Guarantors for the Development.

Syndicator Information

Syndicator Name: Bank of America, N.A. (“BofA”) and or its affiliates

Contact Person: Nicole Baldon, Senior Vice President
(704) 737-3023 Telephone

Address: 101 East Kennedy Blvd.
Tampa, FL 33602

Experience: BofA has more than 30 years of affordable housing experience. BofA serves a range of affordable housing needs from individuals, families, seniors, students, veterans, homeless, those with special needs and other at-risk groups. BofA has contributed to 215,800 affordable housing units from 2005 to 2020. Bank of America has extensive experience as a tax credit syndicator throughout the country, and has successfully syndicated several FHFC transactions.

Financial Statements: Bank of America Corporation:

Cash and Equivalents:	\$27,784,000,000
Total Assets:	\$3,096,058,000,000
Liabilities:	\$2,818,806,000,000
Shareholder Equity:	\$277,252,000,000

The Bank of America financial information is from the Form 10-Q as submitted to the United States Securities and Exchange Commission (“SEC”). The 10-Q was for the period ended March 31, 2023. Financial information for Bank of America is available on its website, www.bankofamerica.com.

General Contractor Information

General Contractor Name: PC Building, LLC (“PC Building”)

Type: Florida Limited Liability Company

Contact Person: Felix Braverman

305-854-7100 Telephone
305-859-9858 Facsimile
fbraverman@pinnaclehousing.com E-Mail

Address: 9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156

Experience: PC Building is an affiliate of Pinnacle Communities, LLC (“PC”) and was organized on February 20, 2020, by Principals of the PC, Louis Wolfson, III, David O. Deutch and Mitchell M. Friedman. PC Building is licensed and can build or rehabilitate communities either as a fully-licensed general contractor or as the construction manager. PC Building, through its principals, possesses experience in all facets and types of multifamily and mixed use construction, having successfully completed the construction of thousands of units in South Florida for PC. Felix Braverman is Vice President of Construction and has an extensive and diverse background in structural engineering, design, contract administration, land development and project management. Mr. Braverman brings to PC the hands-on, on-site construction experience necessary to direct the many ongoing and new developments throughout the State of Florida. Mr. Braverman is a registered Professional Engineer, Licensed General Contractor and Special Inspector of Threshold Type Buildings in the State of Florida. PC Building, through its principals and Mr. Braverman have an extensive and growing track record of constructing and rehabilitating developments for PC throughout Florida, using all known construction designs from high-rise to garden apartments and townhomes, and established methods for both concrete block and frame construction. SMG was provided a prior experience chart reflecting three completed developments, representing 504 apartment units with high-rise development types.

Florida General Contractor License No. CGC1529165 reflects the names of PC Building and Mr. Braverman; it has an August 31, 2024, expiration date.

Credit Evaluation: A May 30, 2023, Experian Business Report for PC Building reflected two trade lines with no late pay activity and no significant adversities. Public record data reflected no bankruptcies, judgments, tax liens, or UCC filings.

Bank and Trade References: Banking, trade and business references for PC Building reported satisfactory working relationships and payment history.

Financial Statements: *PC Building, LLC:*

Cash and Equivalents:	\$1,587,683
Total Assets:	\$4,461,917
Total Liabilities:	\$4,338,769
Members' Equity:	\$123,148

Financial information for PC Building is from December 31, 2021, Reviewed Financial Statements prepared by Cohn Reznick, L.L.P., Atlanta, Georgia. Major assets other than Cash and Equivalents are Contract Receivables and Prepaid Expenses. Liabilities include Construction Cost Payable, Due to Affiliate, Billings in Excess of Costs and Retainage Payable. Also provided for SMG review was the 2020 and 2021 Form 1065 Federal Tax Returns plus a 2022 Form 7004 Application for Extension.

Contingent Liabilities: Per a Statement of Financial/Credit Affairs form dated May 10, 2023, PC Building reports no contingent liabilities.

Surety: Applicant to provide an Application and Agreement for an Irrevocable Standby Letter of Credit in the amount of 25% of the GC Contract in the name of the Applicant, with BofA, FHFC and Broward County listed as the beneficiary.

Summary: SMG recommends that PC Building be accepted as the general contractor subject to the conditions listed in the Recommendations section of this report, if any.

Property Manager Information

Property Manager Name: Professional Management, Inc. ("PMI")

Type: A Florida Corporation

Contact Information: Carrie Brewer, Vice President

305-270-0870 Telephone
305-279-5703 Facsimile
Carrieb@pmiflorida.com E-Mail

Address: 9095 SW 87th Avenue, Suite 777
Miami, Florida 33176

Experience: Formed in 1969, PMI provides real estate management services to institutional and private investors throughout the State of Florida. PMI's primary focus is residential housing; however, it also manages commercial office buildings, condominiums, warehouses, and shopping centers. PMI has managed more than 10,000 residential apartment units since its founding. With regional offices in Orlando and Clearwater, it has a staff of approximately 350 employees.

Management Agreement: Applicant submitted a Management Agreement executed April 11, 2023 with a term beginning January 1, 2025 and ending January 1, 2026, and thereafter for yearly periods except either may terminate upon a 30 day notice prior to the anniversary date of the agreement. Compensation to the Management Agent will be equal to the greater of \$3,500 per month or 5.00% of the monthly gross receipts. There is also a compliance administration fee of \$3.50 per unit per month. There will be ancillary fees such as a one-time set-up fee of one-half of the one-month management fee along with the first month management fee, a one-time lease up fee of \$250 per unit payable once the property is 100% occupied.

Management Plan: Applicant submitted a PMI Management Plan that appears satisfactory.

Summary: The selection of PMI has previously been approved by the FHFC Asset Management Department. However, the FHFC Asset Management Department will need to approve the selection of PMI as the management company for Pinnacle 441, Phase 2 prior to the commencement of lease-up activity. Continued approval will be contingent upon ongoing satisfactory performance.

Exhibit 1
Pinnacle 441, Phase 2
15 Year Income and Expense Projection

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$1,236,612	\$1,261,344	\$1,286,571	\$1,312,303	\$1,338,549	\$1,365,320	\$1,392,626	\$1,420,478	\$1,448,888	\$1,477,866	\$1,507,423	\$1,537,572	\$1,568,323	\$1,599,689	\$1,631,683
	Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other Income:															
	Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Miscellaneous	\$12,000	\$12,240	\$12,485	\$12,734	\$12,989	\$13,249	\$13,514	\$13,784	\$14,060	\$14,341	\$14,628	\$14,920	\$15,219	\$15,523	\$15,834
	Washer/Dryer Rentals	\$46,200	\$47,124	\$48,066	\$49,028	\$50,008	\$51,009	\$52,029	\$53,069	\$54,131	\$55,213	\$56,318	\$57,444	\$58,593	\$59,765	\$60,960
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Potential Income	\$1,294,812	\$1,320,708	\$1,347,122	\$1,374,065	\$1,401,546	\$1,429,577	\$1,458,169	\$1,487,332	\$1,517,079	\$1,547,420	\$1,578,369	\$1,609,936	\$1,642,135	\$1,674,977	\$1,708,477
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 4.0%	(\$51,792)	(\$52,828)	(\$53,885)	(\$54,963)	(\$56,062)	(\$57,183)	(\$58,327)	(\$59,493)	(\$60,683)	(\$61,897)	(\$63,135)	(\$64,397)	(\$65,685)	(\$66,999)	(\$68,339)
Collection Loss - Percentage: 1.0%	(\$12,948)	(\$13,207)	(\$13,471)	(\$13,741)	(\$14,015)	(\$14,296)	(\$14,582)	(\$14,873)	(\$15,171)	(\$15,474)	(\$15,784)	(\$16,099)	(\$16,421)	(\$16,750)	(\$17,085)	
Total Effective Gross Revenue	\$1,230,071	\$1,254,673	\$1,279,766	\$1,305,362	\$1,331,469	\$1,358,098	\$1,385,260	\$1,412,965	\$1,441,225	\$1,470,049	\$1,499,450	\$1,529,439	\$1,560,028	\$1,591,229	\$1,623,053	
EXPENSES	Fixed:															
	Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Real Estate Taxes	\$130,883	\$134,809	\$138,854	\$143,019	\$147,310	\$151,729	\$156,281	\$160,970	\$165,799	\$170,773	\$175,896	\$181,173	\$186,608	\$192,206	\$197,972
	Insurance	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810	\$245,975	\$253,354	\$260,955	\$268,783	\$276,847	\$285,152	\$293,707	\$302,518
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Variable:															
	Management Fee - Percentage: 5.3%	\$65,704	\$67,018	\$68,358	\$69,725	\$71,120	\$72,542	\$73,993	\$75,473	\$76,982	\$78,522	\$80,092	\$81,694	\$83,328	\$84,995	\$86,694
	General and Administrative	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$49,195	\$50,671	\$52,191	\$53,757	\$55,369	\$57,030	\$58,741	\$60,504
	Payroll Expenses	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$173,891	\$179,108	\$184,481	\$190,016	\$195,716	\$201,587	\$207,635	\$213,864	\$220,280	\$226,888
	Utilities	\$97,500	\$100,425	\$103,438	\$106,541	\$109,737	\$113,029	\$116,420	\$119,913	\$123,510	\$127,215	\$131,032	\$134,963	\$139,012	\$143,182	\$147,477
	Marketing and Advertising	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,721	\$6,921	\$7,129	\$7,343	\$7,563
	Maintenance and Repairs	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$49,195	\$50,671	\$52,191	\$53,757	\$55,369	\$57,030	\$58,741	\$60,504
	Grounds Maintenance and Landscaping	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878	\$27,685	\$28,515	\$29,371	\$30,252
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services	\$36,500	\$37,595	\$38,723	\$39,885	\$41,081	\$42,314	\$43,583	\$44,890	\$46,237	\$47,624	\$49,053	\$50,525	\$52,040	\$53,601	\$55,210
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Reserve for Replacements	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$31,827	\$32,782	\$33,765	\$34,778
	Total Expenses	\$815,587	\$838,497	\$862,082	\$886,361	\$911,354	\$937,084	\$963,571	\$990,838	\$1,018,908	\$1,047,806	\$1,078,455	\$1,110,008	\$1,142,491	\$1,175,932	\$1,210,360
	Net Operating Income	\$414,485	\$416,176	\$417,684	\$419,001	\$420,115	\$421,014	\$421,689	\$422,127	\$422,316	\$422,243	\$420,995	\$419,432	\$417,537	\$415,296	\$412,693
	Debt Service Payments															
DEBT SERVICE	First Mortgage - Citibank, N.A.	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504	\$288,504
	Second Mortgage - FHFC - SAIL	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
	Third Mortgage - FHFC - ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fourth Mortgage - FHFC-NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage - Broward County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - Citibank, N.A.	\$11,850	\$11,797	\$11,740	\$11,680	\$11,617	\$11,550	\$11,479	\$11,403	\$11,324	\$11,239	\$11,150	\$11,055	\$10,954	\$10,848	\$10,735
	Second Mortgage Fees - FHFC - SAIL	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023	\$11,023
	Third Mortgage Fees - FHFC - ELI	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855
	Fourth Mortgage Fees - FHFC-NHTF	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648	\$5,648
	Fifth Mortgage Fees - Broward County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	All Other Mortgage Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total Debt Service Payments	\$360,880	\$360,826	\$360,770	\$360,710	\$360,647	\$360,580	\$360,508	\$360,433	\$360,353	\$360,269	\$360,179	\$360,084	\$359,984	\$359,878	\$359,765
Cash Flow After Debt Service	\$53,605	\$55,349	\$56,915	\$58,291	\$59,468	\$60,435	\$61,181	\$61,694	\$61,963	\$61,975	\$60,816	\$59,347	\$57,553	\$55,419	\$52,928	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.380	1.386	1.391	1.396	1.400	1.403	1.406	1.408	1.409	1.409	1.405	1.400	1.394	1.387	1.379	
DSC - Second Mortgage plus Fees	1.180	1.185	1.189	1.193	1.196	1.199	1.201	1.203	1.204	1.204	1.201	1.196	1.191	1.185	1.178	
DSC - Third Mortgage plus Fees	1.167	1.172	1.176	1.180	1.183	1.186	1.188	1.190	1.191	1.191	1.187	1.183	1.178	1.172	1.165	
DSC - Fourth Mortgage plus Fees	1.149	1.153	1.158	1.162	1.165	1.168	1.170	1.171	1.172	1.172	1.169	1.165	1.160	1.154	1.147	
DSC - Fifth Mortgage plus Fees	1.149	1.153	1.158	1.162	1.165	1.168	1.170	1.171	1.172	1.172	1.169	1.165	1.160	1.154	1.147	
DSC - All Mortgages and Fees	1.149	1.153	1.158	1.162	1.165	1.168	1.170	1.171	1.172	1.172	1.169	1.165	1.160	1.154	1.147	
Financial Ratios																
Operating Expense Ratio	66.3%	66.8%	67.4%	67.9%	68.4%	69.0%	69.6%	70.1%	70.7%	71.3%	71.9%	72.6%	73.2%	73.9%	74.6%	
Break-Even Ratio	91.1%	91.1%	91.0%	91.0%	91.0%	91.0%	91.1%	91.1%	91.2%	91.3%	91.4%	91.6%	91.8%	92.0%	92.2%	

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Pinnacle 441, Phase 2

DATE: June 13, 2023

In accordance with applicable Program Rule(s), the Borrower is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("Florida Housing" or "FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

11. Resumes and experience of Borrower, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT'S RESPONSES: None

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$46,628,027
Less Land Cost	(\$3,778,992)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$4,692,209)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$38,156,827
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$49,603,875
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,984,155

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of new rental units, site work, demolition work, washers and dryers, accounting fees, legal fees, market study, marketing and advertising, property taxes, survey, title insurance, a portion of construction loan interest, permanent loan fees, FHFC Loan commitment fees, FHFC administrative, application, compliance and underwriting fees, bond costs, and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is currently not located in a Difficult Development Area ("DDA") nor a Qualified Census Tract ("QCT"). The Development was previously located within a QCT and must close within 730 days (or September 23, 2023) in order to receive the 130% basis boost. Therefore, the 130% basis credit has been applied to the Eligible Basis.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% has therefore been applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$46,628,027
Less Mortgages	(\$22,100,000)
Less Grants	\$0
Equity Gap	\$24,528,027
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9775
HC Required to Meet Gap	\$25,095,120
Annual HC Required	\$2,509,512

Notes to the Gap Calculation:

1. Mortgages include the Citi first mortgage, FHFC SAIL second mortgage, FHFC ELI third mortgage, FHFC NHTF fourth mortgage, Broward County fifth mortgage, and City of Hollywood sixth mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the May 2, 2023 LOI from BofA.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$38,156,827
Plus Land Cost	\$3,778,992
Aggregate Basis	\$41,935,819
Tax-Exempt Bond Amount	\$22,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$22,000,000
Proceeds Divided by Aggregate Basis	52.46%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRB amount to be 52.46% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Qualified Basis	\$1,984,155
HC per Gap Calculation	\$2,509,512
Annual HC Recommended	\$1,984,155

Notes to the Summary:

- 1. The Annual HC Recommended is based on the Qualified Basis calculation.

ATTACHMENT 2

RESOLUTION NO. 2023 - _____

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on June 21, 2023, at the offices of the Housing Finance Authority of Broward County, Florida, 110 Northeast Third Street, Suite 201, in the City of Fort Lauderdale, Florida.

Present: _____

Absent: _____

* * * * *

Thereupon, the following resolution was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "HOUSING FINANCE AUTHORITY") AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$22,000,000 MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2023 (PINNACLE 441 PHASE 2) (THE "BONDS") FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF PINNACLE 441 PHASE 2 LOCATED IN BROWARD COUNTY, FLORIDA (THE "PROJECT"); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING INTEREST RATES, INTEREST PAYMENT DATES, MATURITY SCHEDULE, AND OTHER TERMS OF SUCH BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF (I) A TRUST INDENTURE BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE (THE "TRUSTEE"); (II) A LOAN AGREEMENT BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND PINNACLE 441 PHASE 2, LLC (THE "BORROWER"); (III) A LAND USE RESTRICTION AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE TRUSTEE, AND THE BORROWER; (IV) A BOND PURCHASE AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE BORROWER, AND RBC CAPITAL MARKETS, LLC AND RAYMOND JAMES & ASSOCIATES, INC., AS BOND PURCHASER (COLLECTIVELY, THE "PURCHASER"); (V) A TRUSTEE FEE AGREEMENT BY AND

BETWEEN THE HOUSING FINANCE AUTHORITY AND THE TRUSTEE; AND (VI) A COLLATERAL FUNDS AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE BORROWER, THE TRUSTEE, AND BANK OF AMERICA, N.A., AS CONSTRUCTION LENDER; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE HOUSING FINANCE AUTHORITY OF CERTAIN ADDITIONAL AGREEMENTS, INSTRUMENTS, CERTIFICATIONS, AND AFFIDAVITS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS TO THE PURCHASER PURSUANT TO THE BOND PURCHASE AGREEMENT; AUTHORIZING THE APPOINTMENT OF A BIDDING AGENT PURSUANT TO THE BOND PURCHASE AGREEMENT; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE BONDS AND AUTHORIZING THE PREPARATION, DISTRIBUTION, AND EXECUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A TRUSTEE, PAYING AGENT, AND REGISTRAR OF THE BONDS; AUTHORIZING THE HOUSING FINANCE AUTHORITY TO CONSENT TO THE BORROWER PLACING SUBORDINATE FINANCING ON THE PROJECT AND APPROVING THE EXECUTION OF SUCH AGREEMENTS AS MAY BE NECESSARY IN CONNECTION WITH SUCH CONSENT; WAIVING THE FEE FOR SERVICES RELATED TO THE HOUSING FINANCE AUTHORITY'S ANNUAL AUDIT OF THE PROJECT; PARTIALLY WAIVING ARTICLE IV, SECTION F OF THE HOUSING FINANCE AUTHORITY'S POLICIES AND PROCEDURES FOR MULTI-FAMILY HOUSING BOND PROGRAM PERTAINING TO MAILING PRELIMINARY OFFICIAL STATEMENTS TO PERMIT THE POSTING OF THE PRELIMINARY OFFICIAL STATEMENT PRIOR TO RECEIPT OF BOND ISSUANCE APPROVAL FROM THE BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS; AUTHORIZING THE PROPER OFFICERS OF THE HOUSING FINANCE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority") is empowered under (i) the laws of the State of Florida, including the Florida

Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the “Act”), and (ii) Ordinance 79-41 enacted by the Board of County Commissioners (the “Board”) of Broward County, Florida (the “County”) on June 20, 1979 (the “Ordinance”), as amended, to issue multifamily housing revenue bonds; and

WHEREAS, the Housing Finance Authority is authorized under the Act to issue its revenue bonds for the purpose of paying the cost of a “qualifying housing development” within the meaning of the Act which includes the acquisition and construction of multifamily housing developments; and

WHEREAS, the Housing Finance Authority desires to issue multifamily housing revenue bonds in an amount not to exceed \$22,000,000 (the “Bonds”) for the purpose of financing the acquisition, construction, and equipping of a 100-unit multifamily residential rental housing development in Hollywood, Broward County, Florida, to be known as Pinnacle 441 Phase 2 (the “Project”); and

WHEREAS, Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the “Borrower”), has requested the Housing Finance Authority to issue its Bonds, the proceeds of which will be used to make a loan to the Borrower (the “Loan”) to finance the acquisition, construction, and equipping of the Project; and

WHEREAS, the Housing Finance Authority desires to enter into a Trust Indenture between The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee, paying agent, and registrar (the “Trustee”) and the Housing Finance Authority (the “Indenture”), in substantially the form attached hereto as Exhibit “A”, for the purpose of setting forth the terms, conditions, and covenants (i) upon which the Housing Finance Authority will issue the Bonds, the

proceeds of which shall be used in order for the Housing Finance Authority to make the Loan to finance the acquisition, construction, and equipping of the Project, and (ii) that are necessary to secure the Bonds and protect the rights of the holder of the Bonds; and

WHEREAS, the Housing Finance Authority desires to enter into a Loan Agreement between the Housing Finance Authority and the Borrower (the “Loan Agreement”), in substantially the form attached hereto as Exhibit “B”, to evidence the terms and conditions of the Loan; and

WHEREAS, the Housing Finance Authority desires to enter into a Land Use Restriction Agreement among the Housing Finance Authority, the Borrower, and the Trustee (the “Land Use Restriction Agreement”), in substantially the form attached hereto as Exhibit “C”, to evidence the terms and conditions upon which the Borrower shall maintain and operate the Project; and

WHEREAS, the Housing Finance Authority desires to enter into a Bond Purchase Agreement among the Housing Finance Authority, RBC Capital Markets, LLC and Raymond James & Associates, Inc., as Purchaser of the Bonds (collectively, the “Purchaser”), and the Borrower (the “Bond Purchase Agreement”), in substantially the form attached hereto as Exhibit “D”, to evidence the terms and conditions upon which (i) the Purchaser shall purchase the Bonds, and (ii) RBC Capital Markets, LLC shall act as Bidding Agent for certain Eligible Investments (as defined in the Indenture) to be purchased with amounts on deposit in certain funds and/or accounts under the Indenture; and

WHEREAS, the Housing Finance Authority desires to (i) prepare or cause to be prepared, and distribute or cause to be distributed, a Preliminary Official Statement (the “Preliminary Official Statement”), and (ii) prepare or cause to be prepared, distribute or cause to be distributed, and execute and deliver a final Official Statement (the “Official Statement”), each in connection with the

offering and sale of the Bonds. The Preliminary Official Statement will be in substantially the form attached hereto as Exhibit "E"; and

WHEREAS, the Housing Finance Authority desires to enter into a Trustee Fee Agreement by and between the Housing Finance Authority and the Trustee (the "Trustee Fee Agreement"), in substantially the form attached hereto as Exhibit "F", to evidence the Trustee's obligations and responsibilities in connection with the issuance of the Bonds and the fees payable to Trustee for its performance thereunder; and

WHEREAS, the Housing Finance Authority desires to enter into a Collateral Funds Agreement by and among the Housing Finance Authority, the Borrower, the Trustee and Bank of America, N.A., as construction lender (the "Collateral Funds Agreement"), in substantially the form attached hereto as Exhibit "G", to set forth the manner and method of disbursing proceeds on deposit in the Collateral Fund and the Project Fund (as each such term is defined in the Indenture), as the case may be; and

WHEREAS, within the County there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals, and welfare of the residents of the County, deprives the County of an adequate tax base, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

WHEREAS, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act, and the Project will constitute a “qualified housing development” under the Act; and

WHEREAS, Article IV, Section F of the Housing Finance Authority’s Policies and Procedures for Multi-Family Housing Bond Program requires that, prior to the posting of the Preliminary Official Statement, the Housing Finance Authority receive a certificate executed by the Borrower stating, among other things, that there are no unresolved issues relating to the subject project or the bond issuance that would prevent the Borrower from closing the subject transaction (collectively, the “HFA Posting Policy”); and

WHEREAS, the timeline for the issuance of the Bonds was created in such a manner to allow the transaction to close prior to the expiration of the deadline to receive an increase in the amount of low-income housing tax credits awarded to the Project (the “Basis Boost”); and

WHEREAS, based on the current timeline, the Pinnacle 441 transaction would need to post the Preliminary Official Statement prior to receiving Board approval for the issuance of the Bonds; and

WHEREAS, given the need for additional affordable housing in the County and the fact that the subject financing is not economically feasible without the Basis Boost, the Borrower has requested a waiver of the HFA Posting Policy solely to permit the posting of the Preliminary Official Statement prior to receipt of Board approval; and

WHEREAS, additional disclosure has been included in the form of the Preliminary Official Statement attached hereto as Exhibit “E” to the effect that the issuance of the Bonds is subject to Board approval; and

WHEREAS, the Housing Finance Authority desires to authorize the execution and delivery of any other documents, instruments, certificates, and affidavits to be executed in connection with the issuance of the Bonds; and

WHEREAS, the Housing Finance Authority is not obligated to pay the Bonds except from the proceeds derived from the repayment of the Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Indenture. Neither the faith and credit nor the taxing power of the Housing Finance Authority, the County, or the State of Florida (the "State") or any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds; and

WHEREAS, the Housing Finance Authority intends to negotiate the sale of the Bonds with the Purchaser as provided in the Bond Purchase Agreement; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Bonds (the "TEFRA Notice") was published in the *Sun Sentinel*, a newspaper of general circulation, on June 7, 2023, at least 7 days prior to the date of such hearing, all as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, on June 15, 2023, a public hearing concerning the issuance of the Bonds in an aggregate principal amount not to exceed \$22,000,000 to finance the Project (the "TEFRA Hearing") was held by the Housing Finance Authority, as required by Section 147(f) of the Code; and

WHEREAS, the Housing Finance Authority received from the State of Florida Division of Bond Finance an allocation of 2021 private activity bond volume cap in the amount of \$176,327,678.22 (the "2021 Volume Cap"), which has been carried forward pursuant to Section 145(f) of the Code and designated for the issuance of bonds for qualified residential rental projects; and

WHEREAS, \$141,975,467.32 of the 2021 Volume Cap remains available, and is anticipated to be sufficient, to finance the acquisition, construction and equipping of the Project; and

WHEREAS, the Ordinance requires that all contracts of the Housing Finance Authority in connection with the issuance of the Bonds be approved by the Board.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:

Section 1. Declaration of Findings. The Housing Finance Authority hereby finds, determines and declares the matters hereinabove set forth.

Section 2. Authorization of the Bonds. The Housing Finance Authority hereby authorizes, under the authority of the Act and the Ordinance, and subject to the terms as hereinafter set forth, the issuance of the Bonds to be designated "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2)" in an aggregate principal amount not to exceed \$22,000,000.

Section 3. Details of Bonds. The Bonds shall be issued under and secured by the Indenture, by which reference is hereby incorporated into this Resolution as if set forth in full herein. The proceeds of the Bonds shall be applied as provided in the Indenture, and the Bonds shall mature in the amounts and at the times, bear interest at such rates, be subject to redemption at the prices and upon the terms, and shall have such other characteristics as shall be provided in the Indenture, attached hereto as Exhibit "A", and the Bond Purchase Agreement, attached hereto as Exhibit "D"; provided, that (i) the interest rate on the Bonds shall not exceed 8.0% per annum, and (ii) the Bonds shall finally mature not later than 40 years from the date of issuance thereof. The Bonds shall be

executed, authenticated and delivered by the officers of the Housing Finance Authority authorized below in substantially the form set forth in the Indenture in fully registered form.

Given the current interest rate environment, the need for additional affordable housing in the County and the fact that the subject financing is not economically feasible without the Basis Boost, the Housing Finance Authority hereby delegates to the Executive Director the authority to close the Pinnacle 441 transaction with an interest rate on the Bonds in excess of 8.0% per annum, if after consultation with the Purchaser, the Executive Director determines that the higher interest rate is solely attributable to (i) volatility in the then-current financial markets, or (ii) the then-current interest rate environment, and is not attributable to other circumstances surrounding the subject transaction.

Section 4. The Bonds are Special Obligations of the Housing Finance Authority. The Bonds are special obligations of the Housing Finance Authority which are payable solely from moneys derived under the Indenture and the Loan Agreement. The Bonds, together with the interest thereon, are limited obligations of the Housing Finance Authority and neither the Housing Finance Authority, the County, the State, nor any political subdivision thereof, shall be obligated to pay the Bonds or the interest thereon or other costs or payments incident thereto, except from the aforementioned revenues and receipts and neither the faith and credit nor the taxing power of the County or the State or any political subdivision thereof is pledged to the payment of the Bonds or the interest thereon or other costs or payments incident thereto. The Housing Finance Authority has no taxing power. The Bonds and obligations arising thereunder do not create or reflect liability of the Housing Finance Authority or any member, official, or employee thereof, except as otherwise described in this Section 4 with respect to the Housing Finance Authority.

Section 5. Execution of Bonds. The Chair or Vice Chair and Secretary or Assistant Secretary of the Housing Finance Authority are hereby authorized and directed to execute by manual or facsimile signature, and place the seal of the Housing Finance Authority, in manual or facsimile form, on the Bonds. The Bonds shall be in substantially the form set forth in the Indenture, with such changes, modifications, and deletions as the officers executing the Bonds, with the advice of Nabors, Giblin & Nickerson, P.A. (“Bond Counsel”) and the County Attorney’s Office of Broward County (the “County Attorney”), may deem necessary and appropriate, and as are not inconsistent with the Indenture and this Resolution. The execution and delivery of the Bonds by the aforementioned persons shall be conclusive evidence of the Housing Finance Authority’s approval and authorization thereof.

Section 6. Authentication and Delivery of the Bonds. Upon the execution of the Bonds, the Housing Finance Authority shall deliver the Bonds to the Trustee for authentication, and the Trustee is hereby authorized and directed to authenticate and deliver said Bonds to the Purchaser, subject to the terms and conditions for delivery set forth in the Indenture.

Section 7. Approval of Indenture. The form and content of the Indenture, attached hereto as Exhibit “A”, is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Indenture, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority’s seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 8. Approval of Loan Agreement. The form and content of the Loan Agreement, attached hereto as Exhibit "B", is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Loan Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 9. Approval of the Land Use Restriction Agreement. The form and content of the Land Use Restriction Agreement, attached hereto as Exhibit "C", is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Land Use Restriction Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 10. Approval of the Bond Purchase Agreement; Appointment of Bidding Agent. The form and content of the Bond Purchase Agreement, attached hereto as Exhibit "D", is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Bond Purchase

Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority. RBC Capital Markets, LLC is hereby appointed to act as Bidding Agent under the Bond Purchase Agreement for certain Permitted Investments (as defined in the Indenture) to be purchased with amounts on deposit in certain funds under the Indenture.

Section 11. Approval of the Preliminary Official Statement. The form and content, and the preparation and distribution, of the Preliminary Official Statement relating to the Bonds, attached hereto as Exhibit "E", is hereby authorized and approved by the Housing Finance Authority, together with such changes, modifications, and deletions as the Chair or Vice Chair of the Housing Finance Authority, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. The Housing Finance Authority also hereby approves and authorizes the preparation and distribution of a final Official Statement relating to the Bonds, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Official Statement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 12. Appointment of Trustee, Paying Agent and Registrar. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed Trustee, Paying Agent, and Registrar under the Indenture, and the Housing Finance Authority approves the form and content of the Trustee Fee Agreement, attached hereto as Exhibit "F". The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Trustee Fee Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in substantially the form presented at this meeting, with such changes, modifications, deletions, and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

Section 13. Approval of the Collateral Funds Agreement. The form and content of the Collateral Funds Agreement, attached hereto as Exhibit "G", is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Collateral Funds Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 14. Subordinate Financing. The Housing Finance Authority hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of a loan from

(i) Broward County of funds from the Broward County Affordable Housing Trust Fund in the approximate principal amount of \$10,000,000 (the "County Loan"), (ii) Florida Housing Finance Corporation of (a) State Apartment Incentive Loan (SAIL) Program funds in the approximate principal amount of \$4,000,000 (the "SAIL Loan"), (b) Extended Low Income (ELI) funds in the approximate principal amount of \$750,000 (the "ELI Loan"), and (c) National Housing Trust Fund (NHTF) funds in the approximate principal amount of \$1,850,000 (the "NHTF Loan"), and (iii) the City of Hollywood in the approximate principal amount of \$1,000,000 (the "City Loan" and, together with the County Loan, the SAIL Loan, the ELI Loan and the NHTF Loan, the "Subordinate Financing"). Given the need for additional affordable rental units in the County, the high development costs associated with the Project, and the favorable financing terms of the Subordinate Financing, the Housing Finance Authority hereby determines that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the Housing Finance Authority (i) authorizes the Chair or Vice Chair of the Housing Finance Authority to consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Trustee to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate.

Section 15. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by the Borrower for the services of the Housing Finance Authority's auditor to audit the

Project and the Bonds annually. The Housing Finance Authority waives such audit fee in connection with the Project.

Section 16. Partial Waiver of HFA Posting Policy. Given the need for additional affordable housing in the County and the fact that the subject financing is not economically feasible without the Basis Boost, the Housing Finance Authority, pursuant to the Borrower's request, hereby waives the HFA Posting Policy solely to permit the posting of the Preliminary Official Statement prior to receipt of Board approval for the issuance of the Bonds.

Section 17. Sale of Bonds. It is hereby found and determined that due to the characteristics of the financing and the prevailing and anticipated market conditions, it is in the best interest of the Housing Finance Authority to negotiate the sale of the Bonds. The negotiated sale of the Bonds, upon substantially the terms and conditions set forth in the Bond Purchase Agreement, is hereby approved. The Bonds shall be sold (subject to such terms and conditions) in the amounts, at the prices and upon the final terms set forth in the Bond Purchase Agreement as may be approved by the Chair or Vice Chair and, if required, attested to by the Secretary; provided, that (a) the purchase price of the Bonds shall be not less than 100% of the original principal amount thereof, and (b) the gross underwriting spread or compensation to be paid to the Purchaser shall not exceed 1.00% of the principal amount of the Bonds.

Section 18. Further Actions and Ratification of Prior Actions. The officers, agents, and employees of the Housing Finance Authority and the officers, agents, and employees of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Bonds, the Indenture, the Loan Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Trustee Fee

Agreement, the Collateral Funds Agreement (collectively, the “Bond Documents”) and this Resolution, and to execute and deliver any and all additional documents, instruments, certificates, and affidavits necessary or advisable to effectuate the foregoing. All actions heretofore undertaken by the officers, agents, and employees of the Housing Finance Authority with respect to (i) the provisions of the Bonds and the Bond Documents, and (ii) the issuance of the Bonds, are hereby ratified and approved.

Section 19. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture and the Loan Agreement.

Section 20. Resolution Effective. This Resolution shall take effect immediately upon its adoption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Upon motion of _____, seconded by _____, the foregoing

Resolution was adopted by the following votes:

AYES: _____

NAYS: _____

Approved on June 13, 2023 as to form and legal
sufficiency by:

Nabors, Giblin & Nickerson, P.A., Bond Counsel

STATE OF FLORIDA)
)ss:
COUNTY OF BROWARD)

I, RUTH T. CYRUS, Assistant Secretary of the Housing Finance Authority of Broward County, Florida, DO HEREBY CERTIFY that the foregoing is an accurate copy of the Resolution of the Housing Finance Authority adopted at a meeting held on June 21, 2023, as set forth in the official minutes of the Housing Finance Authority, related to approval of certain actions to be taken in connection with the proposed issuance of those certain Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) of the Housing Finance Authority.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this 21st day of June, 2023.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
RUTH T. CYRUS, Assistant Secretary

(SEAL)

EXHIBIT "A"
FORM OF
INDENTURE
[ATTACHED]

EXHIBIT "B"

FORM OF

LOAN AGREEMENT

[ATTACHED]

EXHIBIT "C"

FORM OF

LAND USE RESTRICTION AGREEMENT

[ATTACHED]

EXHIBIT "D"

FORM OF

BOND PURCHASE AGREEMENT

[ATTACHED]

EXHIBIT "E"

FORM OF

PRELIMINARY OFFICIAL STATEMENT

[ATTACHED]

EXHIBIT "F"

FORM OF

TRUSTEE FEE AGREEMENT

[ATTACHED]

EXHIBIT "G"

FORM OF

COLLATERAL FUNDS AGREEMENT

[ATTACHED]

ATTACHMENT 3

TRUST INDENTURE

By and Between

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of August 1, 2023

**[\$22,000,000]
Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)**

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TRUST INDENTURE

THIS TRUST INDENTURE is entered into as of August 1, 2023 (this “**Indenture**”), by and between the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “**Issuer**”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, duly organized and existing under the laws of the United States and authorized to conduct business in the State of Florida, with its designated corporate office located in Jacksonville, Florida, as trustee (together with any successor trustee thereunder, the “**Trustee**”).

RECITALS

A. Certain of the terms and words used in these Recitals, and in the following Granting Clauses and Agreements, are defined in Section 1.01 of this Indenture.

B. The Legislature of the State of Florida (the “**State**”) has enacted the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended (the “**Act**”), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority.

C. Pursuant to the Act, the Board of County Commissioners of Broward County, Florida (the “**County**”), enacted Ordinance No. 79-41 on June 20, 1979 (the “**Ordinance**”), creating the Housing Finance Authority of Broward County, Florida to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act.

D. The Act authorizes the Issuer: (a) to make loans to any person, or to purchase loans, including federally insured mortgage loans, in order to provide financing for residential rental developments located within the Issuer’s area of operation, which are to be occupied by persons of low, moderate or middle income; (b) to issue its revenue bonds pursuant to the Act, for the purpose of obtaining money to make or to purchase such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds.

E. Pursuant to, and in accordance with the Act, the Issuer has determined to issue and sell its \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the “**Bonds**”), and use the proceeds thereof to make a loan to Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the “**Borrower**”), upon the terms and conditions of a promissory note dated the Closing Date from the Borrower to the Issuer in the original principal amount of \$[22,000,000] (the “**Note**”) and the Loan Agreement dated as of the same date as this Indenture between the Issuer and the Borrower (the “**Loan Agreement**”), for purposes of funding a portion of the costs of acquiring, constructing and

equipping a multifamily rental housing project located in the State to be known as Pinnacle 441 Phase 2, which, upon completion, will contain approximately 100 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related uses (the “**Project**”).

F. The Borrower has delivered the Note to the Issuer, evidencing the Borrower’s obligation to repay the Loan. The Issuer has made the Loan to the Borrower, subject to the terms and conditions of the Loan Agreement and this Indenture, including the terms and conditions thereof and hereof governing the disbursement of advances and the investment earnings thereon, and the Note has been endorsed by the Issuer to the Trustee.

G. The obligations of the Borrower under the Loan Agreement and the Note will be secured by the Trust Estate established hereunder.

H. Bank of America, N.A., a national banking association (the “**Mortgage Lender**”) has agreed to provide a construction loan (the “**Mortgage Loan**”) to the Borrower, the proceeds of which shall be advanced pursuant to the Mortgage Loan Documents and used to finance a portion of the costs of the acquisition, construction and equipping of the Project. The Mortgage Lender will administer the Mortgage Loan during the Construction Phase in accordance with the Mortgage Loan Documents.

I. Citibank, N.A. (“**Citi**”), has entered into a forward commitment with the Borrower dated _____, 2023 (the “**Citi Forward Commitment**”), whereby Citi has committed, subject to the satisfaction on or before the [Forward Commitment Maturity Date] of the Conditions to Conversion set forth in the Citi Forward Commitment, to facilitate the financing of the Project in the Permanent Phase.

J. If the Conditions to Conversion are satisfied on or before the [Forward Commitment Maturity Date], Conversion will occur on the Conversion Date and, on such Conversion Date, (i) the Bonds shall be subject to mandatory tender in accordance with Section 3.01 hereof, (ii) the purchase price of the Bonds shall be paid with amounts on deposit in the Collateral Fund (and other Eligible Funds hereunder), (iii) a portion of the principal amount of the Bonds shall be cancelled such that the principal amount outstanding equals the [Actual Project Loan Amount] (as determined by Citi at such time), (iv) the Bonds shall be removed from the Book-Entry System and converted to a physical Governmental Lender Note (in the form attached to the Funding Loan Agreement) which shall be purchased by Citi, (v) the Funding Loan Agreement attached hereto as Appendix C and the Borrower Loan Agreement attached hereto as Appendix D shall be delivered by the respective parties and become effective and shall supersede this Indenture and the Loan Agreement, respectively, (vi) the proceeds of the Citi Purchase Price, along with other funds of the Borrower, shall be deposited into the Mortgage Loan Prepayment Fund, and (vii) the Mortgage Loan shall be paid in full with amounts on deposit in the Mortgage Loan Prepayment Fund and all security related to the Mortgage Loan shall be released or assigned to Citi. If the Conditions to Conversion are not satisfied on or before the [Forward Commitment Maturity Date], the Loan will not convert from the Construction Phase to the Permanent Phase, and Citi will not have any obligation with respect to the purchase of the Governmental Lender Note.

K. With respect to the Construction Phase, the issuance, sale and delivery of the Bonds and the execution and delivery of this Indenture and the Loan Agreement have been in all respects duly and validly authorized in accordance with the Act, and, with respect to the Permanent Phase, the issuance, sale and delivery of the Governmental Lender Note and the execution and delivery of the Funding Loan Agreement and the Borrower Loan Agreement have been in all respects duly and validly authorized in accordance with the Act.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of any or all of the Bonds issued and sold by the Issuer from time to time under this Indenture by those who shall hold the same from time to time, and of the sum of one dollar, lawful money of the United States of America, duly paid to the Issuer by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds and the payment and performance of all other of the Issuer's Obligations, the Issuer does hereby grant, bargain, sell, convey, pledge and assign, without recourse, unto the Trustee and unto its successors and assigns in trust forever, and grants to the Trustee and to its successors in trust, a security interest in, the following (such property being herein referred to as the "**Trust Estate**"):

I.

All right, title and interest of the Issuer in and to all Revenues, derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of this Indenture and the Loan Agreement (other than the Reserved Rights of the Issuer), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate;

II.

All right, title and interest of the Issuer in and to the Note (other than the Reserved Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof;

III.

All moneys (including the Eligible Funds received by the Trustee for deposit into the Collateral Fund provided that Mortgage Loan proceeds become part of the Trust Estate concurrently with the Trustee's corresponding disbursement of Bond proceeds to or at the direction of the Mortgage Lender in accordance with Section 4.08 hereof) which are at any time or from time to time on deposit in any fund or account created under this Indenture (excluding funds in the Costs of Issuance Fund (but only to the extent such moneys are not proceeds of the Bonds), the Mortgage Loan Prepayment Fund and the Rebate Fund);

IV.

All right, title and interest of the Issuer in and to, and remedies under, the Loan Agreement;
and

V.

All funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is 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;

PROVIDED, HOWEVER, that there shall be excluded from the granting clauses of this Indenture all the Reserved Rights of the Issuer, including all amounts paid or collected by the Issuer in connection therewith, all amounts on deposit in the Rebate Fund (including any accounts thereof), which shall be held for the sole benefit of the United States of America;

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of all Holders from time to time 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 other Bonds.

PROVIDED, HOWEVER, that if the Issuer shall well and truly pay, or cause to be paid, the principal of the Bonds issued hereunder, and interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under Article VIII hereof or by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture and all other of the Issuer's Obligations to be kept, performed and observed by it, the Rebate Amount shall be paid in full and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment, as further provided in Section 8.01 hereof, and the termination of the Loan Agreement, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise, this Indenture shall remain in full force and effect.

AND IT IS EXPRESSLY DECLARED that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all such property, moneys, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective holders from time to time of the Bonds, or any part thereof, as follows:

ARTICLE I
DEFINITIONS AND CONSTRUCTION

Section 1.01 Definitions. Certain terms used in this Indenture are defined in the Loan Agreement and in the attached Funding Loan Agreement and when and if used herein, such terms shall have the meanings given to them by the Loan Agreement and the Funding Loan Agreement unless the context clearly indicates otherwise. In addition, when used in this Indenture, the following terms shall have the meanings given to them in this Section unless the context clearly indicates otherwise:

“**Act**” shall have the meaning assigned to such term in the Recitals above.

“**[Actual Project Loan Amount]**” has the meaning set forth in the Citi Forward Commitment.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agreement**” or “**Loan Agreement**” means the Loan Agreement dated as of the same date as this Indenture, between the Issuer and the Borrower and any and all Supplements thereto.

“**Authorized Denomination**” means \$5,000, or any integral multiple of \$1,000 in excess thereof.

“**Authorized Member**” means PC 441 Phase 2, LLC, a Florida limited liability company.

“**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy,” as in effect now and in the future, or any successor statute.

“**Bond Counsel**” means Nabors, Giblin & Nickerson, P.A. or other counsel selected by the Issuer and nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes.

“**Bond Fund**” means the Bond Fund created in Section 4.01 of this Indenture.

“**Bondholder**” or “**Holder of the Bonds**” or “**Holder**” or “**Owner of the Bonds**” or “**Owner**” when used with respect to any Bond, means the person or persons in whose name such Bond is registered as the owner thereof on the books of the Issuer maintained at the Trust Office for that purpose.

“**Bond Purchase Agreement**” means the Bond Purchase Agreement, dated August __, 2023, among the Issuer, the Borrower and Underwriter.

“Bond Service Charges” means, pursuant to the Loan Agreement, payments made by the Borrower to the Issuer in amount sufficient to pay the principal of and interest on the Bonds when due to the extent that amounts otherwise available for such payment are insufficient therefor.

“Bond Year” has the meaning as set forth in the Tax Certificate.

“Bonds” means the Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) of the Issuer issued, authenticated and delivered under this Indenture, which are identified as such in Section 2.01(a) hereof.

“Book-Entry Form” or **“Book-Entry System”** means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Securities Depository.

“Borrower” means Pinnacle 441 Phase 2, LLC, a Florida limited liability company, and its successors and assigns.

“Borrower Documents” means the Loan Agreement, the Note, the Tax Certificate, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Proceeds Certificate, the Operating Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement, the Guarantor Documents and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Loan Agreement, but excluding the Mortgage Loan Documents.

“Borrower Loan Agreement” means the Borrower Loan Agreement attached hereto as Appendix D, which Borrower Loan Agreement shall be executed, delivered and become effective on the Conversion Date.

“Borrower Representative” means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

“Borrower’s Obligations” means the obligations of the Borrower under the Loan Agreement, the Note, and the other Borrower Documents to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Loan Agreement, the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Loan Agreement, the Note, the Tax Regulatory Agreement, and any of the other Borrower Documents, to perform or observe.

“Business Day” or **“business day”** means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, or in the city in which the Designated Office of

the Trustee or the Underwriter is located, are not required or authorized by law or executive order to close for business, and (b) the New York Stock Exchange is not closed.

“Cash Flow Projection” means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Underwriter and the Rating Agency, establishing, to the satisfaction of the Underwriter and the Rating Agency, the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges due on the Bonds, the Issuer Fees, and Trustee Fees and Expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in Section 3.03, (iii) the release of Eligible Funds from the Negative Arbitrage Account of the Bond Fund, as provided in Section 4.02 hereof, and (iv) the sale or other disposition by the Trustee of Eligible Investments prior to maturity at a price below par as permitted hereunder.

“Certificate of Occupancy” means the temporary or final certificate of occupancy, as the case may be, issued by the City of Hollywood for the multifamily units in the Project, or if certificates of occupancy are not required or provided for multifamily units, then evidence of all final inspection approvals needed to occupy the multifamily units.

“Citi” means Citibank, N.A., a national banking association, and its successors and assigns.

“Citi Forward Commitment” means the commitment from Citi to the Borrower pursuant to which Citi has agreed to purchase the Governmental Lender Note on the Conversion Date, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

“Citi Purchase Price” means an amount equal to the [Actual Project Loan Amount] to be funded by Citi on the Conversion Date.

“City of Hollywood” means the City of Hollywood, Florida, a municipal corporation organized and existing under the laws of the State of Florida, as lender of the City of Hollywood Loan.

“City of Hollywood Loan” means the loan made to Borrower by the City of Hollywood in the principal amount of \$1,000,000 pursuant to the City of Hollywood Loan Documents.

“City of Hollywood Loan Documents” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the City of Hollywood Loan is funded or secured.

“Closing Date” means the date of delivery of the Bonds in exchange for the purchase price thereof.

“Closing Memorandum” means the closing memorandum attached to the initial Requisition delivered on the Closing Date.

“Code” means the Internal Revenue Code of 1986, including applicable final, temporary and proposed regulations and revenue rulings applicable thereto.

“Collateral Fund” means the Collateral Fund created in Section 4.01 hereof.

“Completion Certificate” means a certificate submitted by the Borrower Representative to the Issuer and the Trustee as provided in Section 3.05 of the Loan Agreement, which shall be in form and substance acceptable to the Issuer and the Trustee.

“Completion Date” means the date upon which the Completion Certificate and the Certificate of Occupancy are delivered by the Borrower to the Issuer and the Trustee.

“Conditions to Conversion” shall have the meaning given to such term in the Citi Forward Commitment.

“Confirmation of Rating” means a written confirmation, obtained prior to the event or action under scrutiny, from the Rating Agency to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating of the Rating Agency with respect to all Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, qualified or withdrawn as a result of such action or event.

“Construction Draw Schedule” means the schedule of the disbursement of the proceeds of the Bonds, as provided in Exhibit D attached to the Loan Agreement, as the same may be amended from time to time with the consent of the Issuer.

“Construction Phase” means the construction phase of the Loan, which time period shall commence on the Closing Date and remain in effect to, but not including, the Conversion Date.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of August 1, 2023, among the Borrower, the Trustee and the Dissemination Agent, as the same may be amended, restated, supplemented or modified from time to time.

“Conversion” means the conversion of the Loan from the Construction Phase to the Permanent Phase on the Conversion Date pursuant to the provisions of the Citi Forward Commitment.

“Conversion Date” means the date Citi purchases the Governmental Lender Note upon the satisfaction of the Conditions to Conversion, as such Conversion Date is specified by Citi in the Notice of Conversion; provided, however, the Conversion Date shall occur hereunder no earlier than _____, 20__.

“Costs” with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

“Costs of Issuance” means all fees, costs and expenses payable or reimbursable directly or indirectly by the Issuer or the Borrower and related to the authorization, issuance and sale of the Bonds.

“Costs of Issuance Deposit” means the deposit set forth in the Closing Memorandum.

“Costs of Issuance Fund” means the Costs of Issuance Fund created pursuant to Section 4.01 of this Indenture.

“County” means Broward County, Florida.

“County Credit Underwriter” means Seltzer Management Group, Inc., a Florida corporation, as credit underwriter of the County in connection with the County Loan.

“County Loan” means the loan made to Borrower by the County, in its capacity as maker of the County Loan, in the principal amount of \$10,000,000 pursuant to the County Loan Documents.

“County Loan Documents” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the County Loan is funded and/or secured.

“Default” means any Default under the Loan Agreement as specified in and defined by Section 7.01 thereof.

“Designated Office” of the Trustee or the Underwriter means, respectively, the office of the Trustee or the Underwriter at the respective Notice Address set forth in Section 1.01 hereof or at such other address as may be specified in writing by the Trustee or the Underwriter, as applicable, as provided in Section 12.06 hereof.

“Determination of Taxability” means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of a Holder of the Bonds for Federal income tax purposes (other than an Holder who is a “substantial user” or “related person” to a “substantial user” within the meaning of Section 147(a) of the Code); *provided*, that no such decree, judgment, or action will be considered final for this purpose unless the Borrower has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Holder of a Bond, and until the conclusion of any appellate review, if sought.

“Dissemination Agent” means initially The Bank of New York Mellon Trust Company, N.A., or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

“Documents” means and shall include (without limitation), with respect to the Bonds, this Indenture, the Loan Agreement, the Note, the Tax Regulatory Agreement, the Tax Certificate, the Guarantor Documents and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may hereafter execute and deliver, to evidence or secure the Issuer’s Obligations or the Borrower’s Obligations, or any part

thereof, or in connection therewith, and any and all Supplements thereto, but excluding the Mortgage Loan Documents and the Subordinate Loan Documents.

“ELI Loan” means the loan made to Borrower by Florida Housing in the principal amount of \$750,000 pursuant to the ELI Loan Documents.

“ELI Loan Documents” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the ELI Loan is funded or secured.

“Eligible Funds” means, as of any date of determination, any of:

(a) the proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase price thereof by the Underwriter);

(b) moneys drawn on a letter of credit;

(c) moneys received by the Trustee representing advances to the Borrower (or an Affiliate) of funds from other third parties representing loans of money earmarked for the Project including: proceeds of the Mortgage Loan;

(d) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase and or remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, any Affiliate of either the Borrower or the Issuer);

(e) any other amounts, including the proceeds of any refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, *provided* that no Act of Bankruptcy has occurred during such period;

(g) proceeds of Citi Purchase Price received from Citi in connection with Citi’s purchase of the Governmental Lender Note on the Conversion Date; and

(h) investment income derived from the investment of the money described in subsections (a) through (g) hereof.

“Eligible Investments”

means, subject to the provisions of Section 6.01 hereof, any of the following investments that mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or

allocated in accordance with the terms of this Indenture, to the extent the same are at the time legal for investment of the Issuer's funds (written direction of the Issuer or the Borrower to invest funds shall be conclusive evidence that the directed investment is at the time a legal investment of the Issuer's funds):

(a) Governmental Obligations; and

(b) To the extent permitted herein, shares or units in any money market mutual fund (i) which is then rated "Aaa-mf" by [Moody's] (or if no fund is available at that rating category, the highest rating category then available for that category of fund by [Moody's], or if [Moody's] is not the Rating Agency or a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

"Event of Default" or "Default" means, when used in this Indenture, those events of default or defaults specified in Section 9.01 hereof and, when used in the Loan Agreement, those events of default or defaults specified in Section 7.01 thereof.

"Excess Earnings Account" means the Excess Earnings Account of the Project Fund created in Section 4.01.

"Extension Payment" means the amount due, if any, in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.03 hereof, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Eligible Funds.

"Florida Housing" means the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, as lender of the SAIL Loan, the ELI Loan and the NHTF Loan.

"Forward Commitment Maturity Date" means [March 1, 2026], subject to extension by Citi as provided in the Citi Forward Commitment.

"Funding Loan Agreement" means the Funding Loan Agreement attached hereto as Appendix C, which Funding Loan Agreement shall be executed, delivered and become effective on the Conversion Date.

"Governmental Authority" means any federal, State or local governmental or quasi-governmental entity, including, without limitation, any agency, department, commission, board, bureau, administration, service, or other instrumentality of any governmental entity.

"Governmental Lender Note" means the Governmental Lender Note attached as Exhibit A to the Funding Loan Agreement, which Governmental Lender Note shall be executed, delivered and become effective on the Conversion Date.

“Governmental Obligations” means (a) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Governmental Requirements” means all laws, ordinances, orders, rules or regulations of any Governmental Authority applicable to the Project, the Issuer, the Borrower or any of the Borrower’s assets or other properties, including without limitation, laws, ordinances, orders, rules and regulations relating to securities or other public disclosures, zoning, licenses, permits, subdivision, building, safety, health, and fire protection and all environmental laws.

“Guarantor” and **“Guarantors”** means, individually and collectively, the Borrower, the Authorized Member, Pinnacle Communities, LLC, a Florida limited liability company, Louis Wolfson III, individually, David O. Deutch, individually, and The Estate of Mitchell M. Friedman.

“Guarantor Documents” means, collectively, the Absolute and Unconditional Guaranty of Completion, the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, the Absolute and Unconditional Guaranty of Operating Deficits and the Environmental Indemnity Agreement, each made by the Guarantors for the benefit of the Issuer and the Trustee.

“Hazardous Materials” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; radon; Mold; toxic or mycotoxin spores; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance (whether or not naturally occurring) now or in the future that (i) is defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “solid waste”, “pesticide”, “contaminant,” or “pollutant”, or otherwise classified as hazardous or toxic by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

“Hazardous Materials Laws” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, rule of common law (including, without limitation, nuisance and trespass), consent order, administrative rulings and court judgments and decrees or other government directive in effect now or in the future and including all amendments, that relate to Hazardous Materials or to the protection or conservation of the environment or human health and apply to Borrower or to the Mortgaged Property, including, without limitation, those relating to industrial hygiene, or the use, analysis, generation, manufacture, storage, discharge, release, disposal, transportation, treatment, investigation, or remediation of Hazardous Materials. Hazardous Materials Laws include, but

are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Superfund Amendments and Reauthorization Act, the Solid Waste Disposal Act, the Clean Air Act, the Occupational Safety and Health Act, and their state analogs.

“Indenture” means this Trust Indenture, dated as of August 1, 2023, by and between the Issuer and the Trustee, and any and all Supplements thereto.

“Independent” means any person not an employee or officer of the Borrower or its affiliates.

“Initial Deposit” means Eligible Funds in the amount of \$_____.

“Initial Interest Rate” means _____%.

“Initial Mandatory Tender Date” means the earlier of (i) the Conversion Date, and (ii) [September 1, 2026].

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Bonds on such date as provided in Section 3.03 hereof are satisfied.

“Interest Payment Date” means (a) March 1 and September 1 of each year beginning March 1, 2024, and (b) each Mandatory Tender Date.

“Interest Period” means, initially, the period from the Closing Date to but not including first Interest Payment Date, and thereafter, the period commencing on each succeeding Interest Payment Date and ending on the last day of the month preceding the next Interest Payment Date.

“Interest Rate” means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, as applicable, and thereafter the applicable Remarketing Rate; provided, however, commencing on the Conversion Date the Interest Rate shall be as set forth in the Funding Loan Agreement.

“Investor Member” means Bank of America, N.A., a national banking association, in its capacity as investor member in Borrower, its permitted successors and assigns.

“Issuer” means the Housing Finance Authority of Broward County, Florida, a public body corporate and politic duly organized and existing under the laws of the State of Florida, and any successor to its powers and duties under the Act.

“Issuer Closing Fee” means the (i) Issuer’s one (1) time initial issuance fee in the amount equal to fifty basis points (0.50%) of the original aggregate principal amount of the Loan, as evidenced by the Note, for a total of \$[110,000], (ii) Issuer’s indemnification fee of \$20,000, and (iii) Issuer’s counsel fee of \$5,000, all of which shall be payable to the Issuer by the Trustee on the Closing Date from amounts on deposit in the Costs of Issuance Fund pursuant to Section 4.07 of this Indenture.

“Issuer Documents” means the Loan Agreement, this Indenture, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Tax Certificate and any and all documents, agreements or instruments executed by the Issuer in connection with the Loan.

“Issuer Fee” means, collectively, (i) the Issuer Closing Fee, (ii) the Ongoing Issuer Fee and (iii) Late Reporting Fees and/or Issuer’s Compliance Fees, as applicable, pursuant to the Tax Regulatory Agreement.

“Issuer’s Obligations” means the obligations of the Issuer under the Bonds, this Indenture, and the other Documents to (a) pay the principal of and interest on the Bonds (including supplemental interest), when and as the same shall become due and payable (whether at the stated maturity thereof, or by acceleration of maturity or after notice of prepayment or otherwise) and, (b) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Issuer is required, by the Bonds, this Indenture, or any of the other Documents, to perform and observe.

“Loan” means the loan by the Issuer to the Borrower in the principal amount of \$[22,000,000] made by the Issuer to the Borrower evidenced by the Note, described in the Loan Agreement and made in connection with the issuance of the Bonds.

“Loan Agreement” means the Loan Agreement dated as of August 1, 2023, between the Issuer and the Borrower and any and all Supplements thereto.

“Loan Payments” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and Section 4.02 of the Loan Agreement.

“Local Time” means Eastern time (daylight or standard, as applicable) in the State.

“Mandatory Tender Date” means each date on which all Outstanding Bonds are subject to mandatory tender as set forth in Section 3.01(b) hereof.

“Maturity Date” means [September 1, 2041].

“Maximum Interest Rate” means the interest rate equal to the lesser of: (a) 12% per annum, or (b) the maximum interest rate per annum permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, acceptable to the Remarketing Agent, that assigns credit ratings.

“Mortgage Lender” means Bank of America, N.A., and any successors or assigns.

“Mortgage Loan” means the mortgage loan to be made by the Mortgage Lender to the Borrower in the principal amount of \$[22,000,000] with respect to the Project, as described and provided for in the Mortgage Loan Documents.

“Mortgage Loan Documents” means the Mortgage Loan Security Instrument, the mortgage note, and all other documents required by the Mortgage Lender in connection with the Mortgage Loan.

“Mortgage Loan Prepayment Amount” means an amount necessary to prepay in full the outstanding principal amount of the Mortgage Loan, together with accrued interest to, but not including, the Conversion Date, as set forth in a payoff statement submitted by the Mortgage Lender to the Trustee on or prior to the Conversion Date.

“Mortgage Loan Prepayment Fund” means the Mortgage Loan Prepayment Fund created in Section 4.01 hereof.

“Mortgage Loan Security Instrument” means the [Mortgage, Assignment of Rents, Security Agreement and Fixture Filing] which will secure the Mortgage Loan, as the same may be amended, supplemented or restated.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Bond Fund created in Section 4.01 hereof.

“NHTF Loan” means the loan made to Borrower by Florida Housing in the principal amount of \$1,850,000 pursuant to the NHTF Loan Documents.

“NHTF Loan Documents” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the NHTF Loan is funded or secured.

“Note” means the Promissory Note dated the Closing Date from the Borrower to the Issuer in substantially the form attached as Exhibit B to the Loan Agreement, and any amendments, Supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee.

“Notice Address” means, unless otherwise designated pursuant to Section 12.06 hereof:

(a) As to the Issuer:

Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300
Ft. Lauderdale, Florida 33301
Attention: Executive Director
Telephone: (954) 357-4900

With copies to:

Broward County Attorney’s Office
115 South Andrews Avenue, Room 423
Fort Lauderdale, Florida 33301
Attention: Annika Ashton, Esq.
Facsimile: (954) 357-5728

(b) As to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Broward HFA Relationship Manager
Facsimile: (904) 645-1930

With copies to:

Akerman, LLP
50 North Laura Street, Suite 3100
Jacksonville, Florida 32202
Attention: Peter L. Dame, Esq.
Telephone: (904) 798-3700
Email: peter.dame@akerman.com

(c) As to the Borrower:

Pinnacle 441 Phase 2, LLC
c/o Pinnacle Communities, LLC
9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156
Attention: David O. Deutch
Email: david@pinnaclehousing.com

With copies to:

Shutts & Bowen LLP
200 S. Biscayne Blvd., Suite 4100
Miami, Florida 33131
Attention: Robert Cheng
Email: RCheng@shutts.com

(d) As to the Mortgage Lender:

Bank of America, N.A.
620 S. Tryon Street
Charlotte, North Carolina 28255
MC-NC1-030-26-15
Attention: Dona Black
Email: dona.black@bofa.com
Telephone: (980) 386-5827

With copies to:

Bank of America, N.A.
1800 K Street NW, Ste FL 06
Washington, DC 20006-2202
MC-DC1-842-06-04
Attention: Kristin Lowery
Email: kristin.lowery@bofa.com

and

Buchalter
1000 Wilshire Boulevard, Suite 1500
Los Angeles, California 90017
Attention: Mercedes O. Martin
Telephone: (213) 891-5203
Email: _____

(e) As to the Underwriter and Remarketing Agent:

RBC Capital Markets, LLC
100 2nd Avenue S., Suite 800
St. Petersburg, Florida 33701
Attention: Helen Feinberg
Telephone: (727) 895-8892
Email: helen.feinberg@rbccm.com

(f) As to the Rating Agency:

Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, New York 10007
Attention: Public Finance Group – Housing Team
Email: Housing@moodys.com

(g) As to the Investor Member:

Bank of America, N.A.
MA5-100-04-11
100 Federal Street
Boston, Massachusetts 02110
Attention: Tax Credit Asset Management, Pinnacle 441 Phase 2
Telephone: (617) 346-1426
Email: LIHTCreporting@bofa.com]

With copies to:

Holland & Knight LLP
601 Southwest 2nd Avenue #1800
Portland, Oregon 97204
Attention: Sara Heskett, Esq.
Telephone: (503) 243-5860
Email: saraheskett@hkllaw.com

(h) As to Citi:

Citibank, N.A.
388 Greenwich Street, Trading 4th Floor
New York, New York 10013
Attention: Transaction Management Group
Telephone: (561) 347-3231
Facsimile: (212) 723-8209
Deal ID No. 50008906

“Notice of Conversion” means a written notice to be delivered not less than ten (10) days (or such shorter period as agreed to in writing by all the notice parties) prior to the Conversion Date by Citi to the Issuer, the Trustee, the Borrower and the Mortgage Lender (i) stating that the Conditions to Conversion have been satisfied on or before the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied on or before the Forward Commitment Maturity Date, stating that such Condition to Conversion has been waived in writing by Citi (if a waiver is permitted and is granted by Citi, in its sole and absolute discretion) on or before the Forward Commitment Maturity Date and (ii) confirming the Conversion Date.

“Official Statement” means the Official Statement dated August __, 2023, relating to the Bonds.

“Ongoing Issuer Fee” means the annual program administration fee of the Issuer, payable in advance by the Borrower to the Trustee for payment to the Issuer in the amount of eighteen basis points (0.18%) per annum of the outstanding principal amount of the Loan (calculated on the Business Day prior to any principal reduction of the Loan). The first payment of the Ongoing Issuer Fee shall be payable on the Closing Date for the period beginning on the Closing Date and ending on August 31, 2024. Thereafter, the Ongoing Issuer Fee shall be payable in semi-annual installments on each March 1 and September 1, with the first semi-annual payment due and payable on September 1, 2024; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Issuer, the Trustee, Bond Counsel, the Issuer’s counsel, or the Trustee’s counsel to be paid by the Borrower pursuant to the Loan Agreement.

“Operating Agreement” means the [Amended and Restated Operating Agreement] of the Borrower, dated August __, 2023, as it may be amended in accordance with the Borrower Documents and the Mortgage Loan Documents.

“Opinion of Counsel” means an opinion from an attorney or firm of attorneys, acceptable to the Trustee, with experience in the matters to be covered in the opinion.

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

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

(b) Bonds for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee in accordance with Article VIII; or

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

“Permanent Phase” means the permanent phase of the Loan, which time period shall commence on the Conversion Date and remain in effect through the Maturity Date.

“Person” shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

“Project” means the multifamily rental housing project located in Hollywood, Florida, to be known as Pinnacle 441 Phase 2, which, upon completion, will contain approximately 100 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses.

“Project Fund” means the Project Fund created in Section 4.01 of this Indenture.

“Qualified Project Costs” means any expenditures which (a) are incurred not more than 60 days prior to the date on which the Issuer first declared its “official intent” (within the meaning of Treasury Regulation Section 1.150-2) with respect to the Project (other than preliminary expenditures with respect to the Project in an amount not exceeding 20% of the aggregate principal amount of the Bonds); (b) are made exclusively to provide facilities and improvements that constitute part of a “qualified residential rental project” within the meaning of Section 142(d) of the Code; and (c) are properly chargeable to the Project’s capital account under general federal income tax principles or that would be so chargeable with a proper election or but for a proper election by the Borrower to deduct such expenditure. However, “Qualified Project Costs” do not include (i) issuance costs of the Bonds (within the meaning of Section 147(g) of the Code) or (ii) any fee, charge or profit payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code) of the Borrower. As used herein, the term “preliminary expenditures” includes architectural, engineering, surveying, soil testing and similar costs that were incurred prior to the commencement of construction of the Project, but does not include land acquisition, site preparation and similar costs incident to commencement of construction of the Project.

“Rating Agency” means any national rating agency then maintaining a rating on the Bonds, and initially means Moody’s.

“Rating Category” means one of the generic rating categories of the Rating Agency.

“Rebate Amount” means the amount, if any, which is to be paid to the United States of America pursuant to the Section 148(f) of the Code and Section 4.06 hereof.

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Issuer at the expense of the Borrower to calculate the Rebate Amount or, in the event that the Issuer fails to so select a Rebate Analyst and the Borrower fails to pay such fee one month prior to any date on which calculations are required to be made, any qualified person retained by the Trustee to calculate the Rebate Amount. The initial Rebate Analyst will be Dufresne CPA Services, P.A.

“Rebate Fund” means the Rebate Fund created in Section 4.01 of this Indenture.

“Record Date” means the 15th day of the month preceding any Interest Payment Date or 45 days prior to any Mandatory Tender Date.

“Remarketing Agent” means RBC Capital Markets, LLC or any successor as Remarketing Agent designated in accordance with Section 10.24 hereof.

“Remarketing Agent's Fee” means the fee of the Remarketing Agent for its remarketing services.

“Remarketing Agreement” means the Remarketing Agreement, dated as of August 1, 2023 by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the Initial Remarketing Date and, if the Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Section 3.03 for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Investor Member, the Issuer, the Trustee, the Remarketing Agent, the Authorized Member and the Mortgage Lender.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the earlier of (i) the last day of the term for which Bonds are remarketed pursuant to Section 3.03, (ii) the Conversion Date or (iii) the final Maturity Date of the Bonds.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund created in Section 4.01 hereof.

“Remarketing Rate” means the interest rate or rates established pursuant to Section 2.01 and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

“Requisition” means the written request to make a disbursement from (i) the Project Fund in substantially the form attached as **Appendix B** hereto submitted in the manner provided pursuant to Section 5.02 hereof, or (ii) the Costs of Issuance Fund in substantially the form attached as **Appendix B-1** hereto submitted in the manner provided pursuant to Section 4.07 hereof.

“Reserved Rights of the Issuer” shall mean (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under this Indenture, the Loan Agreement and the Tax Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information hereunder, under the Loan Agreement and under the Tax Regulatory Agreement; (c) the right of the Issuer to receive its fees and expenses; (d) the Issuer’s approval rights; (e) the rights of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and enforcement rights of the Issuer in Section 6.02 of the Loan Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of this Indenture and the Loan Agreement, or the Tax Regulatory Agreement insofar as any such amendment or modification would affect the Reserved Rights of the Issuer; (k) all approval rights of the Issuer relating to rent increases as provided in the Tax Regulatory Agreement; and (l) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under this Indenture, the Tax Regulatory Agreement and the Loan Agreement are reserved to the Issuer, as none of these rights under this Indenture, the Tax Regulatory Agreement or the Loan Agreement are being assigned by the Issuer to the Trustee, the Mortgage Lender or Citi.

“Revenues” means (a) the Loan Payments, (b) the Eligible Funds received by the Trustee for deposit into the Collateral Fund, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Special Funds, and (e) all income and profit from the investment of the foregoing moneys. The term *“Revenues”* does not include any money or investments in the Rebate Fund and the Costs of Issuance Fund (but only to the extent such moneys are not proceeds of the Bonds), amounts paid as fees, reimbursement for expenses or for indemnification of the Issuer and the Trustee, or amounts paid to or collected by the Issuer in connection with any Reserved Rights of the Issuer.

“SAIL Loan” means the loan made to Borrower by Florida Housing in the principal amount of \$4,000,000 pursuant to the SAIL Loan Documents.

“SAIL Loan Documents” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the SAIL Loan is funded or secured.

“Securities Depository” means the Depository Trust Company, its successors and assigns, or any other securities depository for the Bonds designated by the Issuer or the Borrower to the Trustee in writing.

“Special Funds” means, collectively, the Bond Fund, the Collateral Fund and the Project Fund, and any accounts therein, all as created in this Indenture.

“State” means the State of Florida.

“Subordinate Lenders” means, collectively, the City of Hollywood, the County and Florida Housing.

“Subordinate Loan Documents” means, collectively, the City of Hollywood Loan Documents, the County Loan Documents, the ELI Loan Documents, the NHTF Loan Documents and the SAIL Loan Documents.

“Subordinate Loans” means, collectively, the City of Hollywood Loan, the County Loan, the ELI Loan, the NHTF Loan and the SAIL Loan.

“Subordinate Loan Account” shall mean the Subordinate Loan Account within the Project Fund established pursuant to Section 4.01 hereof.

“Supplement” or **“Supplements”** means any and all extensions, renewals, modifications, amendments, supplements and substitutions.

“Tax Certificate” means, collectively, (i) the Certificate as to Arbitrage and Certain Other Tax Matters dated the Closing Date and executed by the Issuer, and (ii) the Borrower Tax Certificate dated the Closing Date and executed and delivered by the Borrower, and (iii) the Arbitrage Rebate Agreement by and among the Issuer, the Borrower and the Trustee, in each case including all exhibits and other attachments thereto and in each case as may be amended from time to time.

“Tax Regulatory Agreement” means the Land Use Restriction Agreement dated as of the same date as this Indenture by and among the Issuer, the Trustee and the Borrower relating to the Bonds, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

“Term of Agreement” means the term of the Loan Agreement as specified in Section 8.01 of the Loan Agreement.

“Title Company” means Old Republic National Title Insurance Company.

“Trust Estate” has the meaning given such term in the Granting Clauses of this Indenture.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, organized and existing under the laws of the United States and authorized to conduct business in the State, and its successor or successors in the trust created by this Indenture.

“Trustee’s Fee” means the Trustee’s initial acceptance fee and expenses of \$2,500.00 plus fees, costs and expenses of its counsel in conjunction with the delivery of the Bonds and the ongoing compensation and expenses payable to the Trustee as follows:

(a) the annual administration fees of the Trustee, for the ordinary services of the Trustee rendered under this Indenture during each twelve-month period and shall be \$3,750.00 per annum, payable in advance in semiannual installments of \$1,875.00 on the Closing Date and each March 1 and September 1 thereafter; beginning March 1, 2024;

(b) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under this Indenture as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including fees prior to litigation, at trial or for appellate proceedings); provided, however, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and

(c) for purposes of the Loan Agreement, indemnification of the Trustee by the Borrower; and

(d) 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.

“Trust Office” means the trust office of the Trustee located at the address set forth in Article I hereof or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

“Undelivered Bond” means any Bond that is required under this Indenture to be delivered to the Remarketing Agent or the Trustee for purchase on a Mandatory Tender Date but that has not been received on the date such Bond is required to be so delivered.

“Underwriter” means, collectively, RBC Capital Markets, LLC and Raymond James & Associates, Inc.

Section 1.02 Rules of Construction. The words “hereof,” “herein,” “hereunder,” “hereto,” and other words of similar import refer to this Indenture in its entirety.

The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

References to Articles, Sections, and other subdivisions of this Indenture are to the designated Articles, Sections, and other subdivisions of this Indenture.

The headings of this Indenture are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

Any reference to particular sections or subsections of the Code and applicable Income Tax Regulations shall include any successor provisions of law or regulations, to the extent the same shall apply to the Bonds.

Any reference to a Bond or to the Bonds shall include each portion in the minimum Authorized Denomination of any registered bond having a denomination greater than the minimum Authorized Denomination.

Any direction, consent, approval or similar action required hereunder shall be in writing and signed by an authorized representative of the party providing such direction, consent, approval or similar action.

Section 1.03 *Determinations.* The Issuer has determined that the issuance of the Bonds under this Indenture is necessary to achieve a valid public purpose of the Issuer under the Act: to increase the housing supply for families of limited income, to alleviate the shortage of adequate safe and sanitary housing of families of low and moderate income and to promote community development.

The Issuer is issuing the Bonds with the intent and expectation that the income from the Bonds will be generally excludable from the Bondholder's gross income under the Code as determined by the Issuer and pursuant to an opinion of Bond Counsel (subject to customary limitations).

ARTICLE II CREATION OF BONDS; DETAILS OF THE BONDS

Section 2.01 *Authorization and Terms of Bonds.*

(a) *Authorization of Bonds.* The Issuer hereby authorizes for issuance under this Indenture, bonds in the original aggregate principal amount of \$[22,000,000], which shall be designated "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2)," to be issued as hereinafter provided.

(b) *Registered Form; Numbering.* The Bonds shall be issuable only as fully registered Bonds in Authorized Denominations, substantially in the form, appropriately completed, attached hereto as Appendix A and made a part hereof. The Bonds shall be lettered "R," and shall be numbered separately from "1" consecutively upward.

(c) *Date, Denominations, Dates from Which Interest Payable, Interest Rate and Maturity.* The Bonds shall be dated the Closing Date, shall be issued in Authorized Denominations, and shall bear interest on the principal amount Outstanding from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or provided for, from their date of initial delivery, payable on each Interest Payment Date. The Bonds shall bear interest for each Interest Period at the Interest Rate all as more specifically set forth hereinafter. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall mature on the Maturity Date, subject to Mandatory Tender for purchase as set forth in Section 3.01 hereof.

(d) *Initial Interest Rate.* From the Closing Date to, but not including, the Initial Mandatory Tender Date, the interest rate on the Bonds shall be the Initial Interest Rate. On the Initial Mandatory Tender Date, the Bonds shall be subject to Mandatory Tender pursuant to Section 3.01 hereof. If insufficient funds are available to pay the purchase price on the Bonds following such Mandatory Tender on the Initial Mandatory Tender Date, the Bonds shall accrue interest at the Maximum Interest Rate until funds are available for payment of the purchase price, with interest being paid monthly on the first Business Day of each month.

(e) *Establishment of Remarketing Rate.* The Remarketing Agent shall establish the interest rate on the Bonds Outstanding for each Remarketing Period at the Remarketing Rate in accordance with this Section 2.01. Not less than ten (10) Business Days preceding each Remarketing Date, the Remarketing Agent, taking into consideration prevailing market conditions, shall, using its best professional judgment, determine the minimum rate(s) of interest which, if borne by the Bonds then Outstanding for the Remarketing Period specified by the Remarketing Agent at the direction of the Borrower as provided in Section 3.03 hereof, and shall offer for sale and use its best efforts to sell the Bonds Outstanding on the Remarketing Date at a price equal to 100% of the principal amount of such Bonds plus, if such Remarketing Date is a date other than a scheduled Interest Payment Date, accrued interest on such Bonds from the preceding Interest Payment Date to which interest has been paid. The rate of interest determined in accordance with the previous sentence shall be the Remarketing Rate for the specified Remarketing Period; *provided* that if the rate of interest so determined for such period would exceed the maximum interest rate per annum permitted by applicable law, the Bonds Outstanding shall be remarketed for the longest Remarketing Period for which the minimum rate of interest that would enable such Bonds to be remarketed at a price equal to 100% of the principal amount of such Bonds that would not exceed the maximum interest rate permitted by applicable law. Notwithstanding the foregoing, if the rate of interest so determined for any Remarketing Period would exceed the Maximum Interest Rate permitted by applicable State law, the Bonds Outstanding shall not be remarketed.

(f) *Notice of Remarketing Rate.* The Remarketing Agent shall, upon determination of the Remarketing Rate and Remarketing Period, immediately (and in no event later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period) give notice of its determination by telephone or telecopy, promptly confirmed in writing within ten (10) Business Days, to the Trustee, the Issuer, the Borrower and the Investor Member. The Remarketing Rate and the Remarketing Period shall be conclusive and binding upon the Trustee, the Issuer, the Borrower and the Holders for the purposes of this Indenture.

(g) *Book-Entry Form.* Initially, the Bonds shall be in Book-Entry Form by issuing a single bond in the amount of \$[22,000,000], registered in the name of Cede & Co. (defined below), as nominee for DTC (defined below). In the event DTC discontinues its service with respect to the Bonds and the Book-Entry System is terminated, replacement Bonds shall be issued in Authorized Denominations.

(h) *Medium and Place of Payment.* Principal of and interest on the Bonds shall be payable in lawful money of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts, but only from the Revenues and any other monies made available to the Issuer for such purpose. Principal of the Bonds shall be payable at the Trust Office upon presentation and surrender of the Bonds as the same become due, and upon the request of any registered Owner of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, such principal shall be paid by wire transfer of immediately available funds from the Trustee to the bank and account number specified by such Owner in writing to the Trustee. Interest on the Bonds shall be payable to each registered Owner of the Bonds by check or draft mailed to such Owners at their addresses as they appear on registration books kept by the Trustee as Bond Registrar, or, upon the request of any registered Owner of Bonds having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the bank and account number specified by such Owner in writing to the Trustee at least three (3) Business Days prior to the applicable payment date.

(i) *Form of Bonds.* The definitive Bonds, which may be printed, typewritten, photocopied, or otherwise reproduced, including the Trustee's Certificate of Authentication to be endorsed thereon, shall be substantially in the form as set forth in Appendix A attached hereto with such appropriate variations, omissions and insertions as permitted or required by this Indenture.

(j) *Payments or Actions to be taken on Saturdays, Sundays and Holidays.* In any case where the date of any action required hereunder to be taken or the date of maturity of interest on or principal of the Bonds, shall not be a Business Day, then payment of interest or principal or the taking of such action need not be made or taken on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date such action was to be taken.

Section 2.02 *Source of Payment of Bonds.* The Issuer shall be obligated to pay the principal of and the interest on the Bonds only out of (a) the Revenues pledged for the payment thereof under this Indenture, (b) the amounts held in any fund or account created under this Indenture, other than amounts held in the Rebate Fund, the Costs of Issuance Fund and the Subordinate Loan Account of the Project Fund, and (c) from any other moneys held pursuant to the Trust Estate. Nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer. All the Bonds to be issued hereunder shall be equally and ratably secured, to the extent provided herein, by this Indenture.

Section 2.03 *Execution of Bonds.* The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of an authorized officer of the Issuer, and the seal of the Secretary or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of an authorized officer of the Issuer. In case any authorized officer of the Issuer whose signature or a facsimile of whose signature shall appear on any of the

Bonds shall cease to be an authorized officer of the Issuer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such authorized officer of the Issuer had remained in office until delivery. Furthermore, it shall not be necessary that the same authorized officer of the Issuer sign all of the Bonds that may be issued hereunder at any one time or from time to time.

Section 2.04 *Certificate of Authentication.* Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in the form of the Bond herein provided and duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder. At the time of authentication of any Bond, the Trustee shall insert therein the date from which interest on such Bond shall be payable as provided in Section 2.01(c).

Section 2.05 *Authentication and Delivery of Bonds.* The Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchaser or purchasers as may be directed by the Issuer as provided in this Section.

Prior to the authentication by the Trustee of the Bonds, there shall have been filed with the Trustee:

- (a) A copy, certified by the Chair or Vice Chair of the governing body or the Executive Director of the Issuer, of all resolutions adopted and proceedings had by the Issuer relating to the Bonds, authorizing the execution, delivery and performance of this Indenture and the Loan Agreement;
- (b) A fully executed copy of this Indenture;
- (c) A copy of the fully executed Loan Agreement, the Tax Regulatory Agreement, the Tax Certificate, the Guarantor Documents and the original, fully executed Note;
- (d) An opinion of Bond Counsel with respect to the exclusion from gross income for federal and State income tax purposes of interest payable on the Bonds and the Governmental Lender Note;
- (e) Opinions of Counsel addressed to the Issuer and the Trustee, of a law firm or law firms (who may be independent counsel) to the effect that the Bonds and the Documents have been duly executed and delivered by each of the parties thereto and constitute valid and binding obligations of each such party, and are enforceable against each such party in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally, and with respect to certain

remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose;

(f) A request and authorization signed by an authorized officer of the Issuer authorizing the Trustee to authenticate and to deliver the Bonds to the purchaser or purchasers therein identified upon payment to the Trustee for the account of the Issuer of the amount specified in such request and authorization plus accrued interest, if any, thereon to the date of delivery; and

(g) The Initial Deposit.

The proceeds from the sale of the Bonds shall be paid over directly to the Trustee and deposited to the credit of the Project Fund, as provided under Article V hereof.

Section 2.06 *Temporary Bonds.* Until Bonds in definitive form are ready for delivery, the Issuer may execute, and upon its request in writing, the Trustee shall authenticate and deliver in lieu of any thereof, and subject to the same provisions, limitations and conditions, one or more printed, typewritten or photocopied Bonds in temporary form, substantially of the tenor of the Bonds herein described, and with appropriate omissions, variations and insertions. Such Bond or Bonds in temporary form shall be delivered in denominations authorized by this Indenture, may be numbered using the prefix "T" before any number thereon as authorized by this Indenture, and may bear a legend thereon setting forth the terms for the exchange thereof for Bonds in definitive form. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit of this Indenture. The Issuer shall, without unreasonable delay (unless the Holders of the Bonds issued in temporary form agree otherwise), prepare, execute and deliver to the Trustee, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form, the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds in a definitive authorized form in Authorized Denominations, of the same maturity or maturities, bearing the same interest rate or rates and for the same aggregate principal amount as the Bond or Bonds in temporary form surrendered. Such exchange shall be made by the Issuer at the Borrower's expense and without making any charge to the Holders of the Bonds therefor.

Section 2.07 *Mutilated, Lost, Stolen or Destroyed Bonds.* In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed; *provided* that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. The Trustee may, with the consent of the Holder, provide to the Holder a typewritten (or similarly reproduced) Bond certificate in lieu of a printed Bond certificate. 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 Issuer and the Trustee may charge the Holder of such Bond their expenses and reasonable fees, if any, in connection with the preparation, execution and authentication of a replacement Bond.

Section 2.08 *Registration, Negotiability, Transfer and Exchange of Bonds.* All of the Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration and

transfer contained in this Indenture and in the Bonds. So long as any of the Bonds shall remain outstanding, the Issuer shall maintain and keep at the Trust Office, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at such office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as the Issuer or the Trustee may prescribe, any Bond entitled to registration or transfer.

Each Bond shall be transferable only upon the books of the Issuer maintained for such purpose by the Trustee, at the written request of the registered Owner thereof or his attorney duly authorized in writing, upon presentation and surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond, the Issuer shall issue, and the Trustee shall authenticate, in the name of the transferee, in Authorized Denominations, a new Bond or Bonds without coupons of the same aggregate principal amount, series, maturity and interest rate as the surrendered Bond.

The Issuer and the Trustee may deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Issuer as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

For every exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Indenture to the contrary, any expenses of the Issuer or the Trustee incurred in connection therewith (except any applicable tax or other governmental charge) shall be paid by the Borrower as required by the Loan Agreement. The Issuer shall not be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding an interest payment date on the Bonds. The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.09 *Obligation of Issuer Limited.* The Bonds, together with interest thereon, do not constitute an indebtedness to which the faith and credit of the Issuer or the State are pledged but are special limited obligations of the Issuer payable solely from (a) the Revenues pledged for the payment thereof under this Indenture, (b) the amounts held in any fund or account created under this Indenture, other than amounts held in the Rebate Fund and the Costs of Issuance Fund, and (c) from any other moneys held pursuant to the Trust Estate, and shall be a valid claim of the respective Holders thereof only against the Trust Estate, which is hereby assigned for the equal and ratable payment of the Bonds and the interest thereon 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, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THIS INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER. THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

Section 2.10 Cancellation and Destruction of Bonds. All Bonds that have been surrendered for payment, cancellation or for registration of transfer or exchange pursuant to Section 2.08 shall be cancelled and destroyed by the Trustee and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer and, upon written request therefor, to the Borrower and the Investor Member. Any Bonds so cancelled may be retained by the Trustee for such period of time as the Trustee may determine and shall be destroyed by the Trustee at the end of such period. Any Bonds so cancelled shall thereafter no longer be considered Outstanding for any purpose of this Indenture or the Loan Agreement.

Section 2.11 Book-Entry System.

(a) Except as provided in subparagraph (c) of this Section 2.11, the registered owner of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. (“**Cede**”), as nominee of The Depository Trust Company (“**DTC**”). Payment of semi-annual interest for any Bonds shall be made by transfer of same-day funds to the account of Cede on the interest payment date for the Bonds at the address indicated for Cede in the registration books of the Issuer kept by the Trustee.

(b) The Bonds shall be initially issued in the form of a separate single fully registered bond in the amount of each separately stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registry books of the Issuer kept by the Trustee in the name of Cede, as nominee of DTC. With respect to Bonds registered in the registry books kept by the Trustee in the name of Cede, as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any participant of DTC (a “**Participant**”) or to any person for whom a Participant acquires an interest in the Bonds (a “**Beneficial Owner**”). Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, or (iii) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Issuer and the Trustee may treat as and deem DTC to be the absolute owner of each Bond for the purpose of payment of the principal of and interest on such Bond, and other matters with respect to such Bond, for the purpose

of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. Payments of principal may be made without requiring the surrender of the Bonds, and the Issuer and Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Bonds the payment of such principal. No person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal of and interest on the Bonds pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

(c) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is not a successor securities depository), Bond certificates will be delivered as described in this Indenture.

(ii) The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that: (1) DTC is unable to discharge its responsibilities with respect to the Bonds or (2) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds. In the event that no substitute securities depository is found by the Issuer, or restricted registration is no longer in effect, Bond certificates will be delivered as described in this Indenture.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subparagraph (c)(i) of this Section 2.11, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subparagraph (c)(ii) of this Section 2.11 after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

In connection with any proposed transfer outside the Book-Entry System, the Issuer, the Borrower or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the applicable Representation Letter of the Issuer addressed to DTC, dated the date of delivery and issuance of the Bonds.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Issuer or the Trustee with respect to any consent or other action to be taken by the Bondholders, the Issuer or the Trustee, as the case may be, shall establish a special record date for such consent or other action and give DTC notice of such special record date not less than fifteen (15) calendar days in advance of such special record date to the extent possible.

Section 2.12 *Conversion.*

(a) If the Notice of Conversion is issued in the timeframe required under the Citi Forward Commitment and all conditions with respect thereto and with respect to the purchase of the Governmental Lender Note are satisfied, Conversion will occur on the Conversion Date indicated in such Notice of Conversion. If the Notice of Conversion is not so issued or all conditions with respect thereto and with respect to the funding of the Funding Loan are not so satisfied, then Conversion will not occur and Citi will not have any obligations with respect to the purchase of the Governmental Lender Note or otherwise with respect to the Loan or the Project.

(b) If Conversion occurs, on the Conversion Date, (i) the Bonds shall be subject to mandatory tender in accordance with Section 3.01 hereof, (ii) the purchase price of the Bonds shall be paid with amounts on deposit in the Collateral Fund (and/or other Eligible Funds hereunder), (iii) a portion of the principal amount of the Bonds shall be cancelled such that the principal amount outstanding equals the [Actual Project Loan Amount] (as determined by Citi at such time), (iv) the Bonds shall be removed from the Book-Entry System and converted into a physical Governmental Lender Note (in the form attached to the Funding Loan Agreement) which shall be purchased by Citi, (v) the Funding Loan Agreement attached hereto as Appendix C and the Borrower Loan Agreement attached hereto as Appendix D shall be delivered by the respective parties and become effective and shall supersede this Indenture and the Loan Agreement, respectively, (vi) the proceeds of the Citi Purchase Price, along with other funds of the Borrower, shall be deposited into the Mortgage Loan Prepayment Fund, and (vii) the Mortgage Loan shall be paid in full with amounts on deposit in the Mortgage Loan Prepayment Fund and all security related to the Mortgage Loan shall be released or assigned to Citi. If the Conditions to Conversion are not satisfied on or before the Forward Commitment Maturity Date, the Loan will not convert from the Construction Phase to the Permanent Phase, and Citi will not have any obligation with respect to the purchase of the Governmental Lender Note.

(c) Provided all Conditions to Conversion are satisfied, the Issuer and Trustee agree to execute and deliver the Funding Loan Agreement, the Governmental Lender Note and the Borrower Loan Agreement and any other Funding Loan Documents (as defined in the Funding Loan Agreement) to be executed in connection with Citi's purchase of the Governmental Lender Note on the Conversion Date.

(d) The Governmental Lender Note shall mature on the Maturity Date, subject to earlier prepayment as provided in the Funding Loan Agreement. The unpaid principal balance of the Governmental Lender Note shall be paid on the dates and in the amounts set forth in the initial Borrower Note.

(e) In addition to the Conditions to Conversion set forth in the Citi Forward Commitment, Conversion shall be conditioned upon the delivery of the items set forth in Section 6.1 of the Funding Loan Agreement.

ARTICLE III MANDATORY TENDER AND REMARKETING OF BONDS

Section 3.01 *Mandatory Tender.*

(a) All Outstanding Bonds shall be subject to mandatory tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date. Notwithstanding the foregoing, if the Notice of Conversion has not been delivered establishing the Conversion Date and resulting Mandatory Tender Date the Bonds must be remarketed on such Mandatory Tender Date subject to meeting the requirements set forth below.

(b) The Mandatory Tender Dates shall consist of (i) the earlier of (A) the Initial Mandatory Tender Date and (B) the Conversion Date, and (ii) any subsequent dates for mandatory tender of the Bonds established by the Borrower, with the consent of the Investor Member, and with the consent of the Remarketing Agent in connection with a remarketing of the Bonds pursuant to Section 3.03 hereof.

(c) While tendered Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

(d) Notwithstanding anything herein to the contrary, any Bond tendered under this Section 3.01 will not be purchased if such Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

(e) The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Bonds deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund (and/or other Eligible Funds hereunder), to pay the principal amount of Bonds tendered for purchase, (iii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest; if any, on Bonds tendered for purchase, (iv) any available interest earnings on amounts on deposit in the Project Fund to pay the accrued interest, if any, on the Bonds tendered for purchase and (v) any other Eligible Funds available or made available for such purpose at the direction of the Borrower, with the consent of the Issuer.

(f) Bonds shall be deemed to have been tendered for purposes of this Section 3.01 whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds

and interest accrued thereon to the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Section 3.02 *Mandatory Tender Notice.*

(a) Not less than thirty (30) days preceding a Mandatory Tender Date (or 8 days in connection with a Mandatory Tender Date that is the Conversion Date), the Trustee shall give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Investor Member, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (a) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date, (b) all Outstanding Bonds must be tendered for purchase no later than 12:00 Noon Local Time on the Mandatory Tender Date and (c) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date; and

(iv) any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 20th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Bond.

(c) Neither failure to give or receive any notice described in this Section 3.02, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.02.

(d) Notice delivered as required in this Section 3.02 with respect to a mandatory tender pursuant to Section 3.01(b) hereof may be rescinded and annulled on or before the tender date set forth in such notice if Conversion does not occur by the Conversion Date.

Section 3.03 *Remarketing of Bonds.*

(a) No later than 11:00 a.m. Local Time on the 35th day prior to each Mandatory Tender Date (or the 8th day in connection with a Mandatory Tender Date due to the Conversion Date), the

Trustee shall give notice to the Borrower, the Investor Member, and the Remarketing Agent by telephone or teletype, confirmed on the same day in writing, which states the Mandatory Tender Date and that all of the Bonds are to be tendered or deemed to be tendered on the Mandatory Tender Date pursuant to Section 3.01 hereof.

(b) No later than 11:00 a.m. Local Time on the 15th day prior to the Mandatory Tender Date then in effect (excluding a Mandatory Tender Date in connection with a Conversion Date), the Borrower may give notice to the Remarketing Notice Parties by telephone or teletype, confirmed on the same day in writing, that it elects to cause the Bonds to be remarketed. A remarketing of the Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) Notice by the Borrower to the Issuer, the Investor Member, the Remarketing Agent and the Trustee of the Remarketing Period pursuant to and in accordance with Section 4.05 of the Loan Agreement;

(ii) Delivery to the Issuer, the Trustee and the Remarketing Agent of a preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

(iii) The Borrower shall have notified the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the Opinion of Counsel to the Remarketing Agent, is necessary to be used in connection with the remarketing of the Outstanding Bonds.

(c) Not less than ten (10) days before each Remarketing Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Bonds Outstanding on the Remarketing Date at a price equal to 100% of the principal amount of such Bonds plus, if such Remarketing Date is a date other than an Interest Payment Date, accrued interest on such Bonds from the preceding Interest Payment Date to which interest has been paid. Not less than four (4) Business Days before each Remarketing Date, the Remarketing Agent shall give notice, by telephone or teletype, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Bonds, if any, it has remarketed (including Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account), the Remarketing Rate(s) and the Remarketing Period applicable to the Bonds.

The Remarketing Agent shall remarket any Bond tendered pursuant to Section 3.01 hereof; *provided, however*, that no such Bond shall be remarketed at a price less than 100% of the principal amount thereof plus accrued interest (if any) without the prior written consent of the Borrower and the Authorized Member; and *provided, further*, that the purchase price of any Bond paid to the tendering Holder allocable to such discount shall be paid with Eligible Funds made available by the Borrower therefor and on deposit with the Trustee prior to the remarketing of such Bonds. The Remarketing Agent shall have the right to purchase any Bond tendered or deemed tendered pursuant to Section 3.01 hereof at 100% of the principal amount thereof, and to thereafter sell such Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not remarket any Bond to the Issuer, the Borrower, any guarantor of the Bonds or any person which is an “insider” of the Issuer, Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(d) If, not less than four (4) or two (2) Business Days, as applicable, preceding the Remarketing Date:

(i) if, not less than four (4) Business Days preceding the Remarketing Date, the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account) and other Eligible Funds equal to the amount needed to purchase the remarketed Bonds on the Remarketing Date are expected to be available to the Trustee on the Remarketing Date for deposit into the Remarketing Proceeds Account;

(ii) if, not less than four (4) Business Days preceding the Remarketing Date, the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received a Confirmation of Rating from the Rating Agency, together with a copy of such Confirmation of Rating from the Rating Agency;

(iii) if, not less than two (2) Business Days preceding the Remarketing Date, there shall be on deposit with the Trustee, from Eligible Funds provided by the Borrower an amount sufficient to pay the Extension Payment set forth in the Cash Flow Projection for deposit to the Negative Arbitrage Account of the Bond Fund with respect to the payment of interest and principal during the new Remarketing Period;

(iv) if, not less than two (2) Business Days preceding the Remarketing Date, there shall either (A) be on deposit with the Trustee in the Costs of Issuance Fund an amount sufficient to pay the estimated Remarketing Expenses as certified in writing to the Trustee by the Borrower, or (B) the Remarketing Agent shall have certified in writing to the Trustee that provision for the payment of the estimated Remarketing Expenses shall have been made to the satisfaction of the Remarketing Agent;

then the Trustee shall immediately give notice, by telephone or telecopy, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Borrower the Investor Member that (a) all conditions precedent to the remarketing of the Outstanding Bonds have been satisfied and (b) the sale and settlement of the Outstanding Bonds is expected to occur on the Remarketing Date. Following the Trustee's notice, the Outstanding Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Remarketing Date, and the Trustee shall apply the funds in the Remarketing Proceeds Account of the Bond Fund on the Remarketing Date to payment of the purchase price of the Outstanding Bonds.

(e) If, not less than four (4) or two (2) Business Days, as applicable, preceding a Remarketing Date, any condition set forth in paragraph (d) of this Section 3.03 has not been satisfied, then, unless the Outstanding Bonds are otherwise purchased on the Remarketing Date, the Remarketing Agent shall not sell any of the Outstanding Bonds on the Remarketing Date.

(f) No later than 11:00 a.m. Local Time on each Remarketing Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Bonds tendered for purchase on such Remarketing Date; provided that the Remarketing Agent may use its best efforts to cause the

purchasers of the remarketed Bonds to pay the purchase price plus accrued interest (if any) to the Trustee in immediately available funds. The proceeds from the remarketing of the Bonds shall be segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 11:00 a.m. Local Time on each Remarketing Date shall be paid to the Trustee as soon as practicable upon such receipt.

(g) On or before the Business Day next preceding each Remarketing Date, the Remarketing Agent, by telephonic advice, shall notify the Trustee of (i) the principal amount of Bonds to be sold by the Remarketing Agent pursuant to this Section 3.03 hereof and the purchase price, and, unless the Bonds are then in the Book-Entry System, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Bonds tendered for purchase on such Remarketing Date which will not be sold by the Remarketing Agent pursuant to this Section 3.03 hereof. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice.

Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed by the Remarketing Agent. Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 3.04 *Mandatory Redemption.*

The Bonds are subject to mandatory redemption, in whole, on any Mandatory Tender Date other than the Conversion Date, upon the occurrence of any of the following events: (i) the Borrower has not previously elected pursuant to Section 3.03 hereof and Section 4.05 of the Loan Agreement to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in Section 3.03(b) or Section 3.03(d) have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. The Bonds shall be redeemed at a redemption price equal to 100% of the principal amount of such Bonds plus accrued interest to the applicable redemption date from funds on deposit in, or transferred from, the Bond Fund, the Collateral Fund, and the Project Fund.

Section 3.05 *Cancellation of Bonds.*

The Trustee shall immediately cancel Bonds if the tender price of the Bonds is paid from amounts other than proceeds derived from the remarketing of the Bonds; provided, however, on the Conversion Date only a portion of the Bonds shall be cancelled such that the outstanding principal amount is equal to the [Actual Project Loan Amount] (which remaining outstanding principal balance of the Bonds in the amount of the [Actual Project Loan Amount] shall be converted into the Governmental Lender Note in accordance with Section 2.12 hereof).

**ARTICLE IV
REVENUES AND FUNDS**

Section 4.01 *Creation of Funds.* The following trust funds are hereby created by the Issuer and ordered established with the Trustee, to be maintained in the custody of the Trustee each as a separate bank account, to be used for the purposes as hereinafter provided in this Indenture:

(a) **Bond Fund.** The Bond Fund, and within the Bond Fund, the “**Negative Arbitrage Account**” and the “**Remarketing Proceeds Account**”.

(b) **Project Fund.** The Project Fund, and within the Project Fund an “**Excess Earnings Account**” and a “**Subordinate Loan Account**”. Moneys held in the Subordinate Loan Account of the Project Fund are not held for the benefit of the Owners and are not part of the Trust Estate.

(c) **Rebate Fund.** The Rebate Fund, which Fund shall be administered in accordance with the provisions of Section 4.06 of this Indenture. Moneys held in the Rebate Fund are not held for the benefit of the Owners and are not part of the Trust Estate.

(d) **Costs of Issuance Fund.** Moneys held in the Costs of Issuance Fund that are not proceeds of the Bonds are not held for the benefit of the Owners and are not part of the Trust Estate. Any moneys held in the Costs of Issuance Fund that are proceeds of the Bonds are held for the benefit of the Owners and are part of the Trust Estate.

(e) **Collateral Fund.**

(f) **Mortgage Loan Prepayment Fund.** The Mortgage Loan Prepayment Fund shall not be pledged to the payment of the Bonds and shall not be part of the Trust Estate.

The Trustee may create one or more accounts or subaccounts within any fund authorized by this Indenture for the purpose of accounting for funds deposited into or held in each fund or for carrying out any of the requirements of this Indenture. The Trustee may transfer funds between accounts and subaccounts within any fund.

In the event certain moneys are deposited with the Trustee prior to the Closing Date, whether or not pursuant to one or more letters of instruction from the provider or providers of such moneys, such moneys shall be held by the Trustee subject to the terms and conditions of this Indenture, in addition to the terms of any such letter(s) of instruction. For such purpose, the standards of care, any provisions governing the responsibilities and indemnification and other provisions relating to the Trustee contained in this Indenture and in the Loan Agreement (the “Effective Provisions”) shall be effective as of the first date of receipt by the Trustee of such moneys. The Effective Provisions shall be deemed incorporated into any such letter(s) of instructions.

Section 4.02 *Deposits into and Use of Moneys in the Bond Fund.* On the Closing Date, the Trustee shall deposit the Initial Deposit, if any, in the Negative Arbitrage Account of the Bond

Fund; the Bond Fund and amounts on deposit in the Bond Fund are to be invested pursuant to Section 6.01 hereof. Any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to Section 3.03 hereof shall also be deposited into the Negative Arbitrage Account. The Trustee is authorized to release funds in the Negative Arbitrage Account to the Borrower upon receipt of updated Cash Flow Projections and a Rating Agency Confirmation.

On each Interest Payment Date, any available interest earnings in the Project Fund, up to an amount equal to the interest due on the Bonds on such Interest Payment Date, shall be transferred to the Bond Fund to make a payment of interest on the Bonds on such Interest Payment Date. Further, to the extent that available interest earnings on the Project Fund transferred to the Bond Fund in accordance with the preceding sentence are insufficient to make necessary interest payments on each Interest Payment Date, interest on the Bonds, when due and payable, shall be paid (a) in the first instance from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account therein), (b) next from money on deposit in the Negative Arbitrage Account of the Bond Fund, (c) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (d) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Principal on the Bonds, when due and payable, shall be paid (a) in the first instance from the money on deposit in the Bond Fund, (b) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (c) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Except as provided in Section 4.05 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds when due.

Section 4.03 *Custody of the Bond Fund.* The Bond Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Trustee (a) to withdraw sufficient funds from the Bond Fund to pay the principal of and interest on the Bonds as the same become due and payable, and (b) to make such funds so withdrawn available to the Trustee, as paying agent, for the purpose of paying such principal and interest, which authorization and direction the Trustee accepts.

Section 4.04 *Non-Presentation of Bonds.* Subject to the provisions of Section 10.21 hereof, in the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liability of the Issuer to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on its part under this Indenture or on, or with respect to, such Bond. Any such Bonds shall cease to bear interest on the specified maturity and such Bonds or portions thereof shall no longer be protected by or subject to the benefit or security of this Indenture and shall not be deemed to be outstanding under the provisions of this Indenture.

Section 4.05 *Payment to Borrower of Excess Moneys in Bond Fund.* Any amounts remaining in the Bond Fund (except for amounts then held by the Trustee for payment of principal of, or interest on any of the Bonds) after payment in full of the purchase price of the Bonds on the Conversion Date, and other costs associated with the conversion of the Bonds, and payment in full of any outstanding fees and expenses of the Paying Agent, the Issuer and the Trustee and any other fees and expenses due under the Documents, shall, upon written instruction to the Trustee from the Borrower, be deposited into the Loan Payment Fund established under the Funding Loan Agreement or for any other purpose *provided* that the Trustee is furnished with an opinion of Bond Counsel to the effect that such investment or purpose will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 4.06 *Rebate Fund; Rebate Amount.* The Trustee shall deposit into the Rebate Fund amounts paid by the Borrower pursuant to the Tax Certificate.

(a) The determination of the Rebate Amount shall be made in accordance with the Tax Certificate and the Rebate Amount shall be paid at such times and in such installments as provided therein. As further provided in the Tax Certificate, the Borrower shall be responsible for calculating or causing to be calculated and paying the Rebate Amount.

(b) Neither the Issuer nor the Trustee shall be obligated to pay any portion of the Rebate Amount (except from funds on deposit in the Rebate Fund). In addition, neither the Issuer nor the Trustee shall have any responsibility with respect to the calculation of the Rebate Amount, *provided* that the rebate calculations are subject to the Issuer's approval.

(c) Any moneys held as part of the Rebate Fund and not immediately required to be paid to the United States pursuant to the Tax Certificate shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative [and approved by the Issuer], in Governmental Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Governmental Obligations, including any such fund maintained by the Trustee or an affiliate thereof, having maturities consonant with the need for moneys as reasonably estimated by the Borrower. In connection with the investment of moneys held as part of the Rebate Fund (as provided in Section 6.01 hereof), interest and other income received on the investment of moneys held as part of the Rebate Fund shall be credited to the Rebate Fund.

(d) As provided in the Tax Certificate, the Borrower is required to (i) obtain a rebate calculation with respect to the Rebate Amount upon the redemption or final maturity of the Bonds and either (ii) (a) pay to the Trustee for deposit into the Rebate Fund an amount of money as determined by such calculation within thirty (30) days of such calculation or (b) provide the Trustee with written notice (signed by the Borrower Representative and the Rebate Analyst) that (1) no deposit is required or (2) the amount in the Rebate Fund is in excess of the amount required to be on deposit as determined by the most recent rebate calculation, in which case the Trustee shall, with the prior written consent of the Issuer, pay such excess over to the Borrower. If the Trustee does not receive either of the items required in (ii)(a) or (ii)(b) above within 30 days after the completion of

construction of the Project, the Trustee shall notify the Issuer; *provided, however*, that the Trustee shall not incur any liability if it should fail to provide such notice.

Section 4.07 *Costs of Issuance Fund.* On the Closing Date, the Trustee shall deposit the Costs of Issuance Deposit in the Costs of Issuance Fund to pay the Costs of Issuance from amounts available therein, which Costs of Issuance shall not exceed the amounts set forth in a certificate of the Issuer. The Trustee shall disburse funds on deposit in the Costs of Issuance Fund upon receipt by the Trustee of Requisitions substantially in the form attached as **Appendix B-1** hereto. Any funds remaining in the Costs of Issuance Fund more than one hundred eighty (180) days after the Closing Date, and not specifically committed to the payment of Costs of Issuance (excluding, without limitation, \$[_____] deposited on the Closing Date to be transferred to the Cost of Issuance Fund under the Funding Loan Agreement upon Conversion to pay costs of issuance relating to the Governmental Lender Note, which amount shall not be returned to the Borrower), shall be returned to the Borrower, to the extent such funds are not Bond proceeds or otherwise restricted funds. If such remaining funds are Bond proceeds or otherwise restricted, such funds shall be deposited by the Trustee into the Bond Fund.

Section 4.08 *Collateral Fund; Project Fund.* All or any of the Subordinate Lenders shall, from time to time, deposit or cause to be deposited with the Trustee proceeds of the Subordinate Loans into the Subordinate Loan Account of the Project Fund.

To the extent moneys are not otherwise provided to the Trustee to make the necessary interest and principal payments on each Interest Payment Date, including moneys deposited into the Bond Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund (other than from the Subordinate Loan Account of the Project Fund) to the Bond Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date. Other than in connection with the disbursement of moneys from the Subordinate Loan Account of the Project Fund, upon the receipt of requests for disbursement from the Project Fund pursuant to Section 5.02 hereof and the receipt of Eligible Funds in amounts equal to or greater than such requests, the Trustee shall concurrently take the following steps:

- (i) deposit such Eligible Funds into the Collateral Fund; and
- (ii) disburse Bond proceeds from the Project Fund in an amount equal to the Eligible Funds received and deposited pursuant to subparagraph (i) above, in accordance with Article V hereof; provided to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee shall not sell or otherwise terminate such Eligible Investments prior to their stated maturity date and instead the Trustee is hereby instructed to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Costs of the Project: (a) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund, and (b) transfer to the Project Fund a like amount of Eligible Funds on deposit in the Collateral Fund to be disbursed in accordance with subparagraph (ii).

Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions hereof.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If requested by the Issuer or the Borrower, after the Project has been completed and a certificate of payment of all costs is filed as provided herein, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer and the Borrower.

When the aggregate principal amount on deposit in the Collateral Fund, together with the scheduled investment earnings thereon, equals the expected Bond Service Charges to be paid on the Bonds to and including the Initial Mandatory Tender Date and the tender price on the Mandatory Tender Date, the excess amounts shall be transferred upon receipt to the Project Fund and used to pay Project Costs in accordance with the Loan Agreement or to the Mortgage Loan Prepayment Fund, as directed by the Mortgage Lender.

The Borrower expects that the Project will proceed substantially in accordance with the Construction Draw Schedule. Each Requisition submitted to the Trustee shall evidence and request disbursements from the Project Fund and/or the Costs of Issuance Fund.

Notwithstanding any other provision of this Indenture to the contrary, after the Closing Date, the Trustee shall not disburse moneys from the Project Fund (other than the disbursement of moneys from the Subordinate Loan Account of the Project Fund), other than to pay Bond Service Charges on the Bonds, unless and until the Trustee receives satisfactory evidence that Eligible Funds in an amount equal to or greater than the requested disbursement amount (the "Collateral Deposit") has been deposited in the Collateral Fund. Notwithstanding the immediately preceding sentence, after the Closing Date, the Trustee shall not be required to receive satisfactory evidence that the Collateral Deposit has been deposited in the Collateral Fund prior to disbursing any moneys from the Subordinate Loan Account of the Project Fund. Prior to making any disbursement from the Project Fund, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund and (ii) the Project Fund (less amounts on deposit in the Subordinate Loan Account of the Project Fund), together with projected investment earnings thereon, will be sufficient to pay Bond Service Charges on the outstanding Bonds as and when they become due. In the event that, following receipt of the Collateral Deposit, the Trustee determines that it cannot correspondingly disburse Bond proceeds to or at the direction of the Borrower, the Mortgage Lender or other collateral providers, if any, the Trustee shall immediately notify the Borrower and the Mortgage Lender or other collateral providers, as applicable, of the reason for such determination and shall, immediately upon the request of the Borrower, the Mortgage Lender or other collateral provider, return the subject Collateral Deposit to the party that deposited such Collateral Deposit with the Trustee.

The proceeds of the Bonds shall be allocated exclusively to pay costs that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 142(d) of the Code; and (ii) shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located, so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; *provided, however*, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its members and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any person, including without limitation, the Borrower, the members of the Borrower, any other affiliate of the

Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and *provided, further*, failure to comply with this representation, covenant and warranty shall not constitute a default or Event of Default under this Indenture.

Upon the occurrence and continuance of an Event of Default hereunder because of which the principal amount for the Bonds has been declared to be due and immediately payable under this Indenture, any moneys remaining in the Project Fund (other than proceeds of the Subordinate Loans in the Subordinate Loan Account) shall be promptly transferred by the Trustee to the Bond Fund for payment of Bond Service Charges. Upon the occurrence and continuance of an Event of Default hereunder because of which the principal amount for the Bonds has been declared to be due and immediately payable under this Indenture, any moneys remaining in the Subordinate Loan Account of the Project Fund shall be promptly transferred by the Trustee to the applicable Subordinate Lenders.

Notwithstanding anything to the contrary in this Indenture, no corresponding deposit to the Collateral Fund shall be required with respect to any disbursement of proceeds of the Subordinate Loans from the Subordinate Loan Account of the Project Fund.

Section 4.09 *Mortgage Loan Prepayment Fund.* On the Conversion Date, the Trustee shall deposit into the Mortgage Loan Prepayment Fund the proceeds of the Citi Purchase Price and other funds of the Borrower such that the amount in the Mortgage Loan Prepayment Fund equals the Mortgage Loan Prepayment Amount, which amount shall be used on the Conversion Date to prepay the Mortgage Loan in full.

ARTICLE V CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 5.01 *Custody and Application of Project Fund and Bond Fund.* On the Closing Date, the proceeds received upon the issuance and sale of the Bonds which remain after the deposit of the Initial Deposit into the Negative Arbitrage Account of the Bond Fund pursuant to Section 4.02 hereof shall be deposited into the Project Fund and Bond Fund (if accrued interest) and invested by the Trustee as set forth in Section 6.01 hereof.

Section 5.02 *Procedure for Making Disbursements from Project Fund.* Upon the deposit of Eligible Funds into the Collateral Fund, as provided in Section 4.08 hereof, the Trustee shall disburse the Bond proceeds and/or the proceeds of the Subordinate Loans, as applicable, on deposit in the Project Fund on such date solely to pay the Costs of the Project and only upon the receipt by the Trustee of (1) Requisitions in substantially the form attached as **Appendix B** hereto (which Requisitions for disbursements of County Loan proceeds from the Subordinate Loan Account of the Project Fund shall evidence the approval of the County Credit Underwriter), and (2) certification by a Borrower Representative that such costs are qualified costs pursuant to Section 142 of the Code. The Trustee shall not disburse money from the Project Fund, other than to pay interest and principal on the Bonds, unless and until Collateral Payments or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Collateral Fund; provided, however, that the Trustee shall transfer funds from

the Project Fund to the Collateral Fund upon receipt of an opinion of Bond Counsel to the effect that such transfer shall not cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. To the extent money on deposit in the Project Fund is invested in Eligible Investments and the Borrower has requested that the Trustee not sell or otherwise terminate such Eligible Investments prior to their stated maturity date, the Trustee is hereby authorized to make the following allocations and exchanges in accordance with Section 4.08 hereof, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Costs of the Project: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund, and (ii) transfer to the Project Fund a like amount of Eligible Funds on deposit in the Collateral Fund.

Each Requisition submitted to the Trustee shall evidence and request disbursements from (i) the Project Fund and/or (ii) the Costs of Issuance Fund.

The Trustee shall not disburse money from the Project Fund (other than the disbursement of moneys from the Subordinate Loan Account of the Project Fund), other than to pay interest and principal on the Bonds as otherwise permitted hereunder, unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Collateral Fund in accordance with Section 4.08 hereof. Notwithstanding the immediately preceding sentence, no corresponding deposit to the Collateral Fund shall be required with respect to any disbursement of proceeds of the Subordinate Loans from the Subordinate Loan Account of the Project Fund. In accordance with Section 3.03 of the Loan Agreement, and prior to making any disbursement from the Project Fund (except to make necessary interest and principal payments on the Bonds as otherwise permitted hereunder), the Trustee shall determine that the aggregate account balance in (a) the Collateral Fund and (b) the Project Fund (less the requested disbursement amount and less amounts on deposit in the Subordinate Loan Account of the Project Fund) is at least equal to the then-Outstanding principal amount of the Bonds.

Money in the Project Fund shall be disbursed in accordance with the provisions of Section 3.03 of the Loan Agreement and this Section 5.02. To the extent moneys are not otherwise provided to the Trustee to make the necessary interest and principal payments on each Interest Payment Date, including moneys deposited into the Bond Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund (other than from moneys on deposit in the Subordinate Loan Account of the Project Fund) to the Bond Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date.

Notwithstanding anything contained in this Indenture or any of the Borrower Documents to the contrary: (a) with respect to Eligible Funds funded by the Mortgage Lender for deposit into the Collateral Fund, the Trustee shall be irrevocably and unconditionally obligated to disburse an equal amount of funds from the Project Fund (other than from moneys on deposit in the Subordinate Loan Account of the Project Fund) to either the Mortgage Lender, the Borrower or the Title Company pursuant to a Requisition as directed by the Mortgage Lender; and (b) with respect to Eligible Funds funded by other collateral providers, if any, for deposit into the Collateral Fund, the Trustee shall be irrevocably and unconditionally obligated to disburse an equal amount of funds from the Project Fund (other than from moneys on deposit in the Subordinate Loan Account of the Project Fund) to either the Borrower or the Title Company as directed by the

collateral provider pursuant to a Requisition. Such disbursements shall be made pursuant to a Requisition and shall not be made more frequently than once per month, unless approved by the Issuer, in its sole discretion.

Subject to the Trustee's obligation to return the Eligible Funds to the Mortgage Lender or other collateral providers, if any, as set forth in this Section 5.02, the Trustee and the Issuer shall not, in any event, be responsible or liable to any person (other than the Borrower, but only in the case of the Trustee, and only in the event of a failure by the Trustee to make disbursements following request for disbursements in accordance with the Documents, when such failure is within the Trustee's sole control, and after receipt of written notice of such failure and a 3-day opportunity to cure such failure) for the disbursement of, or failure to disburse, moneys from the Project Fund or any part thereof, and no contractor, subcontractor or material or equipment supplier or their respective successors and assigns shall have any right or claim against the Trustee or the Issuer under this Indenture.

Notwithstanding anything contained in this Indenture or any of the Borrower Documents to the contrary, if for any reason the Trustee is not able to disburse a corresponding amount of Bond proceeds from the Project Fund to or at the direction of the Mortgage Lender or other collateral providers, as applicable, immediately following receipt of Eligible Funds from the Mortgage Lender or other collateral providers, as applicable, for deposit into the Collateral Fund, the Trustee shall promptly wire transfer such funds back to the Mortgage Lender or other collateral providers, as applicable, and not deposit same into the Collateral Fund.

Notwithstanding anything in this Indenture, the Loan Agreement or any of the other Documents to the contrary, (i) moneys held in the Subordinate Loan Account of the Project Fund are not held for the benefit of the Owners and are not part of the Trust Estate, (ii) moneys disbursed by the Trustee from the Subordinate Loan Account of the Project Fund shall be used only for the purposes set forth in the Subordinate Loan Documents, and (iii) the Trustee shall not disburse any County Loan proceeds from the Subordinate Loan Account of the Project Fund without the prior written approval of the County Credit Underwriter, which approval may be evidenced by receipt of a Requisition executed by the County Credit Underwriter.

Section 5.03 *Trustee May Rely on Requisitions and Certifications.* In making any disbursement from the Project Fund, the Trustee may rely on any requests and confirmations delivered to it pursuant to Section 5.02 hereof, and the Trustee shall be relieved of all liability with respect to making such disbursements in accordance with such requests and confirmations. In making any disbursements from the Costs of Issuance Fund, the Trustee may rely on any requests and confirmations delivered to it pursuant to Section 4.07 hereof, and the Trustee shall be relieved of all liability with respect to making such disbursements in accordance with such requests and confirmations.

Section 5.04 *Completion of Project.* The completion of the Project and the payment of all costs and expenses incident thereto shall be evidenced for the Project by the filing with the Trustee of (a) the Completion Certificate required by the provisions of Section 3.05 of the Loan Agreement and (b) a certificate signed by the Borrower Representative stating that all obligations and costs in connection with the Project and payable out of the Project Fund have been paid and discharged except for amounts retained by the Trustee for the payment of Costs of the Project not then due and payable or then in dispute as provided in the Loan Agreement; *provided, however,*

that no amounts necessary to pay principal and interest on the Bonds at maturity shall be held by the Trustee in the Project Fund beyond the Maturity Date. Additionally, the Borrower has agreed pursuant to Section 3.06 of the Loan Agreement that in the event that there are insufficient moneys available in the Project Fund to pay the Costs of the Project, the Borrower will complete the Project and pay the portion of the Costs of the Project in excess of the moneys available therefor in the Project Fund.

Section 5.05 *Disposition of Moneys in Project Fund After Completion of Project.* Subject to the proviso in Section 5.04 hereof, as soon as practicable after the date of the certificate referred to in clause (b) of Section 5.04 hereof, any balance remaining in the Project Fund (other than the amounts retained by the Trustee referred to in Section 5.04 hereof and amounts held in the Subordinate Loan Account of the Project Fund) shall be deposited into the Bond Fund and used to pay principal of the Bonds when due. To the extent any moneys from any payments made by the Borrower pursuant to the Loan Agreement remain in the Project Fund or Bond Fund after there are no Bonds Outstanding and payment in full, or provision for payment, of the final Rebate Amount and any remaining Trustee Fees, such moneys may be paid directly to the Borrower to the extent such funds are not proceeds of the Bonds or otherwise restricted funds. If such remaining funds are proceeds of the Bonds or otherwise restricted, such funds shall be deposited by the Trustee into the Bond Fund.

Notwithstanding anything in this Indenture, the Loan Agreement or any of the other Documents to the contrary, any County Loan funds deposited with the Trustee and not drawn down within 6 months after the completion of the Project shall be returned to the County upon the written direction of either the County or the County Credit Underwriter to the Trustee.

ARTICLE VI INVESTMENT OF FUNDS AND ACCOUNTS

Section 6.01 *Investment of Bond Fund, Project Fund, and Collateral Fund.* Money in all funds or accounts including the Bond Fund, the Project Fund (excluding monies held in the Subordinate Loan Account of the Project Fund), and the Collateral Fund shall be invested and reinvested by the Trustee, and at all times held in Eligible Investments at the written direction of the Borrower. In the absence of written direction of the Borrower, any moneys held under this Indenture shall be invested in: (i) the following money market funds in the following order, so long as such funds invest solely in direct obligations issued by the U.S. Treasury or repurchase agreements backed by those obligations: [First American U.S. Treasury Money Market Fund; Wells Fargo Advantage 100% Treasury Money Market Funds; Federated U.S. Treasury Cash Reserves (Fund 125); and Federated Treasury Obligations Fund (Fund 68)]; and (ii) if none of such funds are available, then in the absence of investment directions from the Borrower, shall be held uninvested. If none of the money market funds identified in (i) of the preceding sentence are available, the Trustee will notify the Borrower accordingly.

At no time shall the Borrower direct that (a) any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code or (b) any funds be held other than in Eligible Investments.

Investments of money in the Bond Fund, Project Fund, and the Collateral Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide

money to pay any amounts due on the Bonds as they become due on each Interest Payment Date or at stated maturity or on a Mandatory Tender Date. In addition, investments of money in the Project Fund shall be allocated and exchanged in accordance with Section 5.02 at the times and in the amounts as may be necessary to make anticipated payments from the Project Fund.

The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable hereunder to and at times required for the purposes of paying any amounts due on the Bonds, and shall do so without necessity for any order on behalf of the Issuer or the Borrower and without restriction by reason of any order. An investment made from money credited to an applicable fund or account shall constitute part of that respective fund or account. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. Notwithstanding anything herein to the contrary, earnings received by the Trustee with respect to Governmental Obligations purchased for the purpose of paying Bond Service Charges shall be held uninvested.

Any investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association which is an affiliate or subsidiary of the Trustee; *provided* that all such investments must be Eligible Investments.

The Trustee shall not be liable for losses on investments made in compliance with the provisions of this Indenture.

If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity at a price below par in connection with a mandatory tender prior to the Initial Mandatory Tender Date, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any.

Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Issuer and the Borrower hereby agrees that confirmations of Eligible 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. The Trustee may conclusively rely upon the Borrower's and Issuer's written instructions as to both the suitability and legality of the directed investments.

Section 6.02 *Investment of Rebate Fund.* Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Governmental Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Governmental Obligations, including any such fund maintained by the Trustee or an affiliate thereof having maturities consonant with the need for funds as estimated by the Borrower. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein.

Section 6.03 *Accounting for Termination of Investments; No Arbitrage.* In the event the moneys in the Project Fund or the Bond Fund are invested in any investment which fails to

satisfy the requirements of Section 6.01, the Trustee shall, at the written direction of the Borrower, terminate any such investment, and the proceeds of such termination, shall be credited to the Project Fund or the Bond Fund, respectively.

If the Issuer is of the opinion, upon receipt of advice of Bond Counsel, that it is necessary to restrict or limit the yield on the investment of any moneys, securities or other obligations paid to or held by the Trustee hereunder in order to comply with the provisions of the Documents intended to prevent any Bonds from being considered “arbitrage bonds” within the meaning of Section 148 of the Code, an authorized officer of the Issuer may give written notice to the Trustee and the Borrower to such effect (together with appropriate written instructions), in which event the Trustee will take such action as is set forth in such written instructions to restrict or limit the yield on such investment so as to comply with Section 148 of the Code. The Trustee may conclusively rely on the direction of the Issuer in taking such action.

Section 6.04 *Trustee’s Own Bond or Investment Department.* The Trustee may make any and all investments permitted under Section 6.01 and Section 6.02 through its own bond or investment department or that of any affiliate.

Section 6.05 *Moneys to be Held in Trust.* All moneys required to be deposited with or paid to the Trustee for account of the Bond Fund or the Project Fund under any provision of this Indenture shall be held by the Trustee in trust, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien and claim created by this Indenture.

The Trustee, acting in its capacity as Trustee and not as sponsor, advisor or manager in connection with any investments hereunder, shall not be liable for any loss arising from investments made in accordance with this Indenture, or for any loss resulting from the redemption or sale of any such investments as authorized by this Section.

ARTICLE VII GENERAL COVENANTS

Section 7.01 *Payment of Bonds.* Each and every covenant made in this Indenture, including all covenants made in the several sections of this Article, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall be payable solely (a) from Revenues, which are specifically assigned to secure the payment of the Bonds in the manner and to the extent specified in this Indenture, (b) from the moneys held in the funds and accounts created under this Indenture, except for amounts held in the Costs of Issuance Fund (but only to the extent such moneys are not proceeds of the Bonds) and the Rebate Fund, and (c) from any other moneys held pursuant to the Trust Estate. Nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer.

The Issuer covenants that it will promptly pay, as provided herein, the principal of and interest on the Bonds from the Trust Estate at the place, on the date and in the manner provided herein and in the Bonds.

The Revenues are to be remitted by the Borrower directly to the Trustee for the account of the Issuer and constitute a part of the Trust Estate and are subject to the lien and claim created by this Indenture. Such amounts, in addition to the amounts held in the Project Fund, are to be

sufficient in amount at all times to pay the principal of and interest on the Bonds. The entire amount of Revenues (exclusive of the Reserved Rights of the Issuer) are assigned to secure the payment of the principal of and interest on the Bonds.

Section 7.02 *Performance of Covenants.* The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto, subject, however to the limitations set forth in Section 2.09. The Issuer covenants that it is duly authorized under the laws of the State to issue the Bonds, to enter into this Indenture and the Loan Agreement and to assign the Revenues, and that, upon issuance, authentication, and delivery, the Bonds are and will be valid and enforceable special limited obligations of the Issuer according to the import thereof.

Section 7.03 *Maintenance of Existence; Compliance with Laws.* The Issuer will use all reasonable efforts to (i) maintain its corporate existence or to assure the assumption of its obligations under this Indenture by any public body succeeding to its powers under the Act, and (ii) comply with all valid material acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to this Indenture and the Loan Agreement.

Section 7.04 *Enforcement of Borrower's Obligations.* So long as any of the Bonds are Outstanding, the Issuer will cooperate with the Trustee in enforcing the obligations of the Borrower to pay, or cause to be paid, all the payments and other costs and charges payable pursuant to the Loan Agreement. Nothing contained in this Section or in any other section of this Indenture shall be deemed to modify the provisions of the Act and Section 2.09 hereof or require that the Issuer expend any of its own funds or assets to enforce the obligations of the Borrower under the Documents.

Section 7.05 *Further Assurances, Instruments and Actions.* The Issuer will from time to time, execute and deliver such further instruments, conveyances, assignments and transfers and take such further actions as may be reasonable and as may be required to better assure, convey, grant, assign or confirm the Trust Estate and all other rights, revenues or funds pledged, assigned or intended to be so pledged or assigned hereunder for the benefit of the owners of the Bonds; *provided, however,* that no such instruments or actions shall pledge the credit or taxing power of the State, the Issuer or any other political subdivision of the State, or create or give rise to any monetary obligation or liability of the Issuer.

Section 7.06 *Priority of Pledge.* The Issuer covenants and agrees that it will not create any lien or claim upon the Revenues other than the liens and claims hereby created. Except for the assignment to the Trustee, the Issuer will not sell, lease or otherwise dispose of or encumber any of the Revenues, and will cooperate in causing to be discharged or satisfied any lien or charge on any part of the Trust Estate.

Section 7.07 *Books and Documents Open to Inspection.* The Issuer covenants and agrees that all books and documents in its possession relating to the Bonds, the Project, and the moneys, revenues and receipts derived from the Project, if any, that shall at any time be in its possession, shall, within a reasonable time of a request by the Trustee, the Rating Agency, the Investor Member or the Borrower, be open to inspection during the Issuer's regular business hours

by such accountants or other agents as the Trustee or the Borrower or the Investor Member may from time to time designate.

Section 7.08 *Borrower to Indemnify and Hold Issuer and Trustee Harmless from Liability.* The Borrower has agreed to indemnify and hold the Issuer and the Trustee harmless from and against liability arising out of claims as defined and as provided in Sections 6.02 and 7.04 of the Loan Agreement.

Section 7.09 *Tax-Exempt Status of Bonds.* The Issuer and the Trustee each agrees that it will not (a) take any action, (b) fail to take any action, or (c) make any use of the Project or the proceeds of the Bonds, which it knows would cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes (except for minimum or preference tax purposes or other indirect taxation). In connection with the foregoing, the Issuer and the Trustee may rely upon the advice of Bond Counsel.

ARTICLE VIII DISCHARGE

Section 8.01 *Discharge of Lien.* If and when the Bonds secured hereby shall become due and payable in accordance with their terms as provided in this Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable hereunder by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon written request of the Issuer and subject to the provisions of Section 5.05 hereof, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Bond Fund and all balances remaining in any other fund created under this Indenture and shall assign and transfer to the Issuer all other property then held by the Trustee under this Indenture and shall execute such documents as may be reasonably required by the Issuer.

If and when the Trustee shall hold sufficient moneys hereunder, as verified to the Trustee in writing by an independent public accounting firm of national reputation or other firm similarly experienced in performing such computations, to provide for payment of the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all the Bonds, together with all other amounts (exclusive of amounts in the Rebate Fund) payable or which may thereafter become payable hereunder by the Issuer, notwithstanding that all the Bonds have not yet become due and payable and that consequently the right, title and interest of the Trustee in and to the Trust Estate shall not have ceased, terminated and become void pursuant to the foregoing provisions of this Section 8.01, the Trustee, on demand of the Issuer but subject to the provisions of Section 5.05 hereof, shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, or to such person, body or authority as may be entitled to receive the same, any surplus in the Bond Fund in excess of the amount sufficient to pay the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable hereunder by the Issuer.

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an independent public accounting firm of national reputation or other firm similarly experienced in performing such computations) either (i) moneys in an amount which shall be sufficient, or (ii) Governmental Obligations which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the maturity date thereof, and (b) the Issuer shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by subclause (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating such maturity upon which moneys are to be available for the payment of the principal of and interest on such Bonds.

Neither the securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on such Bonds; *provided* that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested, as directed by the Borrower, in Governmental Obligations (including any short-term investment fund rated Aaa or MIG 1 by the Rating Agency and secured by and investing solely in Governmental Obligations) maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Borrower, as received by the Trustee, free and clear of any trust, lien or pledge.

The release of the obligations of the Issuer under this Section 8.01 shall be without prejudice to the right of the Trustee provided in Section 10.04 hereof to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on behalf of the Trustee in connection with the trust hereby created and the performance of its powers and duties hereunder, and shall not affect the obligations of the Borrower to make the payments required by the Loan Agreement or the Note.

ARTICLE IX DEFAULTS AND REMEDIES

Section 9.01 *Events of Default and Acceleration.* If any of the following events occur, it is hereby defined as and declared to be and constitute an “Event of Default”:

- (a) any interest on any Bond is not paid on the date on which the same becomes due; or
- (b) any principal of any Bond is not paid on the date on which the same becomes due, whether at the stated maturity thereof, by acceleration or otherwise; or
- (c) an Event of Default occurs under the Loan Agreement; or

(d) the Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as specified in (a) or (b) of this Section 9.01) contained in the Bonds or in this Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer, and the Borrower and the Investor Member by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; *provided, however*, that if such default be such that it is correctable but cannot be corrected within ninety (90) days, it shall not be an Event of Default if the Issuer, the Borrower or the Investor Member is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

If any Loan payment required under the Loan Agreement to avoid a default under (a) or (b) of this Section shall not have been received at the close of business on the last Business Day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Investor Member, which telephonic notice shall be confirmed by written notice to the Borrower. If any other default shall occur under the provisions of this Section, the Trustee shall, within five (5) days after having actual knowledge of such default, use its best efforts to give written notice of such default to the Issuer, the Borrower, the Investor Member and the Holders of the Bonds. A default or an Event of Default specified in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

If an Event of Default specified in (a) or (b) of this Section 9.01 shall occur and be continuing, the Trustee shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Investor Member and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in this Indenture or in the Bonds to the contrary notwithstanding.

If an Event of Default specified in (c) or (d) of this Section 9.01 shall occur and be continuing, the Trustee, upon written request of the Holders of a majority in principal amount of the Bonds then Outstanding shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Investor Member and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in this Indenture or in the Bonds to the contrary notwithstanding.

The Investor Member shall be entitled to cure any Event of Default hereunder within the time frame provided to the Borrower. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 9.02 *Trustee to Enforce Rights of Issuer.* Only in accordance with the provisions of this Indenture, the Trustee, as the assignee of all the right, title and interest of the

Issuer in and to each of the documents constituting a part of the Trust Estate (except the Reserved Rights of the Issuer), may enforce the rights granted to the Issuer pursuant to such documents. In the enforcement of any rights or remedies under such documents, no provision of such documents shall require, and none shall be construed to require, that the Trustee post a bond or establish any surety of any kind as a condition precedent to exercising any such rights or remedies.

Section 9.03 *Remedies in Addition to Acceleration.* Upon the occurrence of, and during the continuance of, any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of not less than 51% in principal amount of the Bonds then Outstanding and receipt of satisfactory indemnity shall (in addition to its right or duty to accelerate as provided in Section 9.01):

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents;
- (b) bring suit upon the Bonds; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Section 9.04 *Termination of Proceedings.* In case any proceeding taken by the Trustee on account of any default or Event of Default shall have been discontinued or abandoned for any reason, the default or Event of Default has been cured, or shall have been determined adversely to the Trustee, then and in every such case, the Issuer, the Trustee, the Bondholders, and the Borrower shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 9.05 *Right of Bondholders to Direct Proceedings.* No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or any other remedy hereunder or on the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also the Holders of not less than 51% in principal amount of the Bonds then outstanding shall have made written request of the Trustee to do so, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Indenture or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Bonds, except in the manner herein provided and for the equal benefit of all Holders of Outstanding Bonds. For purposes of the foregoing sentence, the Trustee shall be deemed to have failed to act within a reasonable time if it fails to take action

within sixty (60) days after receipt of notice and compliance with the foregoing terms and conditions, whereupon, the Holders of 51% aggregate principal amount of the Bonds may take such action in the place of the Trustee. Nothing contained in this Indenture shall, however, affect or impair the right of any Holder of Bonds to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest, on each of the Bonds issued hereunder to the respective Holders of the Bonds at the time, place, from the source and in the manner herein and in such Bonds expressed.

Section 9.06 Remedies Vested in Trustee. All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of this Indenture.

Section 9.07 Remedies Non-Exclusive and Cumulative. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 9.08 Delays or Omissions by Trustee. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or any acquiescence therein; and every power and remedy given by this Article IX to the Trustee and to the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 9.09 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the accrued fees, expenses and advances incurred or made by the Trustee, and then to the accrued fees and expenses and advances made by the Issuer, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund during the continuance of an Event of Default (other than moneys for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default, which moneys shall continue to be held for such payments) shall be applied as follows:

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

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

Second - To the payment to the persons entitled thereto of the unpaid principal, on any of the Bonds, which shall have become due (other than Bonds which have matured or otherwise become payable prior to such Event of Default and moneys for the payment of which are held in the Bond Fund or otherwise held by the Trustee), and if the amount available shall not be sufficient to pay in full the amount of principal, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege;

Third - To the payment to the persons entitled thereto of all other of the Issuer's Obligations and the Borrower's Obligations, and, if the amount available shall not be sufficient to pay such Obligations in full, then to the payment ratably, according to the amounts then due, to the persons entitled thereto without discrimination or privilege; and

Fourth - The remainder, if any, shall be paid over to the Borrower, its successors or assigns, or whomever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal of and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest to the persons entitled thereto without any discrimination or privilege. Any remaining funds shall be applied in accordance with the paragraphs designated "*Third*" and "*Fourth*" of subsection (a) above.

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

Section 9.10 Severability of Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Bondholders which may be lawfully granted under the provisions of the Act, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture and by law.

ARTICLE X
THE TRUSTEE AND REMARKETING AGENT

Section 10.01 *Acceptance of Trusts.* The Trustee hereby accepts the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Issuer agrees and the respective Holders of the Bonds agree upon and by their acceptance of delivery of any of the Bonds. The Trustee, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations should be read into this Indenture against the Trustee.

Section 10.02 *Trustee Not Responsible for Recitals, Statements and Representations.* Except as otherwise expressly provided herein, any representations or warranties by the Issuer in this Indenture or in the Bonds contained shall be taken and construed as made by and on the part of the Issuer, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

Except for information, if any, provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any Official Statement or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

The Trustee shall not be responsible or accountable for the use or application by the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

Section 10.03 *Action by Trustee Through and In Reliance Upon Others.* The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers or employees. The Trustee shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder, and the written advice or opinion of such counsel shall be full and complete authorization and protection for any action taken or omitted by it in good faith and in accordance with such advice or opinion. The Trustee may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof, such compensation to be paid as described under Section 10.04 hereof. The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatever in connection with the trust, except only for negligence or willful misconduct with respect to its responsibilities hereunder.

Except for fraud and willful misconduct, no personal recourse may be taken, directly or indirectly, against any officer, director, employee or agent of the Trustee with respect to the obligations of the Trustee under this Indenture or any certificate or other writing delivered in connection therewith. The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties and functions under this Indenture shall extend to the Trustee's officers, directors, agents and employees.

The Trustee's immunities and protections from liability and its right to payment of compensation and indemnification in connection with performance of its duties and functions under this Indenture shall survive the Trustee's resignation or removal and the final payment of the Bonds.

Section 10.04 *Fees and Expenses of Trustee.* The Trustee shall be entitled to payment and/or reimbursement of such fees as the Trustee, the Issuer and the Borrower shall agree upon, or in the absence of such agreement, to payment and/or reimbursement of reasonable fees, for its services rendered hereunder, and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Any amounts payable to the Trustee pursuant to this Section 10.04 shall be payable upon demand.

Section 10.05 *Trustee's Obligations to Take or Have Notice of Default.* The Trustee shall not be required to take notice, or to be deemed to have notice, of any default under this Indenture other than a default under Section 9.01(a) or Section 9.01(b) hereof, unless a Responsible Officer of the Trustee is specifically notified in writing of such default by the Issuer or by the Holders of not less than 25% in principal amount of the Bonds then Outstanding. The Trustee may, however, at any time, in its discretion, require of the Issuer information and advice as to the performance of any of the covenants, conditions and agreements contained herein.

Section 10.06 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers 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.

(b) Except during the continuance of an Event of Default,

- (1) The Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and
- (2) 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, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine those certificates and opinions to determine whether they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

- (i) This paragraph does not limit the effect of paragraph (b) of this Section,
- (ii) The Trustee shall 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 grossly negligent in ascertaining the pertinent facts,

- (iii) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it in accordance with this Indenture, and
- (iv) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(d) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability or expense, but the Trustee shall not require indemnity as a condition to making any payments on the Bonds, or declaring the principal of and interest on the Bonds to be due immediately hereunder.

(e) 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 defeasance or discharge of this Indenture and final payment of the Bonds.

(f) Except as otherwise provided in this Article, the Trustee shall be under no obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing to do so by the Holders of not less than 51% in principal amount of the Bonds then Outstanding, and if in its opinion such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may require, with security and satisfactory indemnity. The foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provision of this Indenture to the Trustee to take action in respect of any default without such notice or request from the Bondholders, or without such security or indemnity.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct as described in Section 10.06(c) above.

(h) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

(i) The Trustee shall have no duty to verify, review or analyze any financial statements provided to it by the Borrower pursuant to the Loan Agreement and shall hold such financial statements solely as a repository for the benefit of the Bondholders; the Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner. The Trustee does not have a duty to verify the accuracy of such statements.

(j) All of the provisions of this Indenture related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under the Indenture shall apply

to the Trustee in the performance of its duties and obligations, if any, under any of the Documents or other related documents or instruments.

(k) The Trustee's immunities and protections from liability and its right to payment of compensation and indemnification in connection with performance of its duties and functions under this Indenture shall survive the Trustee's resignation or removal and the final payment of the Bonds.

(l) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a) through (k) of this Section.

Section 10.07 Trustee May Make Advances to Effect Performance. If the Issuer shall fail to perform any of the covenants or agreements contained in this Indenture other than the covenants or agreements in respect of the payment of the principal of and interest on the Bonds, the Trustee may, in its absolute discretion and without notice to the Bondholders, at any time and from time to time, make advances to effect performance of the same on behalf of the Issuer, but the Trustee shall be under no obligation to do so; and any and all moneys paid or advanced by the Trustee for any such purposes shall be a claim in favor of the Trustee upon the Trust Estate prior to the claim of the Bonds; but no such advance shall operate to relieve the Issuer from any default hereunder.

Section 10.08 Trustee May Rely Upon Instruments. The Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any indenture, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture or the Documents, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements, and shall be protected and shall incur no liability in acting or proceeding in good faith in reliance thereon. The Trustee shall not be bound to recognize any person as a Holder of any Bond or to take any action at his request unless such Bond shall be deposited with the Trustee or satisfactory evidence of the ownership of such Bond shall be furnished to the Trustee.

Section 10.09 Trustee May Own and Deal in Bonds and Deal With Issuer and Borrower. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the Borrower or any related entity, and may act as depository, trustee, or agent for any committee or body of Holders of the Bonds secured hereby or other obligations of the Issuer as freely as if it were not Trustee hereunder.

Section 10.10 Financial Liability of the Trustee. No provision of this Indenture will require the Trustee to expend or risk its own funds or otherwise incur or risk 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 if it will have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Except as may otherwise be provided in this Indenture, the Trustee will have the right to demand, in respect to the authentication of any Bonds or the release of any property, any showings, certificates, opinions (including Opinions of Counsel), appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof or of the Loan Agreement required as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer or the Borrower to the authentication of any Bonds, or the release of any property.

Section 10.11 *Trustee May Construe Ambiguous or Inconsistent Provisions.* The Trustee may construe any of the provisions of the Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provisions hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Bondholders.

Section 10.12 *Resignation of Trustee.* The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than 60 days written notice to the Issuer (with a copy to the Borrower and the Investor Member) specifying the date when such resignation shall take effect and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, in which event such resignation shall take effect immediately on the appointment of such successor, *provided* that such resignation shall not take effect unless and until a successor shall have been appointed.

Section 10.13 *Removal of Trustee.* The Trustee shall be removed by the Issuer, upon thirty (30) days written notice, if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Issuer, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorney-in-fact duly authorized, excluding any Bonds held by or for the account of the Issuer. The Issuer may also remove the Trustee at any time, except during the existence of any Event of Default as defined in Section 9.01 hereof, for cause or breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with any provision of this Indenture with respect to the duties and obligations of the Trustee by filing with the Trustee an instrument signed by an authorized officer of the Issuer. A copy of each such instrument providing for any such removal shall be delivered by the Issuer to any Bondholder who shall have filed its name and address with the Issuer and, if requested, to the Borrower and the Investor Member; *provided* that such removal shall not take effect unless and until a successor shall have been appointed.

Section 10.14 *Appointment of Successor Trustee.* In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer covenants and agrees that it will thereupon appoint a successor Trustee.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provision of this Section within 45 days after the Trustee shall have given to the Issuer written notice, as provided in Section 10.12 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, prescribe and appoint a successor Trustee.

Any successor Trustee appointed under the provision of this Section 10.14 in succession to the Trustee shall be a bank or trust company or national banking association with trust powers, having a combined capital, surplus and undivided profits of at least \$50,000,000 if there be such a bank or trust company or national bank association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

Section 10.15 *Appointment of Successor Trustee by Court.* In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article within six months after a vacancy shall have occurred in the office of Trustee, the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Trustee. A successor Trustee under Sections 10.14 and 10.15 shall notify the Borrower and the Investor Member, in writing, after being so appointed.

Section 10.16 *Acceptance of Trust by Successor Trustee.* Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and the Rating Agency an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trust, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of the Trustee so ceasing to act, and the Trustee so ceasing to act shall pay over to the successor Trustee all moneys and other assets at the time held by it hereunder.

Section 10.17 *Merger or Consolidation of Trustee With Another Corporation.* Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, shall be the successor Trustee under this Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.18 *Action of Trustee During Existence of an Event of Default.* Notwithstanding any other provisions of this Article, the Trustee shall, during the existence of an Event of Default known to the Trustee, exercise such of the rights and powers vested in it by the Indenture and use the same degree of skill and care in their exercise as a prudent person would use and exercise under the circumstances.

Section 10.19 *Notice of an Event of Default.* Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default known to the Trustee, the Trustee shall within 30 days give written notice thereof to the Issuer, the Borrower, the Investor Member, the Rating Agency and to each Bondholder at its last address appearing upon the registration books of the

Issuer kept by the Trustee unless such Event of Default shall have been cured before the giving of such notice.

Section 10.20 *Trustee May Intervene.* In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Holders of the Bonds, the Trustee may intervene on behalf of the Holders of the Bonds and shall, upon receipt of satisfactory indemnity do so if requested in writing by the Holders of not less than 51% in principal amount of Bonds then outstanding, if such intervention is permitted by the court having jurisdiction in the premises.

Section 10.21 *Unclaimed Moneys.* Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any Bonds which remain unclaimed for a period up to six (6) months, prior to the date when such moneys would escheat under applicable law and after the date when such Bonds have become due and payable either at their stated maturity dates, if such moneys were held by the Trustee at such date, or for a period up to six (6) months prior to the date when such moneys would escheat under applicable law if deposited with the Trustee after such date when all Bonds became due and payable, shall be paid by the Trustee to the Issuer as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged. Thereafter, any person having a claim against any such moneys shall look solely to the Issuer for payment of the same.

Section 10.22 *Appointment of Co-Trustee.* It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as a trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Loan Agreement, and in particular in case of the enforcement thereof on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adopted to these ends.

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

Approval in writing from the Issuer shall be required prior to the appointment of the separate or co-trustee by the Trustee. All such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer at the expense of the Borrower. In case any separate or co-trustee or a successor to either shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee, so far as permitted by law and so approved by the Issuer, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate or co-trustee. The Trustee shall notify the Borrower and the Investor Member, in writing, of any co-trustee appointed under this Section.

Section 10.23 *The Remarketing Agent.*

The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Bonds. The Remarketing Agent shall designate to the Trustee its Designated Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower (and, if requested, the Investor Member) and the Trustee. In addition, the Remarketing Agent will agree particularly to:

- (a) keep such records relating to its computations of interest rates for the Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee, the Investor Member and the Borrower at all reasonable times; and
- (b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent's obligations under this Indenture. Approval in writing from the Issuer shall be required prior to the appointment of any such co-Remarketing Agents by the Remarketing Agent. All such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer at the expense of the Borrower. Additionally, any such co-Remarketing Agent, shall have a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints pursuant to this Section 10.23.

Section 10.24 *Qualification of Remarketing Agent.*

The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower, the Investor Member, the Authorized Member and the Trustee. The Remarketing Agent may be removed, with prior notice to the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Bonds are then rated) and to the Holders of the Bonds.

Section 10.25 *Notices to Rating Agency and Remarketing Notice Parties.* The Trustee shall notify the Rating Agency and the Remarketing Notice Parties of (a) the occurrence of an Event of Default of which the Trustee has actual notice, (b) the occurrence of any monetary or other material default under the Loan of which the Trustee has actual notice, (c) any change in the identity of the Trustee, (d) any amendments, modifications, supplements or changes to this Indenture, the Loan Agreement, the Note or the Bonds, including any extension of principal or modification of interest or redemption premium due on any of the Bonds, in each case only in the event the Trustee has actual notice, (e) any change or proposed change in the structure or identity of the Borrower of which the Trustee has actual knowledge, (f) any change or notification of proposed change of the Mandatory Tender Date or Remarketing Date, (g) any partial prepayment of the Loan or the giving of notice of the call for redemption of any Bonds, (h) any change in the investment of funds subject to the lien of this Indenture, (i) any defeasance or acceleration of the Bonds hereunder, or (j) any change in the Remarketing Agent or the Mortgage Lender of which the Trustee has actual knowledge.

Section 10.26 *Financing Statements.* Pursuant to Section 5.05 of the Loan Agreement, the Borrower shall perfect, or shall cause to be perfected any security interest created hereunder by the filing of financing statements which fully comply with Chapter 679, Florida Statutes, in the proper filing office (as described in Section 679.5011, Florida Statutes) in the State of Florida. Notwithstanding the foregoing, the Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds on which it is listed as a secured party, and which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings (copies of which shall be provided to the Trustee by the Issuer or Borrower) were made. The Borrower shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all such continuation statements hereunder. Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code, and unless the Trustee shall have been notified by the Issuer or Borrower that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 10.26 and in filing any continuation statements in the same filing offices as the initial filings were made.

Section 10.27 *Trustee Delivery of Information to Borrower and Investor Member.* The Trustee shall furnish to the Borrower and the Investor Member all information reasonably requested by the Borrower or the Investor Member with respect to the Bonds and the investment of Funds and Accounts maintained by the Trustee hereunder.

Section 10.28 *Trustee Delivery of Information to Rating Agency.* Upon written request by the Rating Agency, the Trustee shall furnish to the Rating Agency written evidence of the amount of funds on hand with the Trustee and other information as may be reasonably required to maintain the rating on the Bonds.

ARTICLE XI
MODIFICATION OF INDENTURE AND OTHER DOCUMENTS

Section 11.01 *Limitation on Amendments to this Indenture.* This Indenture shall not be modified or amended in any respect except as provided in accordance with and subject to the provisions of this Article.

Section 11.02 *Amendments to Indenture and Loan Agreement Not Requiring Consent of Bondholders.*

(a) The Issuer and the Trustee may, from time to time and at any time, without the consent of Bondholders, enter into agreements supplemental to this Indenture and the Loan Agreement as follows:

- (i) to specify and determine any matters and things relative to Bonds which shall not materially adversely affect the interest of the Bondholders;
- (ii) to cure any formal defect, omission or ambiguity in this Indenture or the Loan Agreement if such action does not materially adversely affect the rights of the Bondholders;
- (iii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture as heretofore in effect;
- (iv) to add to the covenants and agreements of the Issuer in this Indenture or the Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture or the Loan Agreement as theretofore in effect;
- (v) to add to the limitations and restrictions in this Indenture or the Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture or the Loan Agreement as theretofore in effect;
- (vi) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, this Indenture, of the Revenues or of any other moneys, securities or funds; or
- (vii) to modify, amend or supplement this Indenture or the Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds.

(b) Before the Issuer shall enter into any agreement supplemental to this Indenture pursuant to this Section, there shall have been filed with the Trustee an opinion of Bond Counsel stating that (1) such supplemental indenture is authorized or permitted by this Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in

accordance with its terms and (2) the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(c) The Trustee shall send written notice to the Borrower, the Investor Member and Rating Agency of any amendment to this Indenture or the Loan Agreement and, if requested, copies of any such amendments.

Section 11.03 Amendments to Indenture Requiring Consent of Bondholders.

(a) Subject to the terms and provisions contained in this Section and not otherwise, the Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to this Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture; *provided, however*, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by this Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in this Indenture, including (without limitation) that required for consent to such supplemental indentures. This Section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to this Indenture without the consent of the Bondholders pursuant to Section 11.02 hereof.

(b) If at any time the Issuer and the Trustee shall determine to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall cause written notice of the proposed supplemental indenture to be given to all Holders of the Bonds; *provided, however*, that failure to give such notice or any defect therein, shall not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the Trust Office for inspection by all Bondholders.

(c) Within one hundred twenty (120) days after the date of giving such notice, the Issuer and the Trustee may enter into such supplemental indenture in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding (or 100% if required hereunder) and (ii) an opinion of counsel stating that (1) such supplemental indenture is authorized or permitted by this Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income taxes.

(d) If the Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the supplemental indenture as herein provided, no Holder of any Bond shall have any right to object to such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Issuer or the Trustee from entering into the same or from taking any action pursuant to the provisions thereof.

(e) Upon the effectiveness of any supplemental indenture entered into pursuant to the provisions of this Section, this Indenture shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced under this Indenture subject in all respects to such modifications and amendments.

(f) The Trustee shall send written notice to the Rating Agency of any amendment to this Indenture.

Section 11.04 *Supplemental Indentures Part of Indenture.* Any supplemental indenture entered into in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and shall be deemed to be a part of the terms and conditions of this Indenture for any and all such purposes.

Section 11.05 *Required Consent.* Notwithstanding anything herein to the contrary, the Trustee shall not be required to enter into or consent to any supplemental indenture or any amendment of any other Document that would materially adversely affect the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein or therein, except to the extent necessary, as set forth in an opinion of Bond Counsel, to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. Further, notwithstanding anything herein to the contrary, as long as no default has occurred and is continuing under any of the Documents, any supplemental indenture under this Article shall not become effective unless and until the Borrower shall have consented in writing to such supplemental indenture, and to any related revisions of the Loan Agreement, the Tax Regulatory Agreement or any of the other Documents to be affected.

Section 11.06 *Amendments to Documents Requiring Consent of Bondholders.* Except as provided in Section 11.02 of this Indenture, the Issuer and the Trustee shall not consent to any amendment, change or modification of the Documents without the giving of written notice and the written approval or consent of the Holders of the Bonds at the time Outstanding, given and procured as provided in Section 11.03 hereof; *provided, however*, no such separate approval or consent shall be required in connection with the issuance of refunding bonds if any required consent of the required number of Holders to the issuance thereof shall have been previously obtained. If at any time the Issuer and the Borrower shall request in writing the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 11.03 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Trust Office for inspection by all Bondholders.

Section 11.07 Conversion Date. On the Conversion Date and upon the execution and delivery of the Funding Loan Agreement, the Governmental Lender Note and the Borrower Loan Agreement, this Indenture, the Loan Agreement and the Bonds shall be deemed amended, restated and superseded in full by the terms thereof. The requirements of Sections 11.03 through 11.06 hereof shall not apply to such amendment and restatement.

ARTICLE XII MISCELLANEOUS

Section 12.01 Issuer's Successors. In the event of the dissolution of the Issuer, all the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer shall be transferred.

Section 12.02 Indenture for Benefit of Issuer, Trustee and Bondholders. Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, other than the Issuer, the Trustee and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Issuer and the Trustee and the Holders of the Bonds; *provided* that this Indenture shall also be for the benefit of the Borrower and the Investor Member, and the Borrower and the Investor Member shall be deemed to be third-party beneficiaries of and in connection with those matters in which the terms of this Indenture fairly construed are indicative that they are for the benefit of the Borrower or the Investor Member.

Section 12.03 Severability. In case any one or more of the provisions of this Indenture or of the Bonds for any reason, is held to be illegal or invalid such illegality or invalidity shall not affect any other provisions of this Indenture or the Bonds, and this Indenture and the Bonds shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced as if such illegal or invalid provisions had not been contained therein.

Section 12.04 Officials of Issuer Not Liable. No personal recourse may be taken, directly or indirectly, against any past, present or future officer, director, employee or agent of the Issuer with respect to the obligations of the Issuer under this Indenture or any certificate or other writing delivered in connection therewith. The Issuer's immunities and protections from liability and its right to indemnification in connection with the performance of its duties and functions under this Indenture shall extend to the Issuer's past, present and future officers, directors, employees and agents.

Section 12.05 Governing Law. The laws of the State shall govern the construction and interpretation of this Indenture and of all Bonds issued hereunder.

Section 12.06 Notices; Publication of Notice.

(a) All notices, advice, certifications or other communications hereunder between the Issuer and the Trustee shall be sufficiently given and shall be deemed given when delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return receipt

requested, or transmitted by electronic means (including, without limitation, facsimile or electronic mail transmission) addressed to the appropriate Notice Address. The Issuer or the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, advice, certifications or other communications shall be sent. Notices to persons other than the Issuer or the Trustee (such as, for example, notices to Owners of Bonds) shall be governed by the other applicable provisions of this Indenture.

(b) Whenever the Issuer or the Trustee is required or permitted to give or publish notice of any event or occurrence under this Indenture, such notice shall be given or published in such manner and by such means as the Issuer or the Trustee, as the case may be, shall determine to be appropriate. Such publication may be by (but is not limited to) any of the following means: (1) publication in one or more newspapers or trade journals selected by the Issuer or the Trustee, as the case may be; (2) publication by or through one or more financial information reporting services; (3) delivery to one or more “nationally recognized municipal securities information repositories” (as such term is defined in Securities and Exchange Commission Rule 15c2-12) or any successor repository or entity fulfilling a substantially similar or like role; or (4) by mailing a copy of such notice by first class mail, postage prepaid, to the person entitled to receive the notice at such person’s address as shown on the records of the Issuer or the Trustee.

Section 12.07 Trustee as Paying Agent and Bond Registrar. The Trustee is hereby designated and agrees to act as paying agent and Bond registrar for and in respect to the Bonds.

Section 12.08 Execution of Instruments by Bondholders and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be conclusively proved by the registration books kept under the provisions of Section 2.08 of this Indenture.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Trustee pursuant to such request or consent.

Section 12.09 *Mortgage Loan Documents Independent.*

(a) Enforcement of the covenants in this Indenture will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Borrower, the Project, the Mortgage Loan proceeds, any reserves or deposits required by the Mortgage Lender in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project.

(b) Failure of the Issuer or the Borrower to comply with any of the covenants set forth in this Indenture or any of the Borrower Documents will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

(c) Notwithstanding anything in this Indenture, the Loan Agreement, the Note or the Bond Purchase Agreement to the contrary, (i) the Mortgaged Property (as defined in the Mortgage Loan Security Instrument) shall not include any portion of the Trust Estate and the Mortgage Lender shall not have any claim to or lien upon the Trust Estate under this Indenture and funds held by the Trustee under this Indenture and pledged to secure the repayment of the Bonds, except for Eligible Funds that may be returned to the party that deposited said funds with the Trustee as may be required under Section 5.02 hereof; and (ii) the Trust Estate shall not include any portion of the Mortgaged Property (as defined in the Mortgage Loan Security Instrument).

Section 12.10 *Counterparts.* This Indenture may be simultaneously executed in several counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

Section 12.11 *U.S.A. Patriot Act Requirements of the Trustee.* To help the government of the United States of America fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual Person such as a business entity, a charity, a trust or other legal entity, the Trustee may request documentation to verify such Person's formation and existence as a legal entity and the identity of the owners or controlling persons thereof. The Trustee may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such Person or other relevant documentation.

Section 12.12 *Electronic Transactions.*

(a) The transactions described in this Indenture may be conducted and the related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

(b) The Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Indenture and delivered using Electronic Means (defined below); provided, however, that Borrower, the Issuer or such other party giving such direction or instruction, as the case may be, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing

specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. For purposes of this subsection (b), “Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Borrower, the Issuer or such other party giving such direction or instruction elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee’s understanding of such directions or instructions shall be deemed controlling. The Borrower, the Issuer and any other party giving such direction or instruction understand and agree that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Borrower, the Issuer or such other party giving such instruction shall each be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The Borrower agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be signed in its name and behalf by its authorized officer and its official seal to be hereunto affixed and attested by its authorized officer, the Secretary has approved this Indenture and the determination of the Issuer herein, and the Trustee has caused this Indenture to be signed in its name by one of its duly authorized officers, all as of the day and year first above written.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

(SEAL)

By: _____
Scott Ehrlich, Chair

ATTEST:

By: _____
Milette Manos, Secretary

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Name: _____
Title: _____

CONSENT AND AGREEMENT OF BORROWER

For and in consideration of the issuance of the Bonds by the Issuer, the Borrower consents to and approves the Indenture in all respects. In addition, the Borrower agrees that whenever the Indenture by its terms imposes any duty or obligation on the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform its duties and obligations thereunder.

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized
Member

By: _____
David O. Deutch, President

**APPENDIX A
FORM OF SERIES 2023 BONDS**

No. R-1

\$[22,000,000]

\$[22,000,000]
UNITED STATES OF AMERICA
STATE OF FLORIDA
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2023
(PINNACLE 441 PHASE 2)

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND ASSETS OF THE ISSUER PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER. THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

DATED DATE	INITIAL INTEREST RATE	INITIAL MANDATORY TENDER DATE	MATURITY DATE	CUSIP NUMBER
August __, 2023	__%	[September 1, 2026]	[September 1, 2041]	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [TWENTY-TWO MILLION AND NO/100 DOLLARS]

FOR VALUE RECEIVED, the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “Issuer”), hereby promises to pay (but only out of the Trust Estate pledged therefor) to the registered owner identified above, or its successor or registered assignee or legal representative, unless previously called for redemption, the principal amount set forth above, on the Maturity Date identified above, in lawful money of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon the presentation and surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee, or its

successor in trust (the “Trustee”), and to pay interest thereon (but only out of the Revenues) to the registered owner hereof from the Dated Date identified above to but not including [September 1, 2026] (the “Initial Mandatory Tender Date”), at the Initial Interest Rate per annum identified above and thereafter at the Remarketing Rate (as defined in the Trust Indenture) (subject to adjustment or change as provided in the Trust Indenture), payable at the times and in the manner hereinafter set forth. Principal hereof shall be payable, upon the request of any registered Holder of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the bank and account number specified by such holder to the Trustee in writing. All interest hereon shall be paid by check or draft mailed by the Trustee to the registered Owner hereof at his or her address as it appears on the registration books of the Issuer, or, upon the request of any registered Holder of Bonds having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the bank and account number provided by such registered Owner to the Trustee in writing, such interest being payable semi-annually on each March 1 and September 1, commencing March 1, 2024, until the principal amount of the Bonds is paid or duly provided for in lawful money of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Capitalized terms used herein have the same meanings as set forth in the Trust Indenture, dated as of August 1, 2023, by and between the Issuer and the Trustee (the “Trust Indenture”).

This Bond is one of an issue of the \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the “Bonds”), of like date and tenor, except as to number and denomination, issued under and pursuant to the Constitution and laws of the State of Florida, Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Ordinance No. 79-41 enacted by the Board of County Commissioners (the “Board”) of Broward County, Florida (the “County”), on June 20, 1979 (the “Ordinance”), a Resolution of the Issuer adopted on June 21, 2023, and a Resolution of the Board adopted on August 22, 2023 (the “Act”) , for the purpose of financing or providing financial assistance for a portion of the costs of acquisition, demolition, construction, equipping and financing by Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the “Borrower”), of a multifamily rental housing project located in the State, which, upon completion, will contain approximately 100 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related uses (the “Project”). The proceeds of the Bonds are being loaned to the Borrower by the Issuer under a Loan Agreement dated as of August 1, 2023, by and between the Borrower and the Issuer (the “Loan Agreement”) and evidenced by a Promissory Note dated August __, 2023, from the Borrower in favor of the Issuer (the “Note”).

The Bonds are issued under the Trust Indenture, and to the extent provided therein, are, together with all other Bonds that may be issued thereunder, equally and ratably secured and entitled to the protection given by the Trust Indenture. Pursuant to the Trust Indenture, the Issuer has assigned to the Trustee (among other things) the Revenues. Pursuant to the Note and the Loan Agreement, payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Borrower to the Trustee for the account of the Issuer. The obligations of the Borrower under the Note and the Loan Agreement are secured by the proceeds of the Bonds deposited into the Project Fund (other than funds on deposit in the Subordinate Loan

Account of the Project Fund) and Eligible Funds deposited into the Collateral Fund created pursuant to Section 4.01 of the Trust Indenture.

Reference is made to the Trust Indenture, the Note, and the Loan Agreement and to all amendments and supplements thereto for a description of the property pledged and assigned and the provisions, among others, with respect to the nature and extent of the security, the rights, duties and other obligations of the Issuer and the Trustee, the terms on which the Bonds are issued and secured, the rights of the Holders of the Bonds and provisions for defeasance of such rights. The terms and conditions set forth herein concerning payment and other rights and remedies of the Owners of the Bonds are descriptive only and are subject in all cases to the terms and conditions as set forth in the Trust Indenture.

The Bonds are issuable in the form of registered Bonds without coupons in denominations of \$5,000 each or any integral multiple of \$5,000 in excess thereof (the “Authorized Denominations”).

This Bond is negotiable and is transferable, as provided in the Trust Indenture, only upon the books of the Issuer kept at the office of the Trustee, by the registered owner hereof in person or by his duly authorized attorney, and may be exchanged for new Bonds of the same aggregate principal amount of Authorized Denominations, maturity and interest rate, in registered form, but only upon presentation and surrender of this Bond, all in the manner and subject to the limitations and conditions provided in the Trust Indenture. The Issuer and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute Owner hereof for all purposes; and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

The Bonds are subject to mandatory tender in whole on each Mandatory Tender Date. Holders will not have the right to elect to retain their Bonds. Upon presentation and surrender of the Bonds by the Holder on the date fixed for tender, the Holder shall be paid the principal amount of the Bonds to be tendered, plus accrued interest on such Bonds to the Mandatory Tender Date.

The Holder of this Bond shall have no right to enforce the provisions of the Trust Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture. The Trustee shall treat the registered Owner of this Bond as the person exclusively entitled to payment of principal and interest, and the exercise of all rights and powers of the owner of this Bond.

All acts, conditions and things required by the statutes of the State of Florida, the Act and the Trust Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed.

In any case where the date of maturity of or Interest Payment Date for this Bond shall not be a Business Day, the payment of interest or principal need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or Interest Payment Date, as applicable.

This Bond shall not be entitled to any benefit under the Trust Indenture, or be valid or become obligatory for any purpose, until the Trustee shall have executed the Certificate of Authentication appearing hereon.

[Signature Page Follows]

IN WITNESS WHEREOF, the Issuer has caused this bond to be executed in its name by the manual or facsimile signature of an authorized officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an authorized officer of the Issuer, all as of the Dated Date identified above.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

(SEAL)

By: _____
Scott Ehrlich, Chair

ATTEST:

By: _____
Milette Manos, Secretary

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Trust Indenture referred to in this Bond.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By: _____
Authorized Signature

Date of Authentication: _____, 2023

FORM OF ASSIGNMENT

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

(Please Print or Type Name and Address of Assignee)

Social Security or Taxpayer Identification Number: _____

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

Attorney to transfer the said bond on the books of the within-named Issuer maintained by the Trustee for the registration thereof, with full power of substitution in the premises.

Notice: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed.

Signature guaranteed by:

[Bank, Trust Company or Firm]

Authorized Signature

(Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program (STAMP, SEMP, MSP)).

APPENDIX B

FORM OF REQUISITION

STATEMENT NO. _____ REQUESTING DISBURSEMENT OF FUNDS FROM
[SUBORDINATE LOAN ACCOUNT OF THE] PROJECT FUND PURSUANT
TO SECTION 3.03 OF THE LOAN AGREEMENT

Pursuant to Section 3.03 of the Loan Agreement dated as of August 1, 2023 (the “*Loan Agreement*”) between the Housing Finance Authority of Broward County, Florida (the “*Issuer*”) and Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the “*Borrower*”), the undersigned Authorized Borrower Representative hereby requests and authorizes The Bank of New York Mellon, N.A., as trustee (the “*Trustee*”), as depository of the [Subordinate Loan Account of the] Project Fund created by the Trust Indenture dated as of August 1, 2023 (the “*Indenture*”), between the Issuer and the Trustee, to pay [to the Borrower] [to [Bank of America, N.A.], as Mortgage Lender] [or to the Person(s) listed on the Disbursement Schedule hereto] out of the money deposited in [the Subordinate Loan Account of] the Project Fund the aggregate sum of \$ _____ to pay the costs of the items listed in the Disbursement Schedule. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture and in the Tax Exemption Agreement.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

(a) Each item for which disbursement is requested hereunder is properly payable out of [the Subordinate Loan Account of] the Project Fund in accordance with the terms and conditions of the [Subordinate Loan Documents] [Loan Agreement] and none of those items has formed the basis for any disbursement heretofore made from said [Subordinate Loan Account of the] Project Fund.

(b) Each such item is or was incurred in connection with the acquisition, construction, installation, equipment or improvement of the Project.

(c) The Borrower has received, or will concurrently with payment receive and deliver to the Trustee, appropriate waivers of any mechanics’ or other liens with respect to each item for which disbursement is requested hereunder.

(d) After taking into account the proposed disbursement,

(i) no more than 5% of the Net Proceeds of the Bonds will have been used for costs that are not Qualified Project Costs;

(ii) less than 25% of the Net Proceeds of the Bonds will have been used for the cost of acquiring land; and

(iii) not more than 2% of the Net Proceeds of the Bonds will have been used for Costs of Issuance.

(e) There is no current or existing default or event of default pursuant to the terms of the Loan Agreement, the Tax Regulatory Agreement or the Tax Exemption Agreement and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents. [With respect to amounts disbursed from the Subordinate Loan Account of the Project Fund, there is no current or existing default or event of default pursuant to the terms of the Subordinate Loan Documents and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents.]

(f) There are no liens on the Project except Permitted Encumbrances and those permitted or provided for by the [Subordinate Loan Documents] [Loan Agreement]

(g) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warranty, protection and authority to the Trustee for its actions taken pursuant hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

This ____ day of _____, 20__.

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability company, its
Authorized Member

By: _____
David O. Deutch, President

Approved:
THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: _____
Name: _____
Title: _____

Approved:
SELTZER MANAGEMENT GROUP, INC., a
Florida corporation (only with respect to County
Loan proceeds disbursed from the Subordinate Loan
Account of the Project Fund):

By: _____
Name: _____
Title: _____

DISBURSEMENT SCHEDULE

TO STATEMENT NO. _____ REQUESTING AND AUTHORIZING DISBURSEMENT OF FUNDS FROM
[SUBORDINATE LOAN ACCOUNT OF] PROJECT FUND PURSUANT TO SECTION 3.03 OF THE LOAN
AGREEMENT

APPENDIX B-1

FORM OF REQUISITION

STATEMENT NO. _____ REQUESTING DISBURSEMENT OF FUNDS FROM
COSTS OF ISSUANCE FUND PURSUANT TO SECTION 4.07 OF THE TRUST
INDENTURE

Pursuant to Section 4.07 of the Trust Indenture dated as of August 1, 2023 (the “*Indenture*”), between the Housing Finance Authority of Broward County, Florida and The Bank of New York Mellon, N.A., as trustee (the “*Trustee*”), the undersigned Authorized Borrower Representative hereby requests and authorizes the Trustee, as depositary of the Costs of Issuance Fund created by the Indenture to pay [to the Borrower] [or to the Person(s) listed on the Disbursement Schedule hereto] out of the money deposited in the Costs of Issuance Fund the aggregate sum of \$_____ to pay the costs of the items listed in the Disbursement Schedule. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

- (a) Each item for which disbursement is requested hereunder is properly payable out of the Costs of Issuance Fund in accordance with the terms and conditions of the Indenture and none of those items has formed the basis for any disbursement heretofore made from said Costs of Issuance Fund.
- (b) After taking into account the proposed disbursement, not more than 2% of the Net Proceeds of the Bonds will have been used for Costs of Issuance.
- (c) There is no current or existing default or event of default pursuant to the terms of the Indenture, Loan Agreement, the Tax Regulatory Agreement [or the Tax Exemption Agreement] and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents.
- (d) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warranty, protection and authority to the Trustee for its actions taken pursuant hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

This ____ day of _____, 20__.

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability company, its
Authorized Member

By: _____
David O. Deutch, President

Approved:
THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: _____
Name: _____
Title: _____

DISBURSEMENT SCHEDULE

TO STATEMENT NO. _____ REQUESTING AND AUTHORIZING DISBURSEMENT OF FUNDS FROM COSTS OF ISSUANCE FUND PURSUANT TO SECTION 4.07 OF THE TRUST INDENTURE

**APPENDIX C
FUNDING LOAN AGREEMENT**

[ATTACHED]

FUNDING LOAN AGREEMENT

among

**CITIBANK, N.A.,
as Funding Lender**

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA,
as Governmental Lender**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Fiscal Agent**

Dated as of _____, 202_ [Conversion Date]

Relating to

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Note, Series 2023
(Pinnacle 441 Phase 2)**

Loan Principal Amount: \$_____

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FUNDING LOAN AGREEMENT

This **FUNDING LOAN AGREEMENT** (this “**Funding Loan Agreement**”), is made and entered into as of _____, 20__ [Conversion Date], by and among **CITIBANK, N.A.**, in its capacity as Funding Lender (the “**Funding Lender**”), the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “**Governmental Lender**”), a public body corporate and politic organized and existing under the laws of the State of Florida (the “**State**”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, organized and operating under the laws of the United States of America, having a corporate trust office in Jacksonville, Florida, as Fiscal Agent (the “**Fiscal Agent**”).

RECITALS

WHEREAS, pursuant to Ordinance 79-41, enacted by the Board of County Commissioners of Broward County, Florida (the “**County**”) on June 20, 1979, as amended and a resolution adopted by the County on August 22, 2023, and Resolution No. 2023-___ adopted by the Governmental Lender on June 21, 2023, and in accordance with Florida Housing Finance law, Sections 159.601 through 159.623, Florida Statutes, as amended (the “**Act**”), the Governmental Lender is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition, construction and equipping of multifamily rental housing facilities for persons of low, moderate and middle income at prices or rentals they can afford; and

WHEREAS, the Act authorizes the Governmental Lender: (a) to make loans to provide financing for multifamily residential housing located within the jurisdiction of the Governmental Lender; (b) to issue its revenue bonds, notes or other evidence of indebtedness for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Governmental Lender; and (c) to pledge all or any part of the revenues and receipts to be received by the Governmental Lender from or in connection with such loans in order to secure the payment of the principal or prepayment amount of and interest on such bonds, debentures, notes or other evidence of indebtedness; and

WHEREAS, on August __, 2023 (the “**Delivery Date**”) pursuant to and in accordance with the Act and a Trust Indenture dated as of August 1, 2023 (the “**Indenture**”) between the Governmental Lender and the Fiscal Agent, the Governmental Lender issued and sold its \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the “**Bonds**”), and used the proceeds thereof to make a loan to PINNACLE 441 PHASE 2, LLC, a Florida limited liability company (the “**Borrower**”), upon the terms and conditions of a promissory note dated August __, 2023 from the Borrower to the Governmental Lender in the original principal amount of \$[22,000,000] and the Loan Agreement dated as of the same date as the Indenture between the Governmental Lender and the Borrower (the “**Loan Agreement**”), for purposes of funding a portion of the costs of acquiring, constructing and equipping a multifamily rental housing project located in the City of Hollywood, Broward County, Florida, to be known as Pinnacle 441 Phase 2, which contains 100 affordable rental housing units (the “**Project**”); and

WHEREAS, in connection with the issuance of the Bonds, the Funding Lender entered into a forward commitment with the Borrower dated _____, 2023 (the “Citi Forward Commitment”), whereby the Funding Lender committed, subject to the satisfaction on or before the [Forward Commitment Maturity Date] of the Conditions to Conversion set forth in the Citi Forward Commitment, to facilitate the permanent financing of the Project by making the Funding Loan (defined below) pursuant to the provisions of this Funding Loan Agreement; and

WHEREAS, as of the date hereof, the Funding Lender has determined that the Conditions to Conversion have been satisfied and, as a result, (i) the Bonds are subject to mandatory tender in accordance with the Indenture, (ii) the purchase price of the Bonds is being paid with amounts on deposit under the Indenture, (iii) a portion of the principal amount of the Bonds is being cancelled such that the principal amount outstanding equals the [Permanent Period Amount] (as defined in the Citi Forward Commitment), (iv) the Bonds are being removed from the Book-Entry System and being converted to a physical Governmental Lender Note (as described below) which is being purchased by the Funding Lender, (v) this Funding Loan Agreement and the Borrower Loan Agreement dated as of the Conversion Date (the “Borrower Loan Agreement”) by and between the Governmental Lender and the Borrower are being delivered by the respective parties and becoming effective and superseding the Indenture and the Loan Agreement, and (vi) the taxable mortgage loan provided by Bank of America, N.A. is being paid in full in accordance with the Indenture; and

WHEREAS, pursuant to this Funding Loan Agreement, the Funding Lender will (i) advance funds (the “Funding Loan”) to or for the account of the Governmental Lender, and (ii) apply the proceeds of the Funding Loan to make a loan (the “Borrower Loan”) to the Borrower; and

WHEREAS, pursuant to the Borrower Loan Agreement, the Borrower agrees to make loan payments to the Governmental Lender in an amount which, when added to other funds available under this Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Funding Loan and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Borrower Note (as defined in the Borrower Loan Agreement) and the obligations of the Borrower under the Borrower Note will be secured by a lien on and security interest in the land upon which the Project is located pursuant to a Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the date hereof (as amended, restated and/or supplemented from time to time, the “**Security Instrument**”), encumbering the Project, made by the Borrower in favor of the Governmental Lender and assigned to the Fiscal Agent to secure the performance by the Governmental Lender of its obligations under this Funding Loan Agreement; and

WHEREAS, the Governmental Lender has executed and delivered to the Funding Lender its Multifamily Housing Revenue Note, Series 2023 (Pinnacle 441 Phase 2) (the “Governmental Lender Note”), dated the Conversion Date, with respect to funds advanced and to be advanced under the Funding Loan Agreement, evidencing its limited obligation to make the payments due to the Funding Lender as provided in this Funding Loan Agreement; and

WHEREAS, all things necessary to make this Funding Loan Agreement, the valid, binding and legal limited obligation of the Governmental Lender, have been done and performed and the execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Lender Note, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the premises and of the purchase of the Governmental Lender Note by the Funding Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Definitions. For all purposes of this Funding Loan Agreement, except as otherwise expressly provided or unless the context otherwise clearly requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Borrower Loan Agreement.

(b) The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. The terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants."

(c) All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to "Approved Accounting Method" refer to such principles as they exist at the date of application thereof.

(e) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) References to the Governmental Lender Note as "tax exempt" or to the "tax exempt status" of the Governmental Lender Note are to the exclusion of interest on the Governmental Lender Note (other than any portion of the Governmental Lender Note held by a

“substantial user” of the Project or a “related person” within the meaning of Section 147 of the Code) from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

(h) The following terms have the meanings set forth below:

“Act” shall have the meaning assigned to such term in the recitals above.

“Additional Borrower Payments” shall have the meaning given such term in the Borrower Loan Agreement.

“Administration Fund” shall mean the fund by that name created and established under this Funding Loan Agreement.

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

“Approved Transferee” means (1) a “qualified institutional buyer” (“QIB”) as defined in Rule 144A promulgated under the Securities Act that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more, (2) an Affiliate of the Funding Lender, (3) a trust or custodial arrangement established by the Funding Lender or one of its Affiliates or any state or local government or any agency or entity which is a political subdivision of a federal, state or local government (a “Governmental Entity”), in each case (i) the beneficial interests in which will be owned only by QIBs or (ii) the beneficial interests in which will be rated in the “BBB” category or higher without regard to modifier (or the equivalent investment grade category) by at least one nationally recognized rating agency, or (4) a Governmental Entity.

“Authorized Attesting Officer” means the Chair, Vice Chair, Secretary or Assistant Secretary of the Governmental Lender, or such other officer or official or member of the Governmental Lender, including but not limited to the Finance Director of the Governmental Lender who, in accordance with the law of the State, the bylaws or other governing documents of the Governmental Lender, or practice or custom, regularly attests or certifies official acts and records of the Governmental Lender, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“Authorized Governmental Lender Representative” shall mean the Chair, Vice-Chair, and any other, officer or employee of the Governmental Lender designated to perform a specified act, to sign a specified document or to act generally on behalf of the Governmental Lender as evidenced by a written certificate furnished to the Funding Lender, the Fiscal Agent, the Servicer (if any) and the Borrower containing the specimen signature of such person and signed on behalf of the Governmental Lender by the Chair or Vice Chair of the Governmental Lender. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Governmental Lender Representative.

“Bonds” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“Borrower” shall mean Pinnacle 441 Phase 2, LLC, a Florida limited liability company, and its successors and assigns.

“Borrower Loan” shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to the Borrower Loan Agreement in the principal amount of \$[PERMANENT PERIOD AMOUNT] as of the Conversion Date, as evidenced by the Borrower Note.

“Borrower Loan Agreement” shall mean the Borrower Loan Agreement, dated as of the Conversion Date, between the Governmental Lender and the Borrower, as supplemented, amended or replaced from time to time in accordance with its terms.

“Borrower Loan Agreement Default” shall mean any event of default set forth in 8.1 of the Borrower Loan Agreement. A Borrower Loan Agreement Default shall “exist” if a Borrower Loan Agreement Default shall have occurred and be continuing beyond any applicable cure period.

“Borrower Loan Documents” shall have the meaning given to such term in the Borrower Loan Agreement.

“Borrower Note” shall have the meaning given to such term in the Borrower Loan Agreement.

“Business Day” shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which the offices of the Fiscal Agent in Jacksonville, Florida or federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

“Citi Forward Commitment” shall have the meaning given to such term in the recitals to this Funding Loan Agreement.

“Code” shall mean the Internal Revenue Code of 1986, as in effect on the Delivery Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Delivery Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Conditions to Conversion” shall have the meaning given such term in the Citi Forward Commitment. Agreement.

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

“Conversion Date” shall mean _____.

“County” shall mean Broward County, Florida.

“County Authorization” shall mean the resolution of the County authorizing the Governmental Lender to, among other things, (i) secure the Funding Loan, and (ii) execute and deliver the Governmental Lender Note and the Funding Loan Documents to which the Governmental Lender is a party.

“Default” shall mean the occurrence of an event, which, under any Funding Loan Document, would, but for the giving of notice or passage of time, or both, be an event of default under the Funding Loan Document or a Borrower Loan Agreement Default.

“Delivery Date” shall mean the date on which the Bonds were issued and delivered.

“Equity Investor” shall have the meaning ascribed thereto in the Borrower Loan Agreement.

“Event of Default” shall have the meaning ascribed thereto in Section 9.1 hereof.

“Fiscal Agent” shall mean The Bank of New York Mellon Trust Company, N.A., a national banking association, as fiscal agent hereunder, and any successor fiscal agent or co-fiscal agent appointed under this Funding Loan Agreement.

“Fiscal Agent’s Fees” shall mean the Fiscal Agent’s initial acceptance fee and expenses of \$2,500 plus fees, costs and expenses of its counsel in conjunction with the purchase of the Governmental Lender Note and the ongoing compensation and expenses payable to the Fiscal Agent as follows:

(i) the annual administration fees of the Fiscal Agent, for the ordinary services of the Fiscal Agent rendered under this Funding Loan Agreement during each twelve-month period shall be \$3,750 per annum, payable in advance in semiannual installments of \$1,875 on each _____ 1 and _____ 1 thereafter commencing on the _____ 1 or _____ 1 after the Conversion Date and continuing so long as any principal of the Governmental Note remains unpaid;

(ii) the reasonable fees and charges of the Fiscal Agent for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under this Funding Loan Agreement as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including fees prior to litigation, at trial or for appellate proceedings); provided, however, that the Fiscal Agent shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Fiscal Agent shall have been made; and

(iii) for purposes of the Borrower Loan Agreement, indemnification of the Fiscal Agent by the Borrower.

“Funding Lender” shall mean Citibank, N.A., a national banking association, and any successor under this Funding Loan Agreement and the Borrower Loan Documents.

“Funding Loan Agreement” shall mean this Funding Loan Agreement, dated _____, 20__ by and among the Funding Lender, the Governmental Lender and the Fiscal Agent, as it may from time to time be supplemented, modified or amended by one or more instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

“Funding Loan Documents” shall mean (i) this Funding Loan Agreement, (ii) the Borrower Loan Agreement, (iii) the Regulatory Agreement, (iv) the Tax Certificate, (v) the Borrower Loan Documents, (vi) the Loan Covenant Agreement, (vii) the Governmental Lender Guaranties, (viii) all other documents evidencing, securing, governing or otherwise pertaining to the Funding Loan, and (ix) all amendments, modifications, renewals and substitutions of any of the foregoing.

“Governmental Lender” shall mean the Housing Finance Authority of Broward County, Florida.

“Governmental Lender Fee” means, collectively, (i) the Ongoing Governmental Lender Fee, and (ii) Late Reporting Fees and/or Issuer’s Compliance Fees, as applicable, pursuant to the Regulatory Agreement.

“Governmental Lender Guaranties” means, collectively, (i) the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, and (ii) the Absolute and Unconditional Guaranty of Operating Deficits, and (iii) the Environmental Indemnity Agreement, each dated as of [the Delivery Date] [the date of this Funding Loan Agreement], by the Governmental Lender Guarantors for the benefit of the Governmental Lender and the Fiscal Agent.

“Governmental Lender Guarantors” means, collectively, the Borrower, PC 441 Phase 2, LLC, a Florida limited liability company, Pinnacle Communities, LLC, a Florida limited liability company, Louis Wolfson III, individually, David O. Deutch, individually, and The Estate of Mitchell M. Friedman.

“Governmental Lender Note” shall mean the Governmental Lender Note described in the recitals of this Funding Loan Agreement.

“Guaranty of Recourse Obligations” means the Absolute and Unconditional Guaranty of Recourse Obligations, dated as of the Delivery Date, from the Governmental Lender Guarantors, jointly and severally, in favor of the Governmental Lender and the Fiscal Agent.

“Highest Rating Category” shall mean, with respect to a Permitted Investment, that the Permitted Investment is rated by S&P or Moody’s in the highest rating given by that Rating Agency for that general category of security. By way of example, the Highest Rating Category for tax exempt municipal debt established by S&P is “A 1+” for debt with a term of one year or less and “AAA” for a term greater than one year, with corresponding ratings by Moody’s of “MIG

1" (for fixed rate) or "VMIG 1" (for variable rate) for three (3) months or less and "Aaa" for greater than three months. If at any time (i) both S&P and Moody's rate a Permitted Investment and (ii) one of those ratings is below the Highest Rating Category, then such Permitted Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that Rating Agency. For example, a Permitted Investment rated "AAA" by S&P and "Aa3" by Moody's is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that Rating Agency, then the Permitted Investment will not be deemed to be rated below the Highest Rating Category. For example, a Permitted Investment rated "AAA" by S&P and "A1" by Moody's is not rated in the Highest Rating Category.

"Loan Covenant Agreement" shall mean the Loan Covenant Agreement between the Borrower and the Funding Lender, dated the date hereof.

"Loan Payment Fund" shall mean the fund by that name created and established under this Funding Loan Agreement.

"Maturity Date" shall mean with respect to the Governmental Lender Note, [MATURITY DATE].

"Minimum Beneficial Ownership Amount" shall mean an amount not less than fifteen percent (15%) of the aggregate outstanding principal amount of the Funding Loan.

"Moody's" shall mean Moody's Investors Service, Inc., or its successor.

"Ongoing Governmental Lender Fee" shall mean the annual program administration fee of the Governmental Lender, payable in advance by the Borrower to the Fiscal Agent for payment to the Governmental Lender in the amount of eighteen (18) basis points per annum of the outstanding principal amount of the Funding Loan (calculated on the Business Day prior to any principal reduction of the Funding Loan). The first payment of the Ongoing Governmental Lender Fee shall be payable on the Conversion Date for the period beginning on the Conversion Date and ending on _____, 202__. Thereafter, the Ongoing Governmental Lender Fee shall be payable in semi-annual installments on each _____ 1 and _____ 1, with the first semi-annual payment due and payable on _____ 1, 202__; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Governmental Lender, the Fiscal Agent, Tax Counsel, the Governmental Lender's counsel, or the Fiscal Agent's counsel to be paid by the Borrower pursuant to the Borrower Loan Agreement.

"Opinion of Counsel" shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Funding Lender and the Governmental Lender with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required to address the exclusion of interest on the Governmental Lender Note from gross income for purposes of federal income taxation, such opinion shall be provided by Tax Counsel.

“Permitted Investments” shall mean, to the extent authorized by law for investment of any moneys held under this Funding Loan Agreement:

(a) Direct obligations of the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America (“Government Obligations”).

(b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America, or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Demand deposits or time deposits with, or certificates of deposit issued by, the Fiscal Agent or its Affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000 and maturing in less than 365 days; provided that the Fiscal Agent or such other institution has been rated at least “VMIG-1”/“A-1+” by Moody’s/S&P which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency.

(d) Bonds (including tax-exempt bonds), bills, notes or other obligations of or secured by Fannie Mae, Freddie Mac, the Federal Home Loan Bank or the Federal Farm Credit Bank.

(e) Money market funds rated AAA by S&P which are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended, which may be administered by the Fiscal Agent or its Affiliates.

(f) Collateralized Investment Agreements or Repurchase Agreements with financial institutions rated in the “A” category or higher without regard to qualifiers, by at least one Rating Agency. The agreement must be continually collateralized with obligations specified in paragraphs (a), (b) and/or (d) above, eligible for wire through the Federal Reserve Bank System or the DTC/PTC as applicable, and at a level of at least 103% of the amount on deposit and valued no less than daily. The collateral must be held by a third party custodian and be free and clear of all liens and claims of third parties. Securities must be valued daily, marked-to-market at current market price plus accrued interest. If the market value of the securities is found to be below the required level, the provider must restore the market value of the securities to the required level within one (1) business day. Permitted collateral must be delivered to and held in a segregated account by the Fiscal Agent or a custodian (the “Collateral Agent”), and the Collateral Agent cannot be the provider. The collateral must be delivered to the Collateral Agent before/simultaneous with payment (perfection by possession of certificated securities). Acceptable collateral must be free and clear of all liens and claims of third parties and shall be registered in the name of the Collateral Agent for the benefit of the Governmental Lender and

Fiscal Agent. The agreement shall state that the Collateral Agent has a valid and perfected first priority security interest in the securities, any substituted securities and all proceeds thereof.

(g) Any other investment authorized by the laws of the State, if such investment is approved in advance in writing by the Funding Lender in its sole discretion.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment or any agreement with a maturity profile greater than the date(s) on which funds representing the corpus of the investment may be needed under the Funding Loan Documents. This exception (1) shall not apply to Permitted Investments listed in paragraph (g).

(2) Any obligation bearing interest at an inverse floating rate.

(3) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(4) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Fiscal Agent shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments.

“Person” shall mean any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

“Pledged Revenues” shall mean the amounts pledged under this Funding Loan Agreement to the payment of the principal of, prepayment premium, if any, and interest on the Funding Loan and the Governmental Lender Note, consisting of the following: (i) all income, revenues, proceeds and other amounts to which the Governmental Lender is entitled (other than amounts received by the Governmental Lender with respect to the Unassigned Rights) derived from or in connection with the Project and the Funding Loan Documents, including all Borrower Loan Payments due under the Borrower Loan Agreement and the Borrower Note, payments with respect to the Borrower Loan Payments and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents and all receipts credited under the provisions of this Funding Loan Agreement against said amounts payable, and (ii) moneys held in the funds and accounts established under this Funding Loan Agreement, together with investment earnings thereon (except any amounts on deposit in the Administration Fund and Rebate Fund).

“Prepayment Premium” shall mean (i) any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of the Borrower Note (including any Prepayment Premium as set forth in the Borrower Note) and (ii) any premium payable on the Governmental Lender Note pursuant to this Funding Loan Agreement.

“Project” shall have the meaning given to that term in the Borrower Loan Agreement.

“Rating Agency” shall mean any one and each of S&P and Moody’s then rating the Permitted Investments or any other nationally recognized statistical rating agency then rating the Permitted Investments, which has been approved by the Funding Lender.

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Fiscal Agent) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Governmental Lender at the expense of the Borrower to calculate the amounts to be paid to the United States Treasury in accordance with the applicable provisions of the Tax Certificate (the “Rebate Amount”) or, in the event that the Governmental Lender fails to so select a Rebate Analyst and the Borrower fails to pay such fee one month prior to any date on which calculations are required to be made, any qualified person retained by the Fiscal Agent to calculate the Rebate Amount. The initial Rebate Analyst will be Dufresne CPA Services, P.A.

“Rebate Fund” shall mean the fund by that name created and established under this Funding Loan Agreement.

“Record Date” shall mean the last day of each calendar month.

“Regulations” shall mean with respect to the Code, the relevant U.S. Treasury regulations and proposed regulations thereunder or any relevant successor provision to such regulations and proposed regulations.

“Regulatory Agreement” shall mean that certain Land Use Restriction Agreement, dated as of the Delivery Date, by and among the Governmental Lender, the Borrower and the Fiscal Agent, as hereafter amended or modified.

“Required Transferee Representations” shall mean the representations in substantially the form attached to this Funding Loan Agreement as Exhibit B.

“Resolution” shall mean the resolution of the Governmental Lender adopted on June 21, 2023 authorizing the Funding Loan, as evidenced by the Governmental Lender Note and the execution and delivery of the Funding Loan Documents to which the Governmental Lender is a party.

“Responsible Officer” shall mean any officer within the Corporate Trust Department (or any successor group) of the Fiscal Agent, including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Fiscal Agent customarily

performing functions similar to those performed by the persons who at the time shall be such officers, respectively, who is responsible for the administration of this Funding Loan Agreement.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Security” shall mean the security for the performance by the Governmental Lender of its obligations under the Governmental Lender Note and this Funding Loan Agreement as more fully set forth in Article IV hereof.

“Security Instrument” shall mean the Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the date hereof (as amended, restated and/or supplemented from time to time), made by the Borrower in favor of the Governmental Lender and assigned to the Fiscal Agent to secure the performance by the Governmental Lender of its obligations with respect to the Funding Loan, as evidenced by the Governmental Lender Note.

“Servicer” shall mean any Servicer appointed by the Funding Lender to perform certain servicing functions with respect to the Funding Loan and on the Borrower Loan pursuant to a separate servicing agreement to be entered into between the Funding Lender and the Servicer. Initially the Servicer shall be the Funding Lender pursuant to this Funding Loan Agreement.

“Servicing Agreement” shall mean any servicing agreement entered into between the Funding Lender and a Servicer with respect to the servicing of the Funding Loan and/or the Borrower Loan.

“S&P” shall mean Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services, LLC business division of The McGraw-Hill Companies, Inc., or its successor.

“State” shall mean the State of Florida.

“Tax Certificate” shall mean , collectively, (i) the Certificate as to Arbitrage and Certain Other Tax Matters dated the Delivery Date and executed by the Governmental Lender, and (ii) the Borrower Tax Certificate dated the Delivery Date and executed and delivered by the Borrower, and (iii) the Arbitrage Rebate Agreement by and among the Governmental Lender, the Borrower and the Fiscal Agent, in each case including all exhibits and other attachments thereto and in each case as may be amended from time to time.

“Tax Counsel” shall mean, Nabors, Giblin & Nickerson, P.A., or any other attorney or firm of attorneys designated by the Governmental Lender and approved by the Funding Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

“Tax Counsel Approving Opinion” shall mean an opinion of Tax Counsel substantially to the effect that the Governmental Lender Note constitutes a valid and binding obligation of the Governmental Lender and that, under existing statutes, regulations published rulings and judicial decisions, the interest on the Governmental Lender Note is excludable from gross income for

federal income tax purposes (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“Tax Counsel No Adverse Effect Opinion” shall mean an opinion of Tax Counsel to the effect that the taking of the action specified therein will not, in and of itself, impair the exclusion of interest on the Governmental Lender Note from gross income for purposes of federal income taxation (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“Unassigned Rights” shall mean the Governmental Lender’s rights to reimbursement and payment of its fees, costs and expenses and the Rebate Amount under Section 2.5 of the Borrower Loan Agreement, its rights of access under Section 5.18 thereof, its rights to indemnification under Section 5.16 thereof and under any of the other Funding Loan Documents, if such right exists, its rights to attorneys’ fees and expenses under Sections 5.12 and 5.15 thereof, its rights to receive notices, reports and other statements and its rights to consent to certain matters, as provided in this Funding Loan Agreement, the Borrower Loan Agreement and under any of the other Funding Loan Documents, if such right exists.

“Written Certificate,” “Written Certification,” “Written Consent,” “Written Direction,” “Written Notice,” “Written Order,” “Written Registration,” “Written Request,” and “Written Requisition” shall mean a written certificate, direction, notice, order or requisition signed by an Authorized Borrower Representative, an Authorized Governmental Lender Representative, a Responsible Officer of the Fiscal Agent or an authorized representative of the Funding Lender and delivered to the Funding Lender, the Servicer, the Fiscal Agent or such other Person as required under the Funding Loan Documents.

“Yield” shall mean yield as defined in Section 148(h) of the Code and any regulations promulgated thereunder.

Section 1.2. *Effect of Headings and Table of Contents.* The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.3. *Date of Funding Loan Agreement.* The date of this Funding Loan Agreement is intended as and for a date for the convenient identification of this Funding Loan Agreement and is not intended to indicate that this Funding Loan Agreement was executed and delivered on said date.

Section 1.4. *Designation of Time for Performance.* Except as otherwise expressly provided herein, any reference in this Funding Loan Agreement to the time of day shall mean the time of day in the city where the Funding Lender maintains its place of business for the performance of its obligations under this Funding Loan Agreement.

Section 1.5. *Interpretation.* The parties hereto acknowledge that each of them and their respective counsel have participated in the drafting and revision of this Funding Loan

Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Funding Loan Agreement or any amendment or supplement or exhibit hereto.

ARTICLE II TERMS; GOVERNMENTAL LENDER NOTE

Section 2.1. *Terms.*

(a) Principal Amount. The aggregate principal amount of the Funding Loan and the Governmental Lender Note evidencing such Funding Loan is \$_____.

(b) Maturity. The Funding Loan shall mature on the Maturity Date at which time the entire principal amount, to the extent not previously paid, and all accrued and unpaid interest, shall be due and payable.

(c) Principal. The outstanding principal amount of the Governmental Lender Note and of the Funding Loan as of any given date shall be the principal amount outstanding on the Conversion Date, less any payments of principal of the Governmental Lender Note received from payments of corresponding principal amounts under the Borrower Note, including regularly scheduled principal payments and voluntary and mandatory prepayments. The principal amount of the Governmental Lender Note and interest thereon shall be payable on the basis specified in paragraphs (d), (e) and (f) of this Section 2.1. The Fiscal Agent shall keep a record of all principal repayments made under the Governmental Lender Note and shall upon written request provide the Governmental Lender and the Funding Lender with a statement of the outstanding principal balance of the Governmental Lender Note and the Funding Loan.

(d) Interest. Interest shall be paid on the outstanding principal amount of the Governmental Lender Note at the rate or rates set forth in the Borrower Note and otherwise as set forth in the Borrower Loan Agreement.

(e) Corresponding Payments. The payment or prepayment of principal, interest and premium, if any, due on the Governmental Lender Note shall be identical with and shall be made on the same dates, terms and conditions, as the principal, interest, premiums, late payment fees and other amounts due on the Borrower Note. Any payment or prepayment made by the Borrower of principal, interest, premium, if any, due on the Borrower Note shall be deemed to be like payments or prepayments of principal, interest and premium, if any, due on the Funding Loan and the Governmental Lender Note.

(f) Usury. The Governmental Lender intends to conform strictly to the usury laws applicable to this Funding Loan Agreement and the Governmental Lender Note and all agreements made in the Governmental Lender Note, this Funding Loan Agreement and the Funding Loan Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid as interest or the amounts paid for the use of money advanced or to be advanced hereunder exceed the highest lawful rate prescribed under any law which a court of

competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Funding Lender shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Funding Lender, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Borrower. This paragraph shall control every other provision of the Governmental Lender Note, this Funding Loan Agreement and all other Funding Loan Documents.

In determining whether the amount of interest charged and paid might otherwise exceed the limit prescribed by law, the parties hereto intend and agree that (i) interest shall be computed upon the assumption that payments under the Borrower Loan Agreement and other Funding Loan Documents will be paid according to the agreed terms, and (ii) any sums of money that are taken into account in the calculation of interest, even though paid at one time, shall be spread over the actual term of the Funding Loan.

Section 2.2. *Form of Governmental Lender Note.* As evidence of its obligation to repay the Funding Loan, simultaneously with the delivery of this Funding Loan Agreement to the Funding Lender, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Note. The Governmental Lender Note shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement or State law.

Section 2.3. *Execution and Delivery of Governmental Lender Note.* The Governmental Lender Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of an Authorized Governmental Lender Representative, and attested by the manual or facsimile signature of an Authorized Attesting Officer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Governmental Lender Note. In case any officer of the Governmental Lender whose manual or facsimile signature shall appear on a Governmental Lender Note shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery, and also a Governmental Lender Note may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution thereof shall be the proper officers to sign such Governmental Lender Note although at the date of the Governmental Lender Note such persons may not have been such officers.

Section 2.4. *Authentication.* The Fiscal Agent has authenticated the Governmental Lender Note by execution of the certificate of authentication on or attached to the Governmental Lender Note, and the certificate of authentication so executed on or attached to the Governmental

Lender Note shall be conclusive evidence that the Governmental Lender Note has been authenticated and delivered under this Funding Loan Agreement.

Section 2.5. *Registration and Transfer of Governmental Lender Note.*

(a) The Fiscal Agent acknowledges that the Funding Lender is the initial holder of the Governmental Lender Note and shall remain the sole holder of the Governmental Lender Note except as otherwise provided herein.

(b) The Fiscal Agent, on behalf of the Governmental Lender, shall provide for the registration of the Governmental Lender Note or interests therein and the registration of transfers thereof. In that regard, the Fiscal Agent shall maintain a register which shall contain a record of the Governmental Lender Note at any time authenticated hereunder, together with the name and address of the holder thereof, the date of authentication, the date of transfer or payment, and such other matters as may be deemed appropriate by the Fiscal Agent or the Governmental Lender. The Governmental Lender, the Fiscal Agent and any agent of the Governmental Lender or the Fiscal Agent shall treat the person in whose name the Governmental Lender Note is registered as of the Record Date as the owner of the Governmental Lender Note for the purpose of receiving payment of the Governmental Lender Note and for all other purposes whatsoever whether or not the Governmental Lender Note payments are overdue, and, to the extent permitted by law, neither the Governmental Lender, the Fiscal Agent nor any such agent shall be affected by notice to the contrary.

(c) The transfer of the Governmental Lender Note is subject to registration by the holder thereof only upon compliance with the conditions for registration of transfer imposed on the holder under this Section 2.5 and under Section 2.6 hereof. Upon surrender of any Governmental Lender Note at the designated corporate trust office of the Fiscal Agent, the Governmental Lender shall execute (if necessary), and the Fiscal Agent shall authenticate and deliver, in the name of the designated transferee (but not registered in blank or to "bearer" or a similar designation), a new Governmental Lender Note of a like principal amount, and having the same stated maturity, tenor and interest rate, substantially in the form set forth in Exhibit A hereto.

(d) Any Governmental Lender Note delivered in exchange for or upon transfer of a Governmental Lender Note shall be a valid limited obligation of the Governmental Lender evidencing the same debt, and entitled to the same benefits under this Funding Loan Agreement, as the Governmental Lender Note surrendered for such exchange or transfer.

(e) Registration of the transfer of the Governmental Lender Note may be made on the Fiscal Agent's register by the holder thereof by such holder's attorney duly authorized in writing; provided, that the Governmental Lender Note presented or surrendered for registration of transfer or exchange (i) is accompanied by evidence of compliance with the provisions of Section 2.6 hereof, (ii) is duly endorsed or be accompanied by a written instrument or instruments of transfer, in a form satisfactory to the Governmental Lender and the Fiscal Agent, duly executed

by the holder thereof or his, her or its attorney duly authorized in writing and (iii) includes written instructions as to the details of the transfer of the Governmental Lender Note.

(f) No service charge shall be made to the registered holder of the Governmental Lender Note for any registration, transfer or exchange, but the Fiscal Agent and the Governmental Lender may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any transfer or exchange of the Governmental Lender Note, and any legal or unusual costs of transfers. Such sums shall be paid in every instance by the purchaser or assignee of the Funding Loan or portion thereof.

(g) The Governmental Lender Note shall not be transferred through the services of the Depository Trust Company or any other third party registrar.

(h) The transferor shall also provide or cause to be provided to the Fiscal Agent all information necessary to allow the Fiscal Agent to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Fiscal Agent may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.6. *Restrictions on Transfer.*

(a) The Funding Lender shall deliver to the Governmental Lender the Required Transferee Representations in substantially the form attached hereto as Exhibit B on the Conversion Date.

(b) The Funding Lender shall have the right to sell (i) the Governmental Lender Note and the Funding Loan in whole or (ii) a participation interest or other beneficial ownership interest in the Governmental Lender Note and the Funding Loan to the extent permitted by Section 2.6(c) below, provided that such sale shall be only to Approved Transferees that execute and deliver the Required Transferee Representations to the Funding Lender, with a copy to the Governmental Lender and the Fiscal Agent; provided, however, that no Required Transferee Representations shall be required to be delivered by transferees or beneficial interest holders described in clauses (3) or (4) of the definition of "Approved Transferee."

(c) Notwithstanding the other provisions of this Section 2.6, no beneficial ownership interest in the Governmental Lender Note and Funding Loan shall be sold in an amount that is less than the Minimum Beneficial Ownership Amount; provided, however, that beneficial ownership interests in the Governmental Lender Note and Funding Loan described in clause (3) of the definition of "Approved Transferee" may be sold in any amount without regard to the Minimum Beneficial Ownership Amount.

(d) The parties agree that no rating shall be sought from a rating agency with respect to the Funding Loan or the Governmental Lender Note.

The Fiscal Agent shall be entitled to rely, without any further inquiry, on any Required Transferee Representations delivered to it and shall be fully protected in registering any transfer or exchange of the Governmental Lender Note in reliance on any such Required Transferee Representations which appear on their face to be correct and of which the Fiscal Agent has no actual knowledge otherwise. Any such holder desiring to effect such transfer shall agree to indemnify the Governmental Lender and the Fiscal Agent from and against any and all liability, cost or expense (including attorneys' fees, costs and expenses) that may result if the transfer is not exempt from registration under the Securities Act or is not made in accordance with such federal and state laws. Notwithstanding anything to the contrary herein, the holder shall not transfer or sell the Governmental Lender Note or any interest therein to a party related to or affiliated with the Borrower, any general partner, limited partner or member of the Borrower without the prior written consent of the Governmental Lender.

ARTICLE III PREPAYMENT

Section 3.1. *Prepayment of the Governmental Lender Note from Prepayments Under the Borrower Note.* The Governmental Lender Note is subject to voluntary and mandatory prepayment as follows:

(a) The Governmental Lender Note shall be subject to voluntary prepayment to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the principal balance of the Borrower Note to be prepaid, plus interest thereon to the date of prepayment and the amount of any Prepayment Premium payable under the Borrower Note, plus any Additional Borrower Payments due and payable under the Borrower Loan Agreement through the date of prepayment.

The Borrower shall not have the right to voluntarily prepay all or any portion of the Borrower Note, thereby causing the Governmental Lender Note to be prepaid, except as specifically permitted in the Borrower Note, without the prior written consent of Funding Lender, which may be withheld in Funding Lender's sole and absolute discretion.

(b) The Governmental Lender Note shall be subject to mandatory prepayment in whole or in part upon prepayment of the Borrower Note at the direction of the Funding Lender in accordance with the terms of the Borrower Note at a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus any other amounts payable under the Borrower Note or the Borrower Loan Agreement.

Section 3.2. *Notice of Prepayment.* Notice of prepayment of the Governmental Lender Note shall be deemed given to the extent that notice of prepayment of the Borrower Note is timely and properly given to Funding Lender and Fiscal Agent in accordance with the terms of the Borrower Note and the Borrower Loan Agreement, and no separate notice of prepayment of the Governmental Lender Note is required to be given.

ARTICLE IV SECURITY

Section 4.1. *Security for the Funding Loan.* To secure the payment of the Funding Loan and the Governmental Lender Note, to declare the terms and conditions on which the Funding Loan and the Governmental Lender Note is secured, and in consideration of the premises and of the funding of the Funding Loan by the Funding Lender, the Governmental Lender by these presents does grant, bargain, sell, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Fiscal Agent for the benefit of the holder from time to time of the Governmental Lender Note or any interests therein, a lien on and security interest in the following described property (excepting, however, the Unassigned Rights) (said property, rights and privileges being herein collectively called, the "Security"):

(a) All right, title and interest of the Governmental Lender in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the Governmental Lender from the Borrower relating to the Project and including, without limitation, all Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments (except those related to the Unassigned Rights) derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under this Funding Loan Agreement shall not impair or diminish the obligations of the Governmental Lender under the provisions of the Borrower Loan Agreement;

(b) All right, title and interest of the Governmental Lender in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan Documents, and all other payments, revenues and receipts derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Funding Loan Documents;

(c) Any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under this Funding Loan Agreement (other than the Administration Fund and the Rebate Fund), subject to the provisions of this Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

(d) Any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Funding Loan Agreement as additional security by the Governmental Lender or anyone on its part or with its consent, or which pursuant to any of the provisions hereof or of the Borrower Loan Agreement may come into the possession or control of the Fiscal Agent or the Funding Lender or a receiver appointed pursuant to this Funding Loan Agreement; and the Fiscal Agent or the Funding Lender is hereby authorized to receive any and all such property as and for additional security for the Funding Loan and the Governmental Lender Note and to hold and apply all such property subject to the terms hereof.

The pledge and assignment of and the security interest granted in the Security pursuant to this Section 4.1 for the payment of the principal of, premium, if any, and interest on the Governmental Lender Note, in accordance with its terms and provisions, and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Governmental Lender Note by the Governmental Lender. The Security so pledged and then or thereafter received by the Fiscal Agent or the Funding Lender shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

Section 4.2. *Delivery of Security.* In order to secure payment of the Funding Loan and the Governmental Lender Note, the Governmental Lender has pledged and assigned its right, title and interest in the Security to the Fiscal Agent for the benefit of the Funding Lender. In connection with such pledge, assignment, transfer and conveyance, the Governmental Lender shall deliver to the Fiscal Agent, for the benefit of the Funding Lender, the following documents or instruments promptly following their execution and, to the extent applicable, their recording or filing:

- (a) The Borrower Note endorsed without recourse to the Fiscal Agent for the benefit of the Funding Lender, as their interests may appear by the Governmental Lender (subject to reservation of the Governmental Lender's Reserved Rights);
- (b) The originally executed Borrower Loan Agreement and Regulatory Agreement;
- (c) The originally executed Security Instrument and all other Borrower Loan Documents existing at the time of delivery of the Borrower Note and an assignment for security of the Security Instrument from the Governmental Lender to the Fiscal Agent, in recordable form;
- (d) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Fiscal Agent's status as an assignee of the Governmental Lender's security interest in any personal property forming part of the Project, in form suitable for filing; and
- (e) Uniform Commercial Code financing statements giving notice of the pledge by the Governmental Lender of the Security pledged under this Funding Loan Agreement.

The Governmental Lender shall, at the expense of the Borrower, deliver and deposit with the Fiscal Agent or the Funding Lender such additional documents, financing statements, and instruments as the Funding Lender may reasonably require and direct from time to time for the better perfecting of and assuring to the Funding Lender of its lien and security interest in and to the Security.

ARTICLE V LIMITED LIABILITY

Section 5.1. *Source of Payment of Funding Loan, the Governmental Lender Note and Other Obligations.* The Governmental Lender Note evidencing the Funding Loan is a limited obligation of the Governmental Lender, payable solely from the Pledged Revenues and other funds and moneys and Security pledged and assigned hereunder. None of the Governmental Lender, the County, the State, or any political subdivision thereof nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Governmental Lender Note and the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein, and none of the Funding Loan or the Governmental Lender Note or any of the Governmental Lender's agreements or obligations shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. Neither the faith, revenues, credit nor taxing power of the Governmental Lender, the State or any other political corporation or subdivision or agency thereof shall be pledged to the payment of the principal of, premium (if any), or interest on the Governmental Lender Note or this Funding Loan Agreement.

Section 5.2. *Exempt from Individual Liability.* No recourse under or upon any obligation, covenant, warranty or agreement contained in this Funding Loan Agreement or in the Governmental Lender Note, or under any judgment obtained against the Governmental Lender, 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 this Funding Loan Agreement, shall be had against any of the members, officers, agents or employees of the Governmental Lender (past, present or future), either directly or through the Governmental Lender or otherwise, for the payment for or to the Governmental Lender or any receiver of the Governmental Lender, or for or to the owner of the Governmental Lender Note, or otherwise, of any sum that may be due and unpaid by the Governmental Lender upon the Governmental Lender Note. 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 member, officer, agent 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 a Governmental Lender Note or otherwise of any sum that may remain due and unpaid upon a Governmental Lender Note secured by this Funding Loan Agreement or any of them is, by the acceptance of the Governmental Lender Note, expressly waived and released as a condition of and in consideration for the execution of this Funding Loan Agreement and the delivery of the Governmental Lender Note. Anything in this Funding Loan Agreement to the contrary notwithstanding, it is expressly understood by the parties to this Funding Loan Agreement that (a) the Governmental Lender may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Servicer, the Borrower or the owner of the Governmental Lender Note as to the existence of any fact or state of affairs, (b) the Governmental Lender shall not be under any obligation under this Funding Loan Agreement to perform any record keeping or to provide any

legal services, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent or by the Servicer and its respective counsel, as applicable, and (c) none of the provisions of this Funding Loan Agreement shall require the Governmental Lender to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Funding Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Governmental Lender Note or for the satisfaction of any liability arising from, founded upon or existing by reason of the initial delivery, purchase or ownership of a Governmental Lender Note shall be had against any officer, member, agent or employee of the Governmental Lender, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Funding Loan Agreement and the delivery of the Governmental Lender Note. No covenant, stipulation, obligation or agreement of the Governmental Lender contained in this Funding Loan Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Governmental Lender in other than that person's official capacity. No member, officer, agent or employee of the Governmental Lender shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Governmental Lender Note or be subject to any personal liability or accountability by reason of the delivery of the Governmental Lender Note.

It is recognized that notwithstanding any other provision of this Funding Loan Agreement, neither the Borrower, the Fiscal Agent nor any owner of the Governmental Lender Note shall look to the Governmental Lender for damages suffered by the Borrower, the Fiscal Agent or such owner as a result of the failure of the Governmental Lender to perform any covenant, undertaking or obligation under this Funding Loan Agreement, the Borrower Loan Agreement, the Governmental Lender Note or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Governmental Lender in any of such documents, or for any other reason. Although this Funding Loan Agreement recognizes that such documents shall not give rise to any pecuniary liability of the Governmental Lender, nothing contained in this Funding Loan Agreement shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Governmental Lender) in any court or before any governmental body, agency or instrumentality or otherwise against the Governmental Lender or any of its officers or employees to enforce the provisions of any of such documents which the Governmental Lender is obligated to perform and the performance of which the Governmental Lender has not assigned to the Fiscal Agent or any other person.

Section 5.3. *Limited Obligation.* Notwithstanding any other provision of this Funding Loan Agreement to the contrary:

THE GOVERNMENTAL LENDER NOTE IS ISSUED PURSUANT TO THE COUNTY AUTHORIZATION, THE RESOLUTION AND IN ACCORDANCE WITH THE ACT, AND ARE LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER. NEITHER THE

GOVERNMENTAL LENDER NOR ANY OFFICIAL OR EMPLOYEE OF THE GOVERNMENTAL LENDER NOR ANY PERSON EXECUTING A GOVERNMENTAL LENDER NOTE SHALL BE LIABLE PERSONALLY ON SUCH GOVERNMENTAL LENDER NOTE OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF ITS ISSUANCE. THE GOVERNMENTAL LENDER NOTE AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THIS FUNDING LOAN AGREEMENT. NEITHER THE GOVERNMENTAL LENDER, THE STATE NOR ANY OTHER POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE GOVERNMENTAL LENDER NOTE OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF NOR THE FAITH AND CREDIT OF THE GOVERNMENTAL LENDER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE GOVERNMENTAL LENDER NOTE OR OTHER COSTS INCIDENT THERETO. THE GOVERNMENTAL LENDER NOTE IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

ARTICLE VI CLOSING CONDITIONS; APPLICATION OF FUNDS

Section 6.1. *Conditions Precedent to Closing.* Closing of the Funding Loan on the Conversion Date shall be conditioned upon satisfaction or waiver by the Funding Lender and the Governmental Lender in their sole discretion of each of the conditions precedent to closing set forth in this Funding Loan Agreement (other than the requirements in clauses (g) and (h) of this section as applicable to deliverables to the Governmental Lender, or the requirements in clauses (e) and (i) below, each of which may only be waived by the Governmental Lender), including but not limited to the following:

- (a) Receipt by the Funding Lender of the original, executed Governmental Lender Note dated the Conversion Date, authenticated by the Fiscal Agent;
- (b) Receipt by the Funding Lender of the original executed Borrower Note, endorsed by the Governmental Lender to the Funding Lender, and receipt by the Fiscal Agent of an executed copy of the Borrower Note;
- (c) Receipt by the Funding Lender and the Fiscal Agent of executed counterpart copies of this Funding Loan Agreement, the Borrower Loan Agreement, the Loan Covenant Agreement, the Regulatory Agreement, the Tax Certificate and the Security Instrument, as well as copies of the UCC financing statement required under Section 4.2 hereof;

(d) Receipt by the Funding Lender and the Fiscal Agent of a certified copy of the Resolution;

(e) Receipt by the Fiscal Agent of an executed Required Transferee Representations from the Funding Lender;

(f) Delivery into escrow or to the Fiscal Agent, as appropriate, of all amounts required to be paid in connection with the origination of the Borrower Loan and the Funding Loan;

(g) [Receipt by the Governmental Lender, the Funding Lender and Fiscal Agent of a Tax Counsel Approving Opinion with respect to the Governmental Lender Note dated the Conversion Date;]

(h) Receipt by the Governmental Lender, the Funding Lender and the Fiscal Agent of an Opinion of Counsel from Tax Counsel to the effect that the Governmental Lender Note is exempt from registration under the Securities Act, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(i) delivery of an opinion of counsel to the Borrower addressed to the Governmental Lender, the Funding Lender and the Fiscal Agent to the effect that the Borrower Loan Documents [and the Regulatory Agreement] are valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, subject to such exceptions and qualifications as are acceptable to the Governmental Lender;

(j) Delivery of an opinion of Tax Counsel or counsel to the Governmental Lender addressed to the Governmental Lender, the Funding Lender and the Fiscal Agent to the effect that the Funding Loan Documents to which the Governmental Lender is a party are valid and binding obligations of the Governmental Lender, enforceable against the Governmental Lender in accordance with their terms, subject to such exceptions and qualifications as are acceptable to the Funding Lender;

(k) Receipt by the Funding Lender and the Governmental Lender of any other documents or opinions that the Funding Lender, the Governmental Lender or Tax Counsel may require; and

(l) [Receipt by Funding Lender and Governmental Lender of a letter from the Governmental Lender Credit Underwriter that all contingencies listed in the Final Credit Underwriting Report have been satisfied or otherwise addressed by the parties.]

ARTICLE VII FUNDS AND ACCOUNTS

Section 7.1. *Authorization to Create Funds and Accounts.* Except as provided in Section 7.3 hereof, no funds or accounts shall be established in connection with the Funding Loan. The Fiscal Agent is authorized to establish and create from time to time such other funds and accounts or subaccounts as directed in writing by the Funding Lender or, if there is a Servicer, by the Servicer, as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or condemnation awards), if any, received by the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer pursuant to the terms hereof or any of the other Funding Loan Documents and not immediately transferred or disbursed pursuant to the terms of the Funding Loan Documents and/or the Borrower Loan Documents.

Section 7.2. *Investment of Funds.* Amounts held in any funds or accounts created by the Fiscal Agent under this Funding Loan Agreement shall be invested in Permitted Investments at the written direction of the Borrower, subject in all cases to the restrictions of Section 8.7 hereof and of the Tax Certificate. The Fiscal Agent may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees.

The Fiscal Agent may conclusively rely upon the Borrower's written direction as to both the suitability and legality of any directed investments. In the absence of written direction from the Borrower, the Fiscal Agent shall hold such amounts on deposit in the funds and accounts established under this Funding Loan Agreement uninvested. The Fiscal Agent shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Borrower to provide timely written investment direction.

Although the Governmental Lender and the Borrower each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Governmental Lender and the Borrower hereby agree that confirmations of Permitted Investments are not required to be issued by the Fiscal Agent 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 7.3. *Establishment of Funds and Accounts.* In connection with the Funding Loan, there are established with the Fiscal Agent the following funds and accounts:

- (a) [Project Fund];
- (b) Revenue Fund;
- (c) Loan Payment Fund;
- (d) Administration Fund (and therein a Conversion Fee Account);

- (e) Cost of Issuance Fund; and
- (f) Rebate Fund.

[Upon Conversion, the Project Fund, the accounts therein, the Conversion Fee Account within the Administration Fund and the Cost of Issuance Fund are closed.]

All money required to be deposited with or paid to the Fiscal Agent for the account of any of the funds or accounts created by this Funding Loan Agreement shall be held by the Fiscal Agent for the benefit of the Funding Lender, and except for money held in the Administration Fund and Rebate Fund, shall, while held by the Fiscal Agent, constitute part of the Pledged Revenues and be subject to the lien hereof.

The Fiscal Agent shall provide Written Notice of any change to its wiring instructions to the Funding Lender and the Borrower no less than five (5) Business Days prior to the next payment date for which such revised instructions will be applicable.

Section 7.4. *Loan Payment Fund.* The Governmental Lender and the Borrower shall have no interest in the Loan Payment Fund or the moneys therein, which shall always be maintained by the Fiscal Agent completely separate and segregated from all other moneys held hereunder and from any other moneys of the Governmental Lender and the Borrower.

The Fiscal Agent shall deposit into the Loan Payment Fund any amounts received from the Borrower as payments of principal of, premium, if any, or interest on the Borrower Loan and any other amounts received by the Fiscal Agent that are subject to the lien and pledge of this Funding Loan Agreement, including any Pledged Revenues not required to be deposited to the Administration Fund or Rebate Fund or not otherwise specifically directed in writing to be deposited into other funds created by this Funding Loan Agreement.

The Fiscal Agent shall apply all amounts on deposit in the Loan Payment Fund in the following order of priority:

First, to pay or provide for the payment of the interest then due on the Governmental Lender Note;

Second, to pay or provide for the payment and premium, if any, or the prepayment of principal on the Governmental Lender Note, provided moneys have been transferred or deposited into the Loan Payment Fund for such purpose; and

Third, to pay or provide for the payment of the Governmental Lender Note on the Maturity Date.

If the Fiscal Agent has not received, by 2:00 p.m. Eastern time on the date interest is due on the Governmental Lender Note, an amount sufficient to pay such interest, the Fiscal Agent shall provide immediate telephonic or electronic notice to the Funding Lender of such deficiency.

The Fiscal Agent may rely on the payment terms of the Governmental Lender Note for purposes of payments described above. The Fiscal Agent may rely on the payment terms of the Governmental Lender Note for purposes of payments described above. In making any payment under this Section, the Fiscal Agent may rely conclusively upon a written statement provided by the Funding Lender as to the amount payable to the Funding Lender pursuant to this Funding Loan Agreement or the Borrower Loan Agreement, as applicable.

Section 7.5. Administration Fund. The Fiscal Agent shall deposit in the Administration Fund the amounts required by the Borrower Loan Agreement to be paid by the Borrower to the Governmental Lender or the Fiscal Agent, as provided in this Section 7.5. Amounts on deposit in the Administration Fund shall be used to pay the fees and expenses of the Governmental Lender and the Fiscal Agent, as and when the same become due. In that regard, moneys in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent to pay (a) to the Governmental Lender, the Governmental Lender Fee when due and payable, (b) on each _____ 1 and _____ 1 to the Fiscal Agent amounts due pursuant to subparts (i) and (ii) of the definition of "Fiscal Agent's Fees" herein, (c) upon receipt, to the Fiscal Agent, any amounts due to the Fiscal Agent which have not been paid, other than amounts paid in accordance with clause (b) above, and (d) upon receipt, to, or at the written direction of, the Governmental Lender, any amounts owing the Governmental Lender by the Borrower and then due and unpaid, other than amounts paid in accordance with clause (a) above.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Fiscal Agent shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two Business Days to the Fiscal Agent of the amount of such deficiency.

Written notice of any insufficiency, which results in the Governmental Lender not receiving the Governmental Lender Fee on the applicable due date, shall be provided by the Fiscal Agent to the Governmental Lender (with a copy to the Borrower and the Funding Lender) within 10 days of the respective due date.

Upon payment by the Borrower to the Fiscal Agent of such deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent.

Notwithstanding anything herein to the contrary, the Fiscal Agent, on behalf of the Governmental Lender, shall prepare and submit a written invoice to the Borrower for payment of the Governmental Lender Fee not later than 10 days prior to the due date for payment of such Governmental Lender Fee, and shall remit moneys received from the Borrower to the Governmental Lender for payment of such fee. Failure of the Fiscal Agent to prepare or submit such notice shall not excuse the Borrower from making the required payments.

Section 7.6. Project Fund.

Proceeds of the Funding Loan provided by the Initial Funding Lender were deposited to the Note Proceeds Account of the Project Fund, and disbursed in accordance with the Indenture to pay Qualified Project Costs and to pay other costs related to the Project as provided therein. Based on representations of the Borrower pursuant to the [Tax Certificate], not less than 95% of the moneys deposited in and credited to the Note Proceeds Account of the Project Fund representing the proceeds of the Funding Loan, including Investment Income thereon, have been expended for Qualified Project Costs (the "95% Requirement"). The Project Fund is closed.

Section 7.7. *Rebate Fund.* All amounts in the Rebate Fund shall be held, invested and disbursed by the Fiscal Agent in accordance with the written instructions of the Borrower or the Rebate Analyst and the provisions of the Tax Certificate, the terms of which are incorporated herein by reference and made a part hereof as if fully set forth herein. The Borrower shall have the absolute obligation to deposit funds into the Rebate Fund in accordance with the provisions of the Tax Certificate. The Fiscal Agent shall make rebate payments to the United States Treasury in accordance with the applicable provisions of the Tax Certificate. The Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Borrower or the Rebate Analyst and shall not be required to take any actions under the Tax Certificate on behalf of the Borrower in the absence of written instructions from the Borrower or the Rebate Analyst. Any amounts remaining in the Rebate Fund after (i) payment in full of the Governmental Lender Note, and (ii) payment of any and all amounts (a) due to the Rebate Analyst, and (b) required by the final rebate report to be paid to the United States Treasury, shall be disbursed to the Borrower.

Section 7.8. *Amounts Remaining in Funds.* After full payment of the Funding Loan and full payment of the fees, charges and expenses of the Fiscal Agent, the Governmental Lender, the Rebate Analyst, the Funding Lender and the Servicer and other amounts required to be paid hereunder or under any Borrower Loan Document (as certified in writing to the Fiscal Agent by the Governmental Lender with respect to amounts due to the Governmental Lender and by the Rebate Analyst with respect to amounts due to the Rebate Analyst), any amounts remaining in any fund or account hereunder, other than the Rebate Fund, shall be paid to the Borrower.

ARTICLE VIII REPRESENTATIONS AND COVENANTS

Section 8.1. *General Representations.* The Governmental Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Governmental Lender is a public body corporate and politic under the Act, has the power and authority to (i) enter into the Funding Loan Documents to which it is a party and the transactions contemplated thereby, (ii) incur the indebtedness represented by the Governmental Lender Note and the Funding Loan and apply the proceeds of such indebtedness to finance a portion of the costs of the Project and (iii) carry out its other obligations under this Funding Loan Agreement and the Governmental Lender Note, and by proper action has duly

authorized the Governmental Lender's execution and delivery of, and its performance under, such Funding Loan Documents and all other agreements and instruments relating thereto.

(b) The Governmental Lender is not in default under or in violation of, and the execution and delivery of the Funding Loan Documents to which it is a party and its compliance with the terms and conditions thereof will not conflict with or constitute a default under or a violation of, (i) the Act or the County Authorization, (ii) to its knowledge, any other existing laws, rules, regulations, judgments, decrees and orders applicable to it, or (iii) to its knowledge, the provisions of any agreements and instruments to which the Governmental Lender is a party, a default under or violation of which would prevent it from entering into this Funding Loan Agreement, executing and delivering the Governmental Lender Note, financing the Project, executing and delivering the other Funding Loan Documents to which it is a party or consummating the transactions contemplated thereby, and, to its knowledge, no event has occurred and is continuing under the provisions of any such agreement or instrument or otherwise that with the lapse of time or the giving of notice, or both, would constitute such a default or violation (it being understood, however, that the Governmental Lender is making no representations as to the necessity of registering the Borrower Note pursuant to any securities laws or complying with any other requirements of securities laws).

(c) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender with respect to (i) the organization and existence of the Governmental Lender, (ii) its authority to execute or deliver the Funding Loan Documents to which it is a party, (iii) the validity or enforceability of any such Funding Loan Documents or the transactions contemplated thereby, (iv) the title of any officer of the Governmental Lender who executed such Funding Loan Documents or (v) any authority or proceedings relating to the execution and delivery of such Funding Loan Documents on behalf of the Governmental Lender, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

(d) The revenues and receipts to be derived from the Borrower Loan Agreement, the Borrower Note and this Funding Loan Agreement have not been pledged previously by the Governmental Lender to secure any of its notes or bonds other than the Funding Loan as evidenced by the Governmental Lender Note.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE FUNDING LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

Section 8.2. *No Encumbrance on Security.* The Governmental Lender will not knowingly create or knowingly permit the creation of any mortgage, pledge, lien, charge or

encumbrance of any kind on the Security or any part thereof prior to or on a parity with the lien of this Funding Loan Agreement, except as expressly permitted or contemplated by the Funding Loan Documents.

Section 8.3. *Repayment of Funding Loan.* Solely from amounts pledged therefor, and subject to the provisions of Article V hereof, the Governmental Lender will duly and punctually repay, or cause to be repaid, the Funding Loan, as evidenced by the Governmental Lender Note, as and when the same shall become due, all in accordance with the terms of the Governmental Lender Note and this Funding Loan Agreement.

Section 8.4. *Servicer.* The Funding Lender may appoint a Servicer to service and administer the Funding Loan and/or the Borrower Loan on behalf of the Funding Lender and the Fiscal Agent, including without limitation the fulfillment of rights and responsibilities granted by Governmental Lender to Funding Lender pursuant to Section 2.1 of the Borrower Loan Agreement. The Funding Lender shall deliver to the Fiscal Agent written notice of the appointment or removal of any Servicer with a copy of any related servicing agreement.

Section 8.5. *Borrower Loan Agreement Performance.*

(a) The Funding Lender, the Fiscal Agent and the Servicer, if any, on behalf of the Governmental Lender, may (but shall not be required or obligated to) perform and observe any such agreement or covenant of the Governmental Lender under the Borrower Loan Agreement, all to the end that the Governmental Lender's rights under the Borrower Loan Agreement may be unimpaired and free from default.

(b) The Governmental Lender will promptly notify, or cause to be notified, the Borrower, the Fiscal Agent, the Servicer, if any, and the Funding Lender in writing of the occurrence of any Borrower Loan Agreement Default, provided that the Governmental Lender has received written notice or otherwise has knowledge of such event.

Section 8.6. *Maintenance of Records; Inspection of Records.*

(a) The Fiscal Agent shall keep and maintain adequate records pertaining to any funds and accounts established hereunder, including all deposits to and disbursements from said funds and accounts and shall keep and maintain the registration books for the Governmental Lender Note and interests therein. The Fiscal Agent shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal, interest and premium paid on the Governmental Lender Note, subject to the inspection of the Funding Lender and the Governmental Lender and their representatives at all reasonable times and upon reasonable prior notice.

(b) The Governmental Lender and the Funding Lender will at any and all times, upon the reasonable request of the Servicer, if any, the Borrower, the Fiscal Agent, the Governmental Lender or the Funding Lender, afford and procure a reasonable opportunity by their respective representatives to inspect the books, records, reports and other papers of the Governmental

Lender or the Funding Lender, as appropriate, relating to the Project and the Funding Loan, if any, and to make copies thereof.

Section 8.7. Tax Covenants. The Governmental Lender covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other instrument, it will (subject to the limited liability provisions hereof):

(a) Require the Borrower to affirm the Regulatory Agreement as a condition of funding the Borrower Loan;

(b) Not knowingly take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Governmental Lender Note to be includable in gross income for federal income tax purposes;

(c) Whenever and so often as requested by the Funding Lender, the Governmental Lender (at the sole cost and expense of the Borrower) shall do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Governmental Lender Note will be excluded from the gross income of the holders of the Governmental Lender Note, for federal income tax purposes, pursuant to Section 103 of the Code, except in the event where any holder of the Governmental Lender Note or a portion thereof is a "substantial user" of the facilities financed with the Funding Loan or a "related person" within the meaning of Section 147(a) of the Code;

(d) Not knowingly take any action or permit or suffer any action to be taken if the result of the same would be to cause the Governmental Lender Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations; and

(e) Require the Borrower to agree, solely by causing the Borrower to execute and deliver the Borrower Loan Agreement, not to commit any act and not to make any use of the proceeds of a Governmental Lender Note, or any other moneys which may be deemed to be proceeds of such Governmental Lender Note pursuant to the Code, which would cause such Governmental Lender Note to be an "arbitrage bond" within the meaning of Sections 103(b) and 148 the Code, and to comply with the requirements of the Code throughout the term of the Funding Loan; and

(f) Require the Borrower, solely by causing the Borrower to execute and deliver the Borrower Loan Agreement, to take all steps necessary to compute and pay or cause to be paid pursuant to the provisions of Section 7.7 hereof any rebatable arbitrage in accordance with Section 148(f) of the Code in accordance with the applicable provisions of the Tax Certificate.

(g) In furtherance of the covenants in this Section 8.7, the Governmental Lender and the Borrower have executed, delivered and complied with the provisions of the Tax Certificate, which are by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full.

For purposes of this Section 8.7 the Governmental Lender's compliance shall be based solely on matters within the Governmental Lender's knowledge and control and no acts, omissions or directions of the Borrower, the Fiscal Agent, the Funding Lender or any other Persons shall be attributed to the Governmental Lender.

In complying with the foregoing covenants, the Governmental Lender may rely from time to time on a Tax Counsel No Adverse Effect Opinion or other appropriate opinion of Tax Counsel.

Section 8.8. *Performance by the Borrower.* Without relieving the Governmental Lender from the responsibility for performance and observance of the agreements and covenants required to be performed and observed by it hereunder, the Borrower, on behalf of the Governmental Lender, may perform any such agreement or covenant if no Borrower Loan Agreement Default or Potential Default under the Borrower Loan Agreement exists.

Section 8.9. *Maintenance of Records.* The Funding Lender shall keep and maintain adequate records pertaining to funds and accounts relative to the Borrower Loan not established with the Fiscal Agent, if any, including all deposits to and disbursements from said funds and accounts and will provide information and records relating thereto to the Fiscal Agent or the Governmental Lender upon request.

ARTICLE IX DEFAULT; REMEDIES

Section 9.1. *Events of Default.* Subject in all respects to Article V hereof, any one or more of the following shall constitute an event of default (an "Event of Default") under this Funding Loan Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) A default in the payment of any interest upon the Governmental Lender Note when such interest becomes due and payable; or

(b) A default in the payment of principal of, or premium on, the Governmental Lender Note when such principal or premium becomes due and payable, whether at its stated maturity, by declaration of acceleration or call for mandatory prepayment or otherwise; or

(c) Subject to Section 8.8 hereof, default in the performance or breach of any material covenant or warranty of the Governmental Lender in this Funding Loan Agreement (other than a covenant or warranty or default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after there has been given written notice, as provided in Section 12.1 hereof, to the Governmental Lender, the Fiscal Agent and the Borrower by the Funding Lender or the Servicer, specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under this Funding Loan Agreement; provided that, so long as the Governmental Lender, or the Borrower or Equity Investor on behalf of the Governmental Lender, has

commenced to cure such failure to observe or perform within the thirty (30) day cure period and the subject matter of the default is not capable of cure within said thirty (30) day period and the Governmental Lender, or the Borrower or Equity Investor on behalf of the Governmental Lender, is diligently pursuing such cure to the Funding Lender's satisfaction, with the Funding Lender's Written Direction or Written Consent, then the Governmental Lender shall have an additional period of time as reasonably necessary (not to exceed 30 days unless extended in writing by the Funding Lender) within which to cure such default; or

(d) A default in the payment of any Additional Borrower Payments; or

(e) Any other "Default" or "Event of Default" under any of the other Funding Loan Documents to which the Governmental Lender is a party and is an obligor thereunder or, upon the Written Direction of the Funding Lender, under any other Funding Loan Document (taking into account any applicable grace periods therein).

Any notice of default delivered by the Funding Lender to the Borrower shall be contemporaneously delivered to the Equity Investor.

Section 9.2. *Acceleration of Maturity; Rescission and Annulment.*

(a) Subject to the provisions of Article V and Section 9.9 hereof, upon the occurrence of an Event of Default under Section 9.1 hereof, then and in every such case, the Funding Lender may declare the principal of the Funding Loan and the Governmental Lender Note and the interest accrued to be immediately due and payable, by notice to the Fiscal Agent, the Governmental Lender and the Borrower and upon any such declaration, all principal of and Prepayment Premium, if any, and interest on the Governmental Lender Note shall become immediately due and payable.

(b) At any time after a declaration of acceleration has been made pursuant to subsection (a) of this Section, the Funding Lender may by Written Notice to the Fiscal Agent, the Borrower and the Governmental Lender, rescind and annul such declaration and its consequences if:

(i) The Borrower has deposited with the Fiscal Agent or the Funding Lender a sum sufficient to pay (1) all overdue installments of interest on the Governmental Lender Note, (2) the principal of and Prepayment Premium on the Governmental Lender Note that has become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Governmental Lender Note, (3) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Governmental Lender Note, and (4) all sums paid or advanced by the Funding Lender and the reasonable compensation, expenses, disbursements and advances of the Funding Lender, its agents and counsel (but only to the extent not duplicative with subclauses (1) and (3) above); and

(ii) All Events of Default, other than the non-payment of the principal of the Governmental Lender Note which have become due solely by such declaration of acceleration, have been cured or have been waived in writing as provided in Section 9.9 hereof.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(c) Notwithstanding the occurrence and continuation of an Event of Default, it is understood that the Funding Lender shall pursue no remedies against the Borrower or the Project if no Borrower Loan Agreement Default has occurred and is continuing. An Event of Default hereunder shall not in and of itself constitute a Borrower Loan Agreement Default.

Section 9.3. *Additional Remedies; Funding Lender Enforcement.*

(a) Upon the occurrence of an Event of Default, the Funding Lender may, subject to the provisions of Article V, this Section 9.3 and Section 9.9 hereof, proceed to protect and enforce its rights by mandamus or other suit, action or proceeding at law or in equity. No remedy conferred by this Funding Loan Agreement upon or remedy reserved to the Funding Lender is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Funding Lender hereunder or now or hereafter existing at law or in equity or by statute. The Funding Lender acknowledges and agrees that the Governmental Lender shall not be responsible or liable for any fees and expenses incurred by the Funding Lender in connection with pursuing remedies under this Article IX.

(b) Upon the occurrence and continuation of any Event of Default, the Funding Lender may proceed forthwith to protect and enforce its rights and this Funding Loan Agreement by such suits, actions or proceedings as the Funding Lender, in its sole discretion, shall deem expedient. Funding Lender shall have upon the occurrence and continuation of any Event of Default all rights, powers, and remedies with respect to the Security as are available under the Uniform Commercial Code applicable thereto or as are available under any other applicable law at the time in effect and, without limiting the generality of the foregoing, the Funding Lender may proceed at law or in equity or otherwise, to the extent permitted by applicable law:

(i) to take possession of the Security or any part thereof, with or without legal process, and to hold, service, administer and enforce any rights thereunder or thereto, and otherwise exercise all rights of ownership thereof, including (but not limited to) the sale of all or part of the Security;

(ii) to become mortgagee of record for the Borrower Loan including, without limitation, completing the assignment of the Security Instrument by the Governmental Lender to the Fiscal Agent for the benefit of the Funding Lender as anticipated by this Funding Loan Agreement, and recording the same in the real estate records of the jurisdiction in which the Project is located, without further act or consent of the Governmental Lender, and to service and administer the same for its own account;

(iii) to service and administer the Funding Loan as agent and on behalf of the Governmental Lender or otherwise, and, if applicable, to take such actions necessary to enforce the Borrower Loan Documents and the Funding Loan Documents on its own behalf, and to take such alternative courses of action, as it may deem appropriate; or

(iv) to take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents, or the Borrower Loan Documents, or in and of the execution of any power herein granted, or for foreclosure hereunder, or for enforcement of any other appropriate legal or equitable remedy or otherwise as the Funding Lender may elect.

(c) Whether or not an Event of Default has occurred, the Funding Lender, in its sole discretion, shall have the sole right to waive or forbear any term, condition, covenant or agreement of the Security Instrument, the Borrower Loan Agreement, the Borrower Note or any other Borrower Loan Documents or Funding Loan Documents applicable to the Borrower, or any breach thereof, other than a covenant that would adversely impact the tax exempt status of the interest on the Governmental Lender Note, and provided that the Governmental Lender may enforce specific performance with respect to the Unassigned Rights; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

(d) If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 60 days after the Borrower, the Governmental Lender, the Fiscal Agent and the Funding Lender receive Written Notice stating that a default under the Regulatory Agreement has occurred and specifying the nature of the default, the Funding Lender shall have the right to seek specific performance of the provisions of the Regulatory Agreement or to exercise its other rights or remedies thereunder; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

(e) If the Borrower defaults in the performance of its obligations under the Borrower Loan Agreement to make rebate payments, to comply with any applicable continuing disclosure requirements, or to make payments owed pursuant to Sections 2.5, 5.15 or 5.16 of the Borrower Loan Agreement for fees, expenses or indemnification, the Funding Lender shall have the right to exercise all its rights and remedies thereunder (subject to the last paragraph of Section 9.14 hereof).

Section 9.4. *Application of Money Collected.* Any money collected by the Funding Lender or the Fiscal Agent pursuant to this Article and any other sums then held by the Funding

Lender as part of the Security, shall be applied in the following order, at the date or dates fixed by the Funding Lender:

First: To the payment of any and all other amounts due under the Funding Loan Documents to the Fiscal Agent incurred in performance of its duties under this Funding Loan Agreement, including, without limitation, the payment of all reasonable fees and expenses of the Fiscal Agent incurred in exercising any remedies under this Funding Loan Agreement;

Second: To the payment of any and all amounts due under the Funding Loan Documents other than with respect to principal and interest accrued on the Funding Loan, including, without limitation, any amounts due to the Governmental Lender, the Funding Lender, the Servicer, and the Rebate Analyst;

Third: To the payment of the whole amount of the Funding Loan, as evidenced by the Governmental Lender Note, then due and unpaid in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Governmental Lender Note) on overdue principal of, and Prepayment Premium and overdue installments of interest on the Governmental Lender Note; provided, however, that partial interests in any portion of the Funding Loan, as evidenced by the Governmental Lender Note shall be paid in such order of priority as may be prescribed by Written Direction of the Funding Lender in its sole and absolute discretion; and

Fourth: The payment of the remainder, if any, to the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

If and to the extent this Section 9.4 conflicts with the provisions of the Servicing Agreement, the provisions of the Servicing Agreement shall control. Capitalized terms used in this Section 9.4 but not otherwise defined in this Funding Loan Agreement shall have the meanings given such terms in the Servicing Agreement.

Section 9.5. Remedies Vested in Funding Lender. All rights of action and claims under this Funding Loan Agreement or the Governmental Lender Note may be prosecuted and enforced by the Funding Lender without the possession of the Governmental Lender Note or the production thereof in any proceeding relating thereto.

Section 9.6. Restoration of Positions. If Funding Lender shall have instituted any proceeding to enforce any right or remedy under this Funding Loan Agreement and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Funding Lender, then and in every such case the Governmental Lender and the Funding Lender shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Governmental Lender and the Funding Lender shall continue as though no such proceeding had been instituted.

Section 9.7. *Rights and Remedies Cumulative.* No right or remedy herein conferred upon or reserved to the Funding Lender is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.8. *Delay or Omission Not Waiver.* No delay or omission of the Funding Lender to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Funding Lender may be exercised from time to time, and as often as may be deemed expedient, by Funding Lender. No waiver of any default or Event of Default pursuant to Section 9.9 hereof shall extend to or shall affect any subsequent default or Event of Default hereunder or shall impair any rights or remedies consequent thereon.

Section 9.9. *Waiver of Past Defaults.* Before any judgment or decree for payment of money due has been obtained by the Funding Lender against the Borrower, the Funding Lender may, subject to Section 9.6 hereof, by Written Notice to the Fiscal Agent, the Governmental Lender and the Borrower, waive any past default hereunder or under the Borrower Loan Agreement and its consequences except for default in obligations due the Governmental Lender pursuant to or under the Unassigned Rights. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Funding Loan Agreement and the Borrower Loan Agreement; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 9.10. *Remedies Under Borrower Loan Agreement or Borrower Note.* As set forth in this Section 9.10 but subject to Section 9.9 hereof, the Funding Lender shall have the right, in its own name or on behalf of the Governmental Lender, to declare any default and exercise any remedies under the Borrower Loan Agreement or the Borrower Note, whether or not the Governmental Lender Note have been accelerated or declared due and payable by reason of an Event of Default.

Section 9.11. *Waiver of Appraisal and Other Laws.*

(a) To the extent permitted by law, the Governmental Lender will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Governmental Lender, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Security marshaled upon any enforcement hereof.

(b) If any law now in effect prohibiting the waiver referred to in Section 9.11(a) shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section 9.11.

Section 9.12. *Suits to Protect the Security.* The Funding Lender shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Security by any acts that may be unlawful or in violation of this Funding Loan Agreement and to protect its interests in the Security and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any Governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Funding Lender.

Section 9.13. *Remedies Subject to Applicable Law.* All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Funding Loan Agreement invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Section 9.14. *Assumption of Obligations.* In the event that the Funding Lender or its assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under the Borrower Loan Agreement, the Borrower Note, the Regulatory Agreement and any other Borrower Loan Documents and Funding Loan Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth in such Borrower Loan Documents and Funding Loan Documents and without any liability for the prior acts of the Borrower.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default hereunder, rights and remedies may be pursued pursuant to the terms of the Funding Loan Documents.

**ARTICLE X
AMENDMENT; AMENDMENT OF FUNDING LOAN AGREEMENT
AND OTHER DOCUMENTS**

Section 10.1. *Amendment of Funding Loan Agreement.* Any of the terms of this Funding Loan Agreement and the Governmental Lender Note may be amended or waived only by an instrument signed by the Funding Lender, the Fiscal Agent and the Governmental Lender; provided, however, no such amendment which materially affects the rights, duties, obligations

or other interests of the Borrower shall be made without the consent of the Borrower, and, provided further, that if the Borrower is in default under any Funding Loan Document, no Borrower consent shall be required unless such amendment has a material adverse effect on the rights, duties, obligations or other interests of the Borrower. All of the terms of this Funding Loan Agreement shall be binding upon the successors and assigns of and all persons claiming under or through the Governmental Lender, the Fiscal Agent or any such successor or assign, and shall inure to the benefit of and be enforceable by the successors and assigns of the Funding Lender and the Fiscal Agent.

Section 10.2. *Amendments Require Funding Lender Consent.* Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of the Borrower Loan Agreement or any other Borrower Loan Document or Funding Loan Document without the prior Written Consent of the Funding Lender.

Section 10.3. *Consents and Opinions.* No amendment to this Funding Loan Agreement or any other Funding Loan Document entered into under this Article X or any amendment, change or modification otherwise permitted under this Article X shall become effective unless and until (i) the Funding Lender shall have approved the same in writing in its sole discretion and (ii) the Funding Lender, the Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower, a Tax Counsel No Adverse Effect Opinion and an Opinion of Counsel to the effect that any such proposed amendment is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE XI THE FISCAL AGENT

Section 11.1. *Appointment of Fiscal Agent; Acceptance.* The Governmental Lender hereby appoints The Bank of New York Mellon Trust Company, N.A. as Fiscal Agent hereunder. The Fiscal Agent shall signify its acceptance of the duties and obligations imposed upon it by this Funding Loan Agreement by executing this Funding Loan Agreement.

Section 11.2. *Certain Duties and Responsibilities of Fiscal Agent.*

(a) The Fiscal Agent undertakes to perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement, and no implied covenants or obligations shall be read into this Funding Loan Agreement against the Fiscal Agent.

(b) If an event of default exists hereunder or under any Borrower Loan Document of which Fiscal Agent has been provided Written Notice, the Fiscal Agent shall exercise such of the rights and powers vested in it by this Funding Loan Agreement, and subject to Section 11.2(c)(iii) hereof, use the same degree of care and skill in its exercise, as a prudent corporate trust officer would exercise or use under the circumstances in the conduct of corporate trust business. The

Fiscal Agent, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement, and no implied covenants or obligations should be read into this Funding Loan Agreement against the Fiscal Agent.

(i) The Fiscal Agent may consult with counsel, and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Fiscal Agent hereunder in good faith and in reliance thereon.

(ii) The Fiscal Agent shall not be accountable for the use or application by the obligor of the Governmental Lender Note or the proceeds thereof or for the use or application of any money paid over by the Fiscal Agent in accordance with the provisions of this Funding Loan Agreement or for the use and application of money received by any paying agent.

(iii) The Fiscal Agent shall have no liability for any loss, expense or liability incurred as a result of such investment made in accordance with directions of the Borrower or the Governmental Lender, as applicable.

(c) No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, in each case, as finally adjudicated by a court of law, except that:

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

(i) The Fiscal Agent shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts;

(ii) The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Funding Lender relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Funding Loan Agreement; and

(iii) No provision of this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it in its sole discretion.

Subject to its rights to indemnification pursuant to Section 11.4 hereof, the Fiscal Agent is directed to enter into the Borrower Loan Documents to which it is a party and other related documents, solely in its capacity as Fiscal Agent.

(d) Whether or not therein expressly so provided, every provision of this Funding Loan Agreement and the other Funding Loan Documents relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Section. All of the provisions of this Funding Loan Agreement related to the duties, obligations, standard of care, protections and immunities from liability afforded the Fiscal Agent under this Funding Loan Agreement shall apply to the Fiscal Agent in the performance of its duties and obligations under any of the Funding Loan Documents or other related documents or instruments.

(e) The Fiscal Agent 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 Fiscal Agent and conforming to the requirements of this Funding Loan Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Funding Loan Agreement.

(f) The permissive rights of the Fiscal Agent to do things enumerated in this Funding Loan Agreement shall not be construed as a duty.

(g) The rights of the Fiscal Agent and limitations of liability enumerated herein and in Section 11.4 shall extend to actions taken or omitted in its role as assignee of the Governmental Lender under the Borrower Loan Agreement and the other Funding Loan Documents.

(h) In connection with the issuance of the Governmental Lender Note, certain moneys may be deposited with the Fiscal Agent before the [Conversion Date] pursuant to one or more letters of instruction from the provider or providers of such moneys. Such moneys will be held uninvested by the Fiscal Agent subject to the terms and conditions of this Funding Loan Agreement in addition to terms provided in such letter(s) of instruction. For such purpose the standards of care, provisions regarding responsibilities and indemnification and other sections relating to the Fiscal Agent contained in this Funding Loan Agreement and the Borrower Loan Agreement (the "Effective Provisions") shall be effective as of the first day of receipt by the Fiscal Agent of such moneys. The Effective Provisions shall be deemed incorporated into such letter(s) of instructions.

Section 11.3. Notice of Defaults. Upon the occurrence of any default hereunder or under any Borrower Loan Document and provided that a Responsible Officer of the Fiscal Agent is aware of or has received Written Notice of the existence of such default, promptly, and in any event within 15 days, the Fiscal Agent shall transmit to the Governmental Lender, the Borrower, the Equity Investor, the Servicer, if any, and the Funding Lender, in the manner and at the addresses for notices set forth in Section 12.1 hereof, notice of such default hereunder known to the Fiscal Agent pursuant to Section 11.4(g) hereof, unless such default shall have been cured or waived.

Section 11.4. *Certain Rights of Fiscal Agent.* Except as otherwise provided in Section 11.1 hereof:

(a) The Fiscal Agent 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, bond, note, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the purported proper party or parties;

(b) Any request or direction of the Governmental Lender mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Governmental Lender Representative;

(c) Whenever in the administration of this Funding Loan Agreement or any Borrower Loan Document the Fiscal Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Fiscal Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Written Certificate of the Governmental Lender, the Funding Lender, the Servicer or the Borrower, as appropriate;

(d) The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Funding Loan Agreement or any Borrower Loan Document at the request or direction of the Funding Lender, pursuant to this Funding Loan Agreement, unless the Funding Lender shall have offered to the Fiscal Agent in writing security or indemnity reasonably satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction, except costs, expenses and liabilities which are adjudicated to have resulted from its own negligence or willful misconduct, provided, that nothing contained in this subparagraph (d) shall be construed to require such security or indemnity for the performance by the Fiscal Agent of its obligations under Section 8.6 hereof;

(e) The Fiscal Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, debenture, coupon or other paper or document but the Fiscal Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Fiscal Agent shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Governmental Lender, if any, and of the Borrower, in either case personally or by agent or attorney after reasonable notice and during normal business hours;

(f) The Fiscal Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and pay reasonable compensation thereto and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may act upon the advice of counsel of its choice concerning all matters hereof and

the Fiscal Agent shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith reliance upon said advice;

(g) Notwithstanding anything contained herein or in the Security Instrument to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Fiscal Agent to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Fiscal Agent may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The Fiscal Agent shall not be required to take any action to foreclose or otherwise enforce the Security Instrument unless indemnified to its satisfaction and will not be required to foreclose if doing so will subject it to environmental liability or will require the approval of a governmental regulator that cannot be obtained; and

(h) The Fiscal Agent shall not be required to take notice or be deemed to have notice of any default hereunder or under any Borrower Loan Document except for failure by the Borrower to make payments of principal, interest, premium, if any, or the Governmental Lender Fee when due, unless a Responsible Officer of the Fiscal Agent shall be specifically notified by a Written Direction of such default by the Governmental Lender, the Servicer or the Funding Lender, and all notices or other instruments required by this Funding Loan Agreement or under any Borrower Loan Document to be delivered to the Fiscal Agent, must, in order to be effective, be delivered in writing to a Responsible Officer of the Fiscal Agent at the designated corporate trust office of the Fiscal Agent, and in the absence of such Written Notice so delivered the Fiscal Agent may conclusively assume there is no default as aforesaid.

Section 11.5. *Not Responsible for Recitals, Offering Documents or Financial Condition.* The recitals contained herein and in the Governmental Lender Note shall be taken as the statements of the Governmental Lender, and the Fiscal Agent assumes no responsibility for their correctness. The Fiscal Agent makes no representations as to the value or condition of the Pledged Revenues, the Security or any part thereof, or as to the title of the Governmental Lender thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Funding Loan Agreement or of the Governmental Lender Note.

The Fiscal Agent shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the funding of the Funding Loan.

The Fiscal Agent shall not be required to monitor the financial condition of the Borrower or the physical condition of the Project. Unless otherwise expressly provided, the Fiscal Agent shall be under no obligation to analyze, review, verify the accuracy of or make any credit decisions with respect to any financial statements, reports, notices, certificates or documents received hereunder but shall hold such financial statements reports, notices, certificates and

documents solely for the benefit of, and review by, the Funding Lender and such other parties to whom the Fiscal Agent may provide such information pursuant to this Funding Loan Agreement. The Fiscal Agent shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner.

The Fiscal Agent makes no representations as to and shall have no responsibility for the sufficiency of the insurance required under any of the Borrower Loan Documents.

Section 11.6. *May Hold Governmental Lender Note.* The Fiscal Agent in its individual or any other capacity may become the owner or pledgee of the Governmental Lender Note and may otherwise deal with the Governmental Lender, the Funding Lender and the Borrower with the same rights it would have if it were not Fiscal Agent.

Section 11.7. *Moneys Held in Trust.* Moneys held by the Fiscal Agent in trust hereunder need not be segregated from other funds except to the extent required by law. The Fiscal Agent shall be under no liability for interest on any moneys received by it hereunder except as otherwise provided herein.

Section 11.8. *Compensation and Reimbursement.* Under the Borrower Loan Agreement, the Borrower has agreed to, except as otherwise expressly provided herein, reimburse the Fiscal Agent as provided in this Funding Loan Agreement or the Borrower Loan Agreement, upon its request for all reasonable expenses, disbursements and advances incurred or made by the Fiscal Agent in accordance with any provision of this Funding Loan Agreement (including the reasonable fees, expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Fiscal Agent's negligence or willful misconduct, both as finally adjudicated by a court of law.

When the Fiscal Agent incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.

(a) The Governmental Lender has no obligation to pay the Fiscal Agent for services rendered.

(b) As security for the performance of the obligations of the Borrower under this Section and for the payment of such compensation, expenses, reimbursements and indemnity, the Fiscal Agent shall have the right to use and apply any moneys held by it as Pledged Revenues.

(c) The Fiscal Agent's rights to compensation and reimbursement shall survive its resignation or removal, the payment of the Funding Loan or the Borrower Loan or the release of this Funding Loan Agreement.

Section 11.9. *Fiscal Agent Required; Eligibility.* Any successor Fiscal Agent shall at all times be a trust company, a state banking corporation or a national banking association with the

authority to accept trusts in the State approved in writing by the Governmental Lender and either (a) have a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, (b) be a wholly owned subsidiary of a bank holding company, or a wholly owned subsidiary of a company that is a wholly owned subsidiary of a bank holding company, having a combined capital surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, have at least \$500,000,000 of trust assets under management and have a combined capital surplus of at least \$2,000,000 as set forth in its most recent published annual report of condition, or (c) be otherwise acceptable to the Funding Lender in its sole and absolute discretion.

Section 11.10. *Resignation and Removal; Appointment of Successor.*

(a) No resignation or removal of the Fiscal Agent hereunder and no appointment of a successor Fiscal Agent pursuant to this Article shall become effective until the written acceptance by the successor Fiscal Agent of such appointment.

(b) The Fiscal Agent may resign at any time by giving 60 days' Written Notice thereof to the Governmental Lender, the Borrower, the Servicer, if any, and the Funding Lender. If an instrument of acceptance by a successor Fiscal Agent shall not have been delivered to the Fiscal Agent within 30 days after the giving of such notice of resignation, the resigning Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(c) The Fiscal Agent may be removed at any time with 30 days' notice by (i) the Governmental Lender, with the Written Consent of the Funding Lender, (ii) the Borrower (unless the Borrower is in default under any of the Borrower Loan Documents), with the Written Consent of the Funding Lender and the Governmental Lender, or (iii) the Funding Lender by Written Notice delivered to the Fiscal Agent, the Governmental Lender and the Borrower.

(d) If the Fiscal Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the designated corporate trust office of the Fiscal Agent for any cause, the Governmental Lender shall promptly appoint a successor Fiscal Agent, with the consent of the Funding Lender. In case all or substantially all of the Pledged Revenues and Security shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Fiscal Agent shall be so appointed by the Governmental Lender. If, within 60 days after such resignation, removal or incapability or the occurrence of such vacancy, the Governmental Lender has failed to so appoint a successor Fiscal Agent, then a successor Fiscal Agent shall be appointed by the Funding Lender (from any institution acceptable to the Governmental Lender to serve as a fiscal agent or trustee) with Written Notice thereof delivered to the Governmental Lender, the Borrower, the Servicer, if any, and the retiring Fiscal Agent, and the successor Fiscal Agent so appointed shall, forthwith upon its acceptance of such appointment, become the successor Fiscal Agent and supersede the successor Fiscal Agent appointed by such receiver or Fiscal Agent. If no successor Fiscal Agent shall have been appointed by the Governmental Lender or the Funding Lender and accepted

appointment in the manner hereinafter provided, the Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(e) The retiring Fiscal Agent shall cause Written Notice of each resignation and each removal of the Fiscal Agent and each appointment of a successor Fiscal Agent to be provided to the Funding Lender. Each notice shall include the name of the successor Fiscal Agent and the address of the office of the successor Fiscal Agent.

Section 11.11. *Acceptance of Appointment by Successor.*

(a) Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to the Governmental Lender and to the retiring Fiscal Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Fiscal Agent shall become effective and such successor Fiscal Agent, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Fiscal Agent; notwithstanding the foregoing, on request of the Governmental Lender or the successor Fiscal Agent, such retiring Fiscal Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Fiscal Agent upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Fiscal Agent, and shall duly assign, transfer and deliver to such successor Fiscal Agent all property and money held by such retiring Fiscal Agent hereunder. Upon request of any such successor Fiscal Agent, the Governmental Lender shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Fiscal Agent all such estates, properties, rights, powers and trusts.

(b) No successor Fiscal Agent shall accept its appointment unless at the time of such acceptance such successor Fiscal Agent shall be qualified and eligible under this Article, to the extent operative.

Section 11.12. *Merger, Conversion, Consolidation or Succession to Business.* Any corporation or association into which the Fiscal Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Fiscal Agent shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Fiscal Agent, shall be the successor of the Fiscal Agent hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notwithstanding the foregoing, any such successor Fiscal Agent shall cause Written Notice of such succession to be delivered to the Funding Lender within 30 days of such succession.

Section 11.13. *Appointment of Co-Fiscal Agent.* It is the purpose of this Funding Loan Agreement that there shall be no violation of any laws of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Fiscal Agent in such jurisdiction. It is recognized that in case of litigation

under this Funding Loan Agreement, the Borrower Loan Agreement, any other Borrower Loan Document or the Regulatory Agreement, and in particular in case of the enforcement of any of them on default, or in case the Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Fiscal Agent or hold title to the properties, in trust, as herein provided, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent appoint an additional individual or institution as a separate or co-fiscal agent. The following provisions of this Section are adopted to these ends.

The Fiscal Agent is hereby authorized to appoint an additional individual or institution as a separate or co-fiscal agent hereunder, upon Written Notice to the Governmental Lender, the Funding Lender and the Borrower, and with the consent of the Governmental Lender and the Funding Lender, but without the necessity of further authorization or consent, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement, any Borrower Loan Document, the Regulatory Agreement or the Borrower Loan Agreement to be exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be exercisable by and vest in such separate or co-fiscal agent but only to the extent necessary to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-fiscal agent shall run to and be enforceable by either of them.

Should any instrument in writing from the Governmental Lender be required by the separate fiscal agent or co-fiscal agent appointed by the Fiscal Agent for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request of the Fiscal Agent, be executed, acknowledged and delivered by the Governmental Lender. In case any separate fiscal agent or co Fiscal Agent, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate fiscal agent or co-fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a successor to such separate fiscal agent or co-fiscal agent.

Section 11.14. *Loan Servicing.* The Governmental Lender and the Fiscal Agent acknowledge that the Funding Lender shall have the right to appoint a Servicer to service and administer the Funding Loan and Borrower Loan, as set forth in a Servicing Agreement. The Funding Lender shall provide Written Notice to the Fiscal Agent of the appointment, termination or replacement of any Servicer. The Governmental Lender and the Fiscal Agent shall not be responsible for monitoring the performance of any Servicer or for any acts or omissions of such Servicer. The Funding Lender may, in its sole discretion, terminate or replace the Servicer.

Section 11.15. *No Recourse Against Officers or Employees of Fiscal Agent.* No recourse with respect to any claim related to any obligation, duty or agreement contained in this Funding Loan Agreement or any other Funding Loan Document shall be had against any officer or employee, as such, of the Fiscal Agent, it being expressly understood that the obligations, duties

and agreements of the Fiscal Agent contained in this Funding Loan Agreement and the other Funding Loan Documents are solely corporate in nature.

Section 11.16. USA Patriot Act Requirements of the Fiscal Agent. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Fiscal Agent may request documentation to verify such person's formation and existence as a legal entity and the identity of the owners or controlling persons thereof. The Fiscal Agent may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such person or other relevant documentation.

ARTICLE XII MISCELLANEOUS

Section 12.1. Notices. All notices, demands, requests and other communications required or permitted to be given by any provision of this Funding Loan Agreement shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, e-mail, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

If to the Borrower: Pinnacle 441 Phase 2, LLC
c/o Pinnacle Communities
9400 South Dadeland Boulevard, Suite 100
Miami, Florida 33156
Attention: David O. Deutch
Facsimile: (305) 859-9858
Telephone: (305) 854-7100
Email: David@pinnaclehousing.com

with a copy to: Shutts & Bowen LLP
200 South Biscayne Boulevard
Suite 4100
Miami, Florida 33131
Attention: Robert Cheng, Esq.
Telephone: (305) 415-9083
Email: rchen@shutts.com

with a copy to: Bank of America, N.A.
MA5-100-04-11
100 Federal Street
Boston, MA 02110

Attention: Tax Credit Management (Pinnacle at Tropical
Pointe)

Email: LIHTCreporting@bofa.com

with a copy to:

Holland & Knight LLP

10 St. James Avenue

Boston, MA 02116

Attention: Sara C. Heskett, Esq.

Telephone: (503) 243-5860

Email: sara.heskett@hklaw.com

If to the Governmental Lender:

Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300

Ft. Lauderdale, Florida 33301

Attention: Executive Director

Telephone: (954) 357-4900

and a copy to:

Broward County Attorney's Office

115 South Andrews Avenue, Room 423

Fort Lauderdale, Florida 33301

Attention: Annika Ashton, Esq.

Facsimile: (954) 357-5728

If to Funding Lender:

Citibank, N.A.

388 Greenwich Street, Trading 4th Floor

New York, New York 10013

Attention: Transaction and Asset Management Group

Re: Pinnacle 441 Phase 2

Deal ID# 50007638

Facsimile: (212) 723-8209

with a copy to:

Citibank, N.A.

325 East Hillcrest Drive, Suite 160

Thousand Oaks, California 91360

Attention: Operations Manager/Asset Manager

Re: Pinnacle 441 Phase 2

Deal ID# 50007638

Facsimile: (805) 557-0924

and

with a copy to:

Citibank, N.A.
c/o Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: Pinnacle 441 Phase 2
Deal ID# 50007638
Facsimile: (215) 328-0305

And a copy of any notices
of default sent to:

Citibank, N.A.
388 Greenwich Street, 17th Floor
New York, New York 10013
Attention: General Counsel's Office
Re: Pinnacle 441 Phase 2
Deal ID#
Facsimile: (646) 291-5754

If to Fiscal Agent:

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 33256
Attention: Miami-Dade HFA Relationship Manager
Email: colin.crisp@bnymellon.com
Fax: (904) 645-1926

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Funding Loan Agreement: (i) three Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by telecopier or facsimile transmission, e-mail or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day. Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Funding Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Funding Loan Agreement may change such party's address for the purpose of notice, demands, requests and communications required or permitted under this Funding Loan Agreement by providing written notice of such change of address to all of the parties by written notice as provided herein.

Section 12.2. *Term of Funding Loan Agreement.* This Funding Loan Agreement shall be in full force and effect until all payment obligations of the Governmental Lender hereunder have been paid in full and the Funding Loan has been retired or the payment thereof has been provided for; except that on and after payment in full of the Governmental Lender Note, this Funding Loan Agreement shall be terminated, without further action by the parties hereto.

Section 12.3. *Successors and Assigns.* All covenants and agreements in this Funding Loan Agreement by the Governmental Lender shall bind its successors and assigns, whether so expressed or not.

Section 12.4. *Legal Holidays.* In any case in which the date of payment of any amount due hereunder or the date on which any other act is to be performed pursuant to this Funding Loan Agreement shall be a day that is not a Business Day, then payment of such amount or such act need not be made on such date but may be made on the next succeeding Business Day, and such later payment or such act shall have the same force and effect as if made on the date of payment or the date fixed for prepayment or the date fixed for such act, and no additional interest shall accrue for the period after such date and prior to the date of payment.

Section 12.5. *Governing Law.* This Funding Loan Agreement shall be governed by and shall be enforceable in accordance with the laws of the State.

Section 12.6. *Invalidity, Illegality or Unenforceability of Provisions.* If any provision of this Funding Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Governmental Lender Note or in this Funding Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Governmental Lender or the Funding Lender only to the full extent permitted by law.

Section 12.7. *Execution in Several Counterparts.* This Funding Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 12.8. *Nonrecourse Obligation of the Borrower.* Except as otherwise provided in the Borrower Loan Agreement, any obligations of the Borrower under this Funding Loan Agreement pursuant to the provisions of the Borrower Loan Agreement are without recourse to the Borrower or to the Borrower's partners or members, as the case may be, and the provisions of Section 11.1 of the Borrower Loan Agreement are by this reference incorporated herein.

Section 12.9. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE PARTIES HERETO (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS FUNDING LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 12.10. Electronic Transactions.

(a) The transactions described in this Funding Loan Agreement may be conducted and the related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

(b) The Fiscal Agent shall have the right to accept and act upon instructions including funds transfer instructions (“Instructions”) given pursuant to this Funding Loan Agreement and related financing documents and delivered using Electronic Means; provided, however, that Borrower and/or the Governmental Lender, as applicable, shall provide to the Fiscal Agent an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by Governmental Lender and/or the Borrower, as applicable, whenever a person is to be added or deleted from the listing. For purposes of this subsection (b), “Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder. If the Governmental Lender and/or the Borrower, as applicable, elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent’s understanding of such Instructions shall be deemed controlling. The Governmental Lender and the Borrower understand and agree that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The Governmental Lender and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the Governmental Lender, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Governmental Lender and/or the Borrower, as applicable. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent’s reliance upon and compliance with such Instructions

notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Governmental Lender and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and/or the Borrower, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 12.11. Prior Bond Documents. On the Conversion Date, this Funding Loan Agreement, the Governmental Lender Note and the Borrower Loan Agreement shall amend, restate and supersede the Indenture, the Bonds and the Loan Agreement, respectively.

[The remainder of this page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the Funding Lender, the Fiscal Agent and the Governmental Lender have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A., as the Funding Lender

By: _____

Name:

Title:

Deal ID # 50007638

[Signature Page to Funding Loan Agreement – Pinnacle 441 Phase 2]

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Fiscal Agent**

By: _____
Name: _____
Title: _____

[Signature Page to Funding Loan Agreement – Pinnacle 441 Phase 2]

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA, as
Governmental Lender**

By: _____
Scott Ehrlich, Chair

[Signature Page to Funding Loan Agreement – Pinnacle 441 Phase 2]

EXHIBIT A

FORM OF GOVERNMENTAL LENDER NOTE

BY ITS ACQUISITION HEREOF, THE HOLDER OF THIS GOVERNMENTAL LENDER NOTE AGREES (A) THAT (I) IT HAS EXECUTED THE **REQUIRED TRANSFEREE REPRESENTATIONS** IN SUBSTANTIALLY THE FORM REQUIRED BY THE FUNDING LOAN AGREEMENT, IF REQUIRED, AND (II) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS GOVERNMENTAL LENDER NOTE EXCEPT AS PROVIDED IN THE FUNDING LOAN AGREEMENT, AND (B) THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS GOVERNMENTAL LENDER NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE NOTE, SERIES [2023]
(PINNACLE 441 PHASE 2)

[\$PERMANENT PERIOD AMOUNT]

Date of Issuance: [CONVERSION DATE]

FOR VALUE RECEIVED, the undersigned Housing Finance Authority of Broward County, Florida (“Obligor”), promises to pay to the order of CITIBANK, N.A. (“Holder”) the maximum principal sum of _____ MILLION AND NO/100 DOLLARS (\$[PERMANENT PERIOD AMOUNT]) on [MATURITY DATE] or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Funding Loan Agreement dated as of [CONVERSION DATE] (the “Funding Loan Agreement”), among Obligor, THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as fiscal agent (the “Fiscal Agent”), and Holder, an amount in immediately available funds sufficient to pay the principal amount of and Prepayment Premium, if any, on this Governmental Lender Note then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts derived from proceeds of the Borrower Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on the Funding Loan in accordance with the Funding Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of this Governmental Lender Note so paid. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement or in the Borrower Loan Agreement.

Obligor shall pay to the Holder on or before each date on which interest on the Funding Loan is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on the Funding Loan then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement.

This Governmental Lender Note is a pass-through obligation relating to a permanent loan (the "Borrower Loan") made by Obligor from the proceeds of the Funding Loan to PINNACLE 441 PHASE 2, LLC, a Florida limited liability company, as borrower (the "Borrower"), under that certain Borrower Loan Agreement dated as of [CONVERSION DATE] (as the same may be modified, amended or supplemented from time to time, the "Borrower Loan Agreement"), between the Obligor and the Borrower, evidenced by the Borrower Note (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Borrower Note for complete payment and prepayment terms of the Borrower Note, payments on which are passed-through under this Governmental Lender Note.

This Governmental Lender Note is a limited obligation of the Obligor, payable solely from the Pledged Revenues and moneys and Security pledged and assigned under the Funding Loan Agreement. THIS GOVERNMENTAL LENDER NOTE IS NOT A DEBT OR AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE OBLIGOR, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NONE OF THE OBLIGOR, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE OBLIGOR, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THIS GOVERNMENTAL LENDER NOTE. THIS GOVERNMENTAL LENDER NOTE IS PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE PLEDGED REVENUES AND THE SECURITY WHICH IS THE SOLE ASSET OF THE OBLIGOR PLEDGED THEREFOR, AND THEN ONLY TO THE EXTENT PROVIDED IN THE FUNDING LOAN AGREEMENT. NEITHER THE MEMBERS OF THE OBLIGOR NOR ANY PERSONS EXECUTING THIS GOVERNMENTAL LENDER NOTE SHALL BE LIABLE PERSONALLY ON THIS NOTE BY REASON OF THE ISSUANCE HEREOF. THE OBLIGOR HAS NO TAXING POWER.

THIS GOVERNMENTAL LENDER NOTE HAS BEEN ISSUED PURSUANT TO THE RESOLUTIONS AND IN ACCORDANCE WITH THE ACT.

NO MEMBER, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE OBLIGOR, INCLUDING ANY INDIVIDUAL EXECUTING THE FUNDING LOAN AGREEMENT OR THIS NOTE, SHALL BE LIABLE PERSONALLY ON THIS GOVERNMENTAL LENDER NOTE OR FOR ANY REASON RELATING TO THE ISSUANCE OF THIS GOVERNMENTAL LENDER NOTE. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS GOVERNMENTAL LENDER NOTE, OR FOR ANY CLAIM BASED ON THIS GOVERNMENTAL LENDER NOTE, OR OTHERWISE IN RESPECT OF THIS GOVERNMENTAL LENDER NOTE, OR BASED ON OR IN RESPECT OF THE FUNDING LOAN AGREEMENT OR ANY SUPPLEMENT THERETO, AGAINST ANY MEMBER, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE OBLIGOR OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS NOTE AND AS PART OF THE CONSIDERATION FOR THE ISSUE OF THIS GOVERNMENTAL LENDER NOTE, EXPRESSLY WAIVED AND RELEASED.

This Governmental Lender Note is subject to the express condition that at no time shall interest be payable on this Governmental Lender Note or the Funding Loan at a rate in excess of the Maximum Rate provided in the Funding Loan Agreement; and Obligor shall not be obligated or required to pay, nor shall the Holder be permitted to charge or collect, interest at a rate in excess of such maximum rate. If by the terms of this Governmental Lender Note or of the Funding Loan Agreement, Obligor is required to pay interest at a rate in excess of such maximum rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such maximum rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.

Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Lender Note is subject to all of the terms, conditions, and provisions of the Funding Loan Agreement, including those respecting prepayment and the acceleration of maturity.

The rights and remedies of the Holder hereof during the occurrence of a default are as set forth in the Funding Loan Agreement. All of the covenants, conditions and agreements contained in the Funding Loan Documents are hereby made part of this Governmental Lender Note.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Governmental Lender Note or the Funding Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Holder under this Governmental Lender Note and the Funding Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Holder at law or in equity or under any other agreement.

Subject to the limits on liability set forth herein and in the Funding Loan Agreement, and solely from the collateral pledged therefor, Obligor shall pay all costs of collection on demand by the Holder, including without limitation, reasonable attorneys' fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Funding Loan Agreement.

The transfer of this Governmental Lender Note is subject to certain restrictions as provided in the Funding Loan Agreement and described below and to registration by the holder in person or by the holder's attorney hereof upon surrender of this Governmental Lender Note at the designated corporate trust office of the Fiscal Agent, duly endorsed or accompanied by a written instrument or instruments of transfer in form satisfactory to the Fiscal Agent and the Governmental Lender and executed by the holder hereof or his, her or its attorney duly authorized in writing, containing written instructions as to the details of the registration of the transfer of this Governmental Lender Note. Thereupon the Obligor shall execute (if necessary) and the Fiscal Agent shall authenticate and deliver in the name of the transferee or transferees (but not registered in blank or to "bearer" or a similar designation), a new Governmental Lender Note.

This Governmental Lender Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Holder of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Holder of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor's failure to pay such amount then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Holder to any action of Obligor which is subject to consent or approval of the Holder hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

(SEAL) OBLIGOR:
HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

By: _____
Scott Ehrlich, Chair

Attest:

By: _____
Milette Manos, Secretary

CERTIFICATE OF AUTHENTICATION

This Governmental Lender Note is the Governmental Lender Note described in the within mentioned Funding Loan Agreement.

Date _____ of _____
Authentication: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Fiscal Agent

Authorized Signatory

EXHIBIT B

FORM OF REQUIRED TRANSFEREE REPRESENTATIONS

[_____, 20__]

The undersigned, as holder (the “Holder”) of a loan (the “Funding Loan”) in the Maximum Amount of \$[PERMANENT PERIOD AMOUNT] from CITIBANK, N.A. (the “Funding Lender”) to the Housing Finance Authority of Broward County, Florida (the “Governmental Lender”) pursuant to a Funding Loan Agreement dated as of [CONVERSION DATE] (the “Funding Loan Agreement”), among the Funding Lender, The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”), and the Governmental Lender, evidenced by the Multifamily Housing Revenue Note (Pinnacle 441 Phase 2), Series 2023 (the “Governmental Lender Note”), or an interest therein, hereby represents that:

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

2. The Holder acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Holder has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Project, the use of proceeds of the Governmental Lender Note and the security therefor so that, as a reasonable lender, the Holder has been able to make its decision to make the Funding Loan and to acquire the Governmental Lender Note. The Holder acknowledges that it has not relied upon the addressee hereof for any information in connection with the Holder’s purchase of the Governmental Lender Note. In addition, the Funding Lender has not relied upon the use of any offering memorandum, placement memorandum or any other similar document with regards to its decision to make the Funding Loan and to acquire the Governmental Lender Note. The Holder is making its decision to make the Funding Loan to the Governmental Lender directly through its credit review and due diligence concerning the Project. The undersigned is acquiring the Governmental Lender Note directly from the Governmental Lender and not through a placement of the Governmental Lender Note with the Holder through any financial institution acting as an intermediary between the Governmental Lender and the Holder

3. The Holder is an Approved Transferee (as defined in the Funding Loan Agreement).

4. The Holder acknowledges that it is making the Funding Loan and acquiring the Governmental Lender Note for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise

dispose of all or any part of its interests in the Governmental Lender Note; provided, however, that the Holder may transfer the Governmental Lender Note as provided in Section 2.6 of the Funding Loan Agreement.

5. The Holder will not utilize any placement memorandum in connection with any sale or transfer of the Governmental Lender Note without providing the Governmental Lender with a draft of any placement memorandum to be provided to any subsequent buyer or beneficial owner of such portion of the Governmental Lender Note evidencing the Funding Loan, and the Governmental Lender shall have the right to approve any description of the Governmental Lender and the Governmental Lender Note therein (which approval shall not be unreasonably withheld).

6. The Holder understands that the Governmental Lender Note is a limited obligation of the Governmental Lender; payable solely from funds and moneys pledged and assigned under the Funding Loan Agreement, and that the liabilities and obligations of the Governmental Lender with respect to the Governmental Lender Note are expressly limited as set forth in the Funding Loan Agreement and related documents.

7. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Funding Loan Agreement.

[Remainder of page intentionally left blank.]

[Signature Page to Required Transferee Representations]

[], as Holder

By

Name

Its

APPENDIX D
BORROWER LOAN AGREEMENT

[ATTACHED]

BORROWER LOAN AGREEMENT

among

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA,
as Governmental Lender**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Fiscal Agent**

and

**PINNACLE 441 PHASE 2, LLC,
as Borrower**

Relating to

Dated as of _____, 202_ [Conversion Date]

Relating to

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Note, Series 2023
(Pinnacle 441 Phase 2)**

Borrower Loan Principal Amount: \$ _____

All of the right, title and interest of the Housing Finance Authority of Broward County, Florida in and to this Borrower Loan Agreement (except for its Unassigned Rights) are being assigned to The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent, as security for the Funding Loan made pursuant to that certain Funding Loan Agreement dated as of _____, 20__ by and among the Governmental Lender, the Funding Lender named therein and the Fiscal Agent.

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BORROWER LOAN AGREEMENT

THIS BORROWER LOAN AGREEMENT (this "**Borrower Loan Agreement**") is made and entered into as of _____, 20__, by and among the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the "Governmental Lender"), a public body corporate and politic organized and existing under the laws of the State of Florida (the "State"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, duly organized and existing under the laws of the United States of America (together with any successor Fiscal Agents appointed under the Funding Loan Agreement, the "Fiscal Agent"), and **PINNACLE 441 PHASE 2, LLC**, a limited liability company duly organized and existing under the laws of the State (together with its successors and assigns permitted hereunder, the "Borrower").

RECITALS

WHEREAS, pursuant to Ordinance 79-41, enacted by the Board of County Commissioners of Broward County, Florida (the "County") on June 20, 1979, as amended and a resolution adopted by the County on August 22, 2023, and Resolution No. 2023-___ adopted by the Governmental Lender on June 21, 2023, and in accordance with Florida Housing Finance law, Sections 159.601 through 159.623, Florida Statutes, as amended (the "Act"), the Governmental Lender is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition, construction and equipping of multifamily rental housing facilities for persons of low, moderate and middle income at prices or rentals they can afford; and

WHEREAS, the Act authorizes the Governmental Lender: (a) to make loans to provide financing for multifamily residential housing located within the jurisdiction of the Governmental Lender; (b) to issue its revenue bonds, notes or other evidence of indebtedness for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Governmental Lender; and (c) to pledge all or any part of the revenues and receipts to be received by the Governmental Lender from or in connection with such loans in order to secure the payment of the principal or prepayment amount of and interest on such bonds, debentures, notes or other evidence of indebtedness; and

WHEREAS, on August __, 2023 (the "Delivery Date") pursuant to and in accordance with the Act and a Trust Indenture dated as of August 1, 2023 (the "Indenture") between the Governmental Lender and the Fiscal Agent, the Governmental Lender issued and sold its \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the "Bonds"), and used the proceeds thereof to make a loan to Borrower upon the terms and conditions of a promissory note dated August __, 2023 from the Borrower to the Governmental Lender in the original principal amount of \$[22,000,000] and the Loan Agreement dated as of the same date as the Indenture between the Governmental Lender and the Borrower (the "Loan Agreement"), for purposes of funding a portion of the costs of acquiring, constructing and equipping a multifamily rental housing project

located in the City of Hollywood, Broward County, Florida, to be known as Pinnacle 441 Phase 2, which contains 100 affordable rental housing units (the "Project"); and

WHEREAS, in connection with the issuance of the Bonds, the Funding Lender entered into a forward commitment with the Borrower dated _____, 2023 (the "Citi Forward Commitment"), whereby the Funding Lender committed, subject to the satisfaction on or before the [Forward Commitment Maturity Date] of the Conditions to Conversion set forth in the Citi Forward Commitment, to facilitate the permanent financing of the Project by making the Funding Loan (defined below) pursuant to the provisions of this Funding Loan Agreement; and

WHEREAS, as of the date hereof, the Funding Lender has determined that the Conditions to Conversion have been satisfied and, as a result, (i) the Bonds are subject to mandatory tender in accordance with the Indenture, (ii) the purchase price of the Bonds is being paid with amounts on deposit under the Indenture, (iii) a portion of the principal amount of the Bonds is being cancelled such that the principal amount outstanding equals the [Permanent Period Amount] (as defined in the Citi Forward Commitment), (iv) the Bonds are being removed from the Book-Entry System and being converted to a physical Governmental Lender Note (as described below) which is being purchased by the Funding Lender, (v) this Funding Loan Agreement and the Borrower Loan Agreement dated as of the Conversion Date (the "Borrower Loan Agreement") by and between the Governmental Lender and the Borrower are being delivered by the respective parties and becoming effective and superseding the Indenture and the Loan Agreement, and (vi) the taxable mortgage loan provided by Bank of America, N.A. is being paid in full in accordance with the Indenture; and

WHEREAS, pursuant to the Funding Loan Agreement, the Funding Lender will (i) advance funds (the "Funding Loan") to or for the account of the Governmental Lender, and (ii) apply the proceeds of the Funding Loan to make a loan (the "Borrower Loan") to the Borrower; and

WHEREAS, pursuant to this Borrower Loan Agreement, the Borrower agrees to make loan payments to the Governmental Lender in an amount which, when added to other funds available under the Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Funding Loan and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under this Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Borrower Note (as defined in this Borrower Loan Agreement) and the obligations of the Borrower under the Borrower Note will be secured by a lien on and security interest in the land upon which the Project is located pursuant to a Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the date hereof (as amended, restated and/or supplemented from time to time, the "**Security Instrument**"), encumbering the Project, made by the Borrower in favor of the Governmental Lender and assigned to the Fiscal Agent for the benefit of the Funding Lender to

secure the performance by the Governmental Lender of its obligations under the Funding Loan Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and representations hereinafter contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Capitalized terms not otherwise defined herein shall have the meanings provided in the Funding Loan Agreement, the Security Instrument or the Loan Covenant Agreement. The following terms, when used in this Borrower Loan Agreement (including when used in the above recitals), shall have the following meanings:

“Act of Bankruptcy” shall mean the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; provided that, in the case of an involuntary proceeding, such proceeding is not dismissed within ninety (90) days after the commencement thereof.

“ADA” shall have the meaning set forth in Section 4.1.38 hereof.

“Additional Borrower Payments” shall mean the payments payable pursuant to Section 2.5 (Additional Borrower Payments), Section 2.6 (Overdue Payments; Payments in Default) and Section 5.15 (Expenses) of this Borrower Loan Agreement; and Section 10 (Prepayments) of the Borrower Note.

“Agreement of Environmental Indemnification” shall mean the Agreement of Environmental Indemnification, dated as of the date hereof, executed by the Borrower and the Guarantor for the benefit of the Beneficiary Parties (as defined therein) and any lawful holder, owner or pledgee of the Borrower Note from time to time.

“Authorized Borrower Representative” shall mean a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer and containing the specimen signature of such person and signed on behalf of the Borrower by its Borrower Controlling Entity which certificate may designate one or more alternates.

“Bankruptcy Code” shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, or any substitute or replacement legislation.

“Bankruptcy Event” shall have the meaning given to that term in the Security Instrument.

“Bankruptcy Proceeding” shall have the meaning set forth in Section 4.1.8 hereof.

“Beneficiary Parties” shall mean, collectively, the Fiscal Agent, the Governmental Lender and the Funding Lender.

“Borrower” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Borrower Affiliate” shall mean, as to the Borrower, the Borrower Manager or the Guarantor, (i) any entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of Borrower, the Borrower Manager or the Guarantor, (ii) any corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by the Borrower, the Borrower Manager or the Guarantor, (iii) any partner, shareholder or, if a limited liability company, member of Borrower, the Borrower Manager or the Guarantor, or (iv) any other person that is related (to the third degree of consanguinity) by blood or marriage to the Borrower, the Borrower Manager or the Guarantor (to the extent any of the Borrower, the Borrower Manager or the Guarantor is a natural person).

“Borrower Controlling Entity” shall mean, if the Borrower is a partnership, any general partner or managing general partner of the Borrower, or if the Borrower is a limited liability company, the manager or authorized member of the Borrower, or if the Borrower is a not-for-profit corporation, the members or directors thereof, as applicable.

“Borrower Loan” shall mean the mortgage loan made by the Governmental Lender to the Borrower, as of the Conversion Date, pursuant to this Borrower Loan Agreement, in the principal amount of \$_____ as evidenced by the Borrower Note.

“Borrower Loan Documents” shall mean this Borrower Loan Agreement, the Loan Covenant Agreement, the Borrower Note, the Security Instrument, the Agreement of Environmental Indemnification, the Guaranty, the Replacement Reserve Agreement and all other documents or agreements evidencing or relating to the Borrower Loan.

“Borrower Loan Payment Date” shall mean (i) the date upon which regularly scheduled Borrower Loan Payments are due pursuant to the Borrower Note, or (ii) any other date on which the Borrower Note is prepaid or paid, whether at the scheduled maturity or upon the acceleration of the maturity thereof.

“Borrower Loan Payments” shall mean the monthly loan payments payable pursuant to the Borrower Note.

“Borrower Manager” shall mean (i) PC 441 Phase 2, LLC, a Florida limited liability company, and/or (ii) any other Person that the members of the Borrower, with the prior written approval of the Funding Lender (or as otherwise permitted with the Funding Lender’s approval pursuant to the Borrower Loan Documents), select to be a manager or authorized member of the

Borrower. As of the date of this Borrower Loan Agreement, PC 441 Phase 2, LLC, a Florida limited liability company, is the Borrower Manager.

“Borrower Payment Obligations” shall mean all payment obligations of the Borrower under the Borrower Loan Documents, including, but not limited to, the Borrower Loan Payments and the Additional Borrower Payments.

“Business Day” shall mean any day other than (i) a Saturday or Sunday, or (ii) a day on which the offices of the Fiscal Agent in Jacksonville, Florida, or federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

“Calendar Month” shall mean each of the twelve (12) calendar months of the year.

“CC&R’s” shall mean any covenants, conditions, restrictions, maintenance agreements or reciprocal easement agreements affecting the Project or the Mortgaged Property.

“City of Hollywood” shall mean the City of Hollywood, Florida, a municipal corporation organized and existing under the laws of the State of Florida, as lender of the City of Hollywood Loan.

“City of Hollywood Loan” shall mean the loan made to Borrower by the City of Hollywood in the principal amount of \$1,000,000 pursuant to the City of Hollywood Loan Documents.

“City of Hollywood Loan Documents” shall mean any loan agreement, financing agreement, security agreement and all other documents pursuant to which the City of Hollywood Loan is funded or secured.

“Code” shall mean the Internal Revenue Code of 1986, as in effect on the Delivery Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Delivery Date, together with applicable proposed, temporary and final regulations promulgated (the “Regulations”), and applicable official public guidance published, under the Code.

“Collateral” shall mean all collateral described in (i) this Borrower Loan Agreement (including, without limitation, all property in which the Governmental Lender and/or the Funding Lender is granted a security interest pursuant to any provision of this Borrower Loan Agreement), (ii) the Security Instrument, or (iii) any other Security Document which collateral shall include the Project, all of which collateral (exclusive of the Unassigned Rights) is pledged and assigned to the Fiscal Agent for the benefit of the Funding Lender under the Funding Loan Agreement to secure the Funding Loan.

“Computation Date” shall have the meaning ascribed thereto in Section 1.148-3(e) of the Regulations.

“Condemnation” shall mean any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Project, whether direct or indirect.

“Conditions to Conversion” shall have the meaning given to such term in the Citi Forward Commitment.

“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Agreement dated as of the date hereof, by and between the Borrower and the Funding Lender, pursuant to which the Borrower agrees to provide certain information with respect to the Project, the Borrower and the Funding Loan subsequent to the Conversion Date, as amended, supplemented or restated from time to time.

“Contractual Obligation” shall mean, for any Person, any debt or equity security issued by that Person, and any indenture, mortgage, deed of trust, contract, undertaking, instrument or agreement (written or oral) to which such Person is a party or by which it is bound, or to which it or any of its assets is subject.

“Conversion Date” shall mean _____, 20__ the date on which the Conditions to Conversion are satisfied and the Funding Lender is funding the Funding Loan as evidenced by the Governmental Lender Note.

“County” shall mean Broward County, Florida.

“County Authorization” shall have the meaning given to that term in the Funding Loan Agreement.

“County Loan” shall mean the loan made to Borrower by the County, in its capacity as maker of the County Loan, in the principal amount of \$10,000,000 pursuant to the County Loan Documents.

“County Loan Documents” shall mean any loan agreement, financing agreement, security agreement and all other documents pursuant to which the County Loan is funded and/or secured.

“Day” or “Days” shall mean calendar days unless expressly stated to be Business Days.

“Debt” shall mean, as to any Person, any of such Person’s liabilities, including all indebtedness (whether recourse and nonrecourse, short term and long term, direct and contingent), all committed and unfunded liabilities, and all unfunded liabilities, that would appear upon a balance sheet of such Person prepared in accordance with GAAP.

“Default Rate” shall have the meaning given to that term in the Borrower Note.

“Determination of Taxability” shall mean (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a private ruling or Technical Advice Memorandum concerning the Governmental Lender Note issued by the National Office of the Internal Revenue Service in which the Governmental Lender and Borrower were afforded the opportunity to participate, (iii) a determination by any court of competent jurisdiction, (iv) the enactment of legislation or (v) receipt by the Funding Lender, at the request of the Governmental Lender, the Borrower or the Funding Lender, of an opinion of Tax Counsel, in each case to the effect that the interest on the Governmental Lender Note is includable in gross income for federal income tax purposes of any holder or any former holder of all or a portion of the Governmental Lender Note, other than a holder who is a “substantial user” of the Project or a “related person” (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (i) or (iii) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the Borrower) or the Borrower is contesting 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 Governmental Lender or the Borrower, as the case may be, or (c) one year from the date of initial determination.

“Developer” shall mean Pinnacle Communities, LLC, a Florida limited liability company, and its respective successors and assigns.

“ELI Loan” shall mean the loan made to Borrower by Florida Housing in the principal amount of \$750,000 pursuant to the ELI Loan Documents.

“ELI Loan Documents” shall mean any loan agreement, financing agreement, security agreement and all other documents pursuant to which the ELI Loan is funded or secured.

“Equipment” shall have the meaning given to the term “Personalty” in the Security Instrument.

“Equity Contributions” shall mean the equity to be contributed by the Equity Investor to Borrower, in accordance with and subject to the terms of the Operating Agreement.

“Equity Investor” shall mean Bank of America, N.A., a national banking association, as a member of the Borrower, and its permitted successors and assigns.

“ERISA” shall mean the Employment Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” shall mean all members of a controlled group of corporations and all trades and business (whether or not incorporated) under common control and all other entities which, together with the Borrower, are treated as a single employer under any or all of Section 414(b), (c), (m) or (o) of the Code.

“Event of Default” shall mean any Event of Default set forth in Section 8.1 of this Borrower Loan Agreement. An Event of Default shall “exist” if a Potential Default shall have occurred and be continuing beyond any applicable cure period.

“Excess Revenues” shall have the meaning ascribed thereto in Section 2.2(e) hereof.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Expenses of the Project” shall mean, for any period, the current expenses, paid or accrued, for the operation, maintenance and current repair of the Project, as calculated in accordance with GAAP, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, costs of routine repairs, renewals, replacements and alterations occurring in the usual course of business, costs and expenses properly designated as capital expenditures (e.g. repairs which would not be payable from amounts on deposit in a repair and replacement fund held pursuant to the Borrower Loan Documents), a management fee (however characterized) not to exceed the Underwritten Management Fee, costs of billings and collections, costs of insurance, and costs of audits. Expenses of the Project shall not include any payments, however characterized, on account of any subordinate financing in respect of the Project or other indebtedness, allowance for depreciation, amortization or other non-cash items, gains and losses or prepaid expenses not customarily prepaid.

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

“Fiscal Agent” shall mean the fiscal agent from time to time under and pursuant to the Funding Loan Agreement. Initially, the Fiscal Agent is The Bank of New York Mellon Trust Company, N.A.

“Florida Housing” shall mean the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, as lender of the SAIL Loan, the ELI Loan and the NHTF Loan.

“Funding Lender” shall mean Citibank, N.A., a national banking association, in its capacity as lender under the Funding Loan, and its successors and assigns.

“Funding Loan” means the Funding Loan made by the Funding Lender to the Governmental Lender under the Funding Loan Agreement in the principal amount of \$[PERMANENT PERIOD AMOUNT].

“Funding Loan Agreement” means the Funding Loan Agreement dated of even date herewith, by and among the Governmental Lender, the Fiscal Agent and the Funding Lender, as it may from time to time be supplemented, modified or amended by one or more amendments or other instruments supplemental thereto entered into pursuant to the applicable provisions thereof.

“Funding Loan Documents” shall have the meaning given to that term in the Funding Loan Agreement.

“GAAP” shall mean generally accepted accounting principles as in effect on the date of the application thereof and consistently applied throughout the periods covered by the applicable financial statements.

“Governmental Authority” shall mean (i) any governmental municipality or political subdivision thereof, (ii) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, or (iii) any court, administrative tribunal or public utility, agency, commission, office or authority of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise), now or hereafter in existence.

“Governmental Lender” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Governmental Lender Note” shall mean that certain Multifamily Housing Revenue Note, Series 2023 (Pinnacle 441 Phase 2) dated [Conversion Date], in the principal amount of \$[Permanent Period Amount], made by the Governmental Lender and payable to the Funding Lender, as it may be amended, supplemented or replaced from time to time.

“Gross Income” shall mean all receipts, revenues, income and other moneys received or collected by or on behalf of the Borrower and derived from the ownership or operation of the Project, if any, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence and proceeds received upon the foreclosure sale

of the Project. Gross Income shall not include loan proceeds, equity or capital contributions, or tenant security deposits being held by the Borrower in accordance with applicable law.

“Gross Proceeds” shall mean, without duplication, the aggregate of:

(a) the net amount (after payment of all expenses of originating the Funding Loan) of Funding Loan proceeds received by the Governmental Lender as a result of the origination of the Funding Loan;

(b) all amounts received by the Governmental Lender as a result of the investment of the Funding Loan proceeds;

(c) any amounts held in any fund or account to the extent that the Governmental Lender reasonably expects to use the amounts in such fund to pay any portion of the Funding Loan; and

(d) any securities or obligations pledged by the Governmental Lender or by the Borrower as security for the payment of any portion of the Funding Loan.

“Guarantor” and “Guarantors” shall mean, individually and collectively, the Borrower, PC 441 Phase 2, LLC, a Florida limited liability company, Pinnacle Communities, LLC, a Florida limited liability company, David O. Deutch, an individual, Louis Wolfson III, an individual, and The Estate of Mitchell M. Friedman, or any other person or entity which may hereafter become a guarantor of any of the Borrower’s obligations under the Borrower Loan.

“Guaranty” shall mean the Exceptions to Non-Recourse Guaranty, dated as of the date of this Borrower Loan Agreement, by Guarantor for the benefit of the Beneficiary Parties.

“Indemnified Party” shall have the meaning set forth in Section 5.16 hereof.

“Installment Computation Date” shall mean any Computation Date other than the first Computation Date or the final Computation Date.

“Interest Rate” shall mean, with respect to the Borrower Note, the rate of interest accruing on such Borrower Note pursuant to the terms thereof.

“Land” means the real property described on Exhibit A to the Security Instrument.

“Late Charge” shall mean the amount due and payable as a late charge on overdue payments under the Borrower Note, as provided in Section 7 of the Borrower Note and Section 2.5(a)(v) hereof.

“Legal Action” shall mean an action, suit, investigation, inquiry, proceeding or arbitration at law or in equity or before or by any foreign or domestic court, arbitrator or other Governmental Authority.

“Legal Requirements” shall mean statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting all or part of the Project or any property (including the Project) or the construction, rehabilitation, use, alteration or operation thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instrument, either of record or known to the Borrower, at any time in force affecting all or part of the Project, including any that may (i) require repairs, modifications or alterations in or to all or part of the Project, or (ii) in any way limit the use and enjoyment thereof.

“Liabilities” shall have the meaning set forth in Section 5.16 hereof.

“Licenses” shall mean all rights, licenses, permits, franchises, authorizations, approvals and agreements relating to use, occupancy, operation or leasing of the Project or the Mortgaged Property.

“Lien” shall mean any interest, or claim thereof, in the Project securing an obligation owed to, or a claim by, any Person other than the owner of the Project, whether such interest is based on common law, statute or contract, including the lien or security interest arising from a deed of trust, mortgage, deed to secure debt, assignment, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” shall include reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting the Project.

“Loan Covenant Agreement” shall mean the Loan Covenant Agreement between the Borrower and the Funding Lender, dated the date hereof.

“Management Agreement” shall mean the [Management Agreement] dated as of _____, 2023, between the Borrower and the Property Manager, pursuant to which the Property Manager is to manage the Project, as same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Material Adverse Change” means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Borrower Loan Agreement or any other Borrower Loan Document; (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition, or results of operations of the Borrower, Borrower Manager, Guarantor or the Mortgaged Property; (c) could reasonably be expected to impair materially the ability of the

Borrower, Borrower Manager or Guarantor to duly and punctually pay or perform any of their respective obligations under any of the Borrower Loan Documents to which they are a party; or (d) impairs materially or could reasonably be expected to impair materially any rights of or benefits available to the Governmental Lender or the Fiscal Agent under this Borrower Loan Agreement or any other Borrower Loan Document, including, without limitation, the ability of Governmental Lender or the Fiscal Agent or, upon the assignment of the Borrower Loan to it, of the Funding Lender, to the extent permitted, to enforce its legal remedies pursuant to this Borrower Loan Agreement or any other Borrower Loan Document.

“Moody’s” shall mean Moody’s Investors Service, Inc., or its successor.

“Mortgaged Property” shall have the meaning given to that term in the Security Instrument.

“NHTF Loan” shall mean the loan made to Borrower by Florida Housing in the principal amount of \$1,850,000 pursuant to the NHTF Loan Documents.

“NHTF Loan Documents” shall mean any loan agreement, financing agreement, security agreement and all other documents pursuant to which the NHTF Loan is funded or secured.

“Nonpurpose Investment” shall mean any investment property (as defined in Section 148(b) of the Code) that is acquired with the Gross Proceeds of the Funding Loan and which is not acquired to carry out the governmental purpose of the Funding Loan.

“Other Charges” shall mean all maintenance charges, impositions other than Taxes, and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Project, now or hereafter levied or assessed or imposed against the Project or any part thereof.

“Operating Agreement” shall mean that certain Amended and Restated Operating Agreement of the Borrower dated the Delivery Date, as the same may be amended, restated or modified in accordance with its terms.

“Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

“Patriot Act Offense” shall have the meaning set forth in Section 4.1.48 hereof.

“Permitted Encumbrances” shall have the meaning given to that term in the Security Instrument.

“Permitted Lease” shall mean a lease and occupancy agreement pursuant to the form approved by Funding Lender, to a residential tenant in compliance with the Legal Requirements, providing for an initial term of not less than six (6) months nor more than two (2) years.

“Person” shall mean a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

“Plan” shall mean (i) an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions and (ii) which is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code.

“Potential Default” shall mean the occurrence of an event which, under this Borrower Loan Agreement or any other Borrower Loan Document, would, but for the giving of notice or the passage of time, or both, be an Event of Default.

“Prepayment Premium” shall mean any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of the Borrower Note (including any prepayment premium as set forth in the Borrower Note).

“Project” shall mean the Mortgaged Property and Improvements thereon owned by the Borrower and encumbered by the Security Instrument, together with all rights pertaining to such real property and Improvements, as more particularly described in the Granting Clauses of the Security Instrument and referred to therein as the “Mortgaged Property.”

“Project Agreements and Licenses” shall mean any and all Management Agreements and all other rights, licenses, permits, franchises, authorizations, approvals and agreements relating to use, occupancy, operation or leasing of the Project or the Mortgaged Property.

“Property Manager” shall mean Professional Management. Inc., a Florida corporation, or any other management company to be employed by the Borrower and approved by the Funding Lender in accordance with the terms of the Security Instrument, this Borrower Loan Agreement or any of the other Borrower Loan Documents.

“Provided Information” shall have the meaning set forth in Section 9.1.1(a) hereof.

“Qualified Project Costs” shall mean costs paid with respect to the Project that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with Section 1.103-8(a)(1) of the Regulations, provided, however, that only such portion of the interest accrued during rehabilitation or construction of the Project (in the case of rehabilitation, with respect to vacated units only) shall be eligible to be a Qualified Project Cost

as bears the same ratio to all such interest as the Qualified Project Costs bear to all costs of the acquisition and construction or rehabilitation of the Project; and provided further that interest accruing after the date of completion of the Project shall not be a Qualified Project Cost; and provided still further that if any portion of the Project is being constructed or rehabilitated by an Affiliate (whether as general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out of pocket costs incurred by such affiliate in constructing or rehabilitating the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by such affiliate, and (C) any overhead expenses incurred by such affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an "affiliated group" (within the meaning of Section 1504 of the Code) participating in the rehabilitation or construction of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof); (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to April 17, 2022, being the date on which the Governmental Lender first declared its "official intent" to reimburse costs paid with respect to the Project (within the meaning of Section 1.150-2 of the Regulations) or the date or dates of issue of the Funding Loan, and (iv) if the costs of the acquisition and construction or rehabilitation of the Project were previously paid and are to be reimbursed with proceeds of the Funding Loan such costs were (A) "preliminary expenditures" (within the meaning of Section 1.150-2(f)(2) of the Regulations) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition and construction or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Funding Loan (as defined in Section 1.148-1 of the Regulations), or (B) were capital expenditures with respect to the Project that are reimbursed no later than 18 months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three years after the expenditures is paid); provided, however, that (w) costs of issuance shall not be deemed to be Qualified Project Costs; (x) fees, charges or profits (including, without limitation, developer fees) payable to the Borrower or a "related person" (within the meaning of Section 144(a)(3) of the Code) shall not be deemed to be Qualified Project Costs; (y) letter of credit fees and municipal bond insurance premiums which represent a transfer of credit risk shall be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Funding Loan; and (z) letter of credit fees and municipal bond insurance premiums which do not represent a transfer of credit risk (including, without limitation, letter of credit fees payable to a "related person" to the Borrower) shall not constitute Qualified Project Costs.

"Rebate Amount" shall mean, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Funding Loan.

“Rebate Analyst” shall mean the rebate analyst, if any, selected by the Borrower pursuant to Section 5.35(d) and acceptable to the Governmental Lender and the Funding Lender. The initial Rebate Analyst shall be Dufresne CPA Services, P.A.

“Rebate Analyst’s Fee” shall mean the annual fee of the Rebate Analyst payable by the Borrower to the Rebate Analyst.

“Rebate Fund” shall mean the Rebate Fund created pursuant to Section 5.36(b) hereof.

“Regulations” shall have the meaning given to the term in the definition of the “Code” in this Section 1.1.

“Regulatory Agreement” shall mean that certain Land Use Restriction Agreement, dated as of the date hereof, among the Governmental Lender, the Fiscal Agent and the Borrower.

“Related Documents” shall mean, collectively, any agreement or other document (other than the Borrower Loan Documents) granting a security interest (including each agreement that is the subject of any Borrower Loan Document), the Operating Agreement, and any other agreement, instrument or other document (not constituting a Borrower Loan Document) relating to or executed in connection with the transactions contemplated by this Borrower Loan Agreement.

“Replacement Reserve Agreement” shall mean any Replacement Reserve Agreement between the Borrower and the Funding Lender, as the same may be amended, restated or supplemented from time to time.

“Replacement Reserve Fund Requirement” means the Borrower’s funding obligations from time to time under the Replacement Reserve Agreement.

“Resolution” shall mean the resolution of the Governmental Lender adopted on June 21, 2023 authorizing the Funding Loan, as evidenced by the Governmental Lender Note and the execution and delivery of the Funding Loan Documents to which the Governmental Lender is a party.

“Review Fee” shall mean the three thousand dollar (\$3,000) fee payable to Funding Lender in connection with the review of requests from the Borrower in connection with events requiring the consent and/or approval of the Funding Lender, including, but not limited to, subordinate financings and easements.

“SAIL Loan” shall mean the loan made to Borrower by Florida Housing in the principal amount of \$4,000,000 pursuant to the SAIL Loan Documents.

“SAIL Loan Documents” shall mean any loan agreement, financing agreement, security agreement and all other documents pursuant to which the SAIL Loan is funded or secured.

“Secondary Market Disclosure Document” shall have the meaning set forth in Section 9.1.2 hereof.

“Secondary Market Transaction” shall have the meaning set forth in Section 9.1.1 hereof.

“Securities” shall have the meaning set forth in Section 9.1.1 hereof.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Security Documents” shall mean the Security Instrument, the Replacement Reserve Agreement, the Collateral Agreements, the Collateral Assignments, this Borrower Loan Agreement, the Guaranty, the Agreement of Environmental Indemnification, and such other security instruments that Funding Lender may reasonably request.

“Security Instrument” shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

“Servicer” shall mean the servicer contracting with or appointed by the Funding Lender to service the Borrower Loan. The initial Servicer shall be Citibank, N.A.

“Servicing Agreement” shall mean any servicing agreement or master servicing agreement, between the Servicer and the Funding Lender relating to the servicing of the Borrower Loan and any amendments thereto or any replacement thereof.

“Standard & Poor’s” or “S&P” shall mean S&P Global Ratings, its successors and assigns.

“State” shall mean the State of Florida.

“Subordinate Lender” shall mean, with respect to the Subordinate Loans, collectively, the City of Hollywood, the County and Florida Housing.

“Subordinate Loans” shall mean, collectively, the City of Hollywood Loan, the County Loan, the ELI Loan, the NHTF Loan and the SAIL Loan.

“Subordinate Loan Documents” shall mean, collectively, the City of Hollywood Loan Documents, the County Loan Documents, the ELI Loan Documents, the NHTF Loan Documents and the SAIL Loan Documents.

“Tax Counsel” shall have the meaning set forth in the Funding Loan Agreement.

“Taxes” shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against all or part of the Project.

“Term” shall mean the term of this Borrower Loan Agreement pursuant to Section 10.13.

“Title Company” means Fidelity National Title Insurance Company.

“Title Insurance Policy” shall mean the mortgagee title insurance policy, or marked title insurance commitment, in form acceptable to the Funding Lender, issued with respect to the Mortgaged Property and insuring the lien of the Security Instrument.

“Transfer” shall have the meaning given to that term in the Security Instrument.

“UCC” shall mean the Uniform Commercial Code as in effect in the State.

“Underwritten Management Fee” shall have the meaning set forth in the Loan Covenant Agreement.

“Unit” shall mean a residential apartment unit within the Improvements.

“Written Consent” and “Written Notice” shall mean a written consent or notice signed by an Authorized Borrower Representative or an authorized representative of the Governmental Lender or the Funding Lender, as appropriate.

ARTICLE II GENERAL

Section 2.1 Origination of the Borrower Loan. In order to provide funds for the permanent financing of the Project, the Governmental Lender, pursuant to the County Authorization and in accordance with the Act, will enter into the Funding Loan Agreement and accept the Funding Loan from the Funding Lender. The proceeds of the Funding Loan are being advanced in full on the Conversion Date by the Funding Lender to the Fiscal Agent for payment to or for the benefit of the Borrower in accordance with the terms of the Funding Loan Agreement, the Loan Covenant Agreement and this Borrower Loan Agreement.

The Governmental Lender hereby appoints the Funding Lender as its agent with full authority and power to act on its behalf (other than with respect to the Unassigned Rights) to take certain actions and exercise certain remedies with respect to the Borrower Loan, and for the other purposes set forth in this Borrower Loan Agreement and to do all other acts necessary or incidental to the performance and execution thereof. This appointment is coupled with an interest and is irrevocable except as expressly set forth herein. Accordingly, references to the rights of the Funding Lender to take actions under this Borrower Loan Agreement shall refer to Funding Lender in its role as agent of the Governmental Lender. The Funding Lender may designate Servicer to fulfill the rights and responsibilities granted by Governmental Lender to Funding Lender pursuant to this Section 2.1.

Section 2.2 Security for the Funding Loan.

(a) As security for the Funding Loan, the Governmental Lender has pledged and assigned to the Fiscal Agent for the benefit of the Funding Lender under and pursuant to the Funding Loan Agreement (a) the Borrower Note and all of its right, title and interest in and to this Borrower Loan Agreement and the Borrower Loan Documents (except for the Unassigned Rights) and all revenues and receipts therefrom and the security therefor (including the Security Instrument) and (b) the amounts on deposit from time to time in any and all funds established under the Funding Loan Agreement other than the Rebate Fund and Expense Fund created and established thereunder. All revenues and assets pledged and assigned thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act, except in the case of the Borrower Note, which shall be delivered to the Funding Lender. The Borrower hereby acknowledges and consents to such assignment to the Fiscal Agent for the benefit of the Funding Lender.

(b) With respect to the Unassigned Rights, subject to the limitations set forth in this Section 2.2, the Governmental Lender may:

(i) *Tax Covenants.* Seek specific performance of, and enforce, the tax covenants of the Funding Loan Agreement, the Regulatory Agreement, the Tax Certificate and this Borrower Loan Agreement, seek injunctive relief against acts which may be in violation of any of the tax covenants, and enforce the Borrower's obligation to pay amounts for credit to the Rebate Fund; and

(ii) *Regulatory Agreement.* Seek specific performance of the obligations of the Borrower or any other owner of the Project under the Regulatory Agreement and injunctive relief against acts which may be in violation of the Regulatory Agreement or otherwise in accordance with the provisions of the Regulatory Agreement; provided, however, that the Governmental Lender may enforce any right it may have under the Regulatory Agreement for monetary damages (which term shall not be deemed to include fees, expenses and indemnification obligations payable by the Borrower to the Governmental Lender or Fiscal Agent under the Regulatory Agreement, the Funding Loan Agreement or this Borrower Loan Agreement) only against Excess Revenues (defined below), if any, of the Borrower, unless the Funding Lender otherwise specifically consents in writing to the use of other funds; and

(iii) *Unassigned Rights.* Take whatever action at law or in equity which appears necessary or desirable to enforce the other Unassigned Rights, provided, however, that the Governmental Lender or any person under its control may only enforce any right it may have for monetary damages (which term shall not be deemed to include fees, expenses and indemnification obligations payable by the Borrower to the Governmental Lender or Fiscal Agent under the Regulatory Agreement, the Funding Loan Agreement or this Borrower Loan Agreement) against Excess Revenues, if any, of the Borrower, unless the Funding Lender otherwise specifically consents in writing to the enforcement against other funds of the Borrower.

(c) In no event shall the Governmental Lender, except at the express written direction of the Funding Lender:

(i) prosecute its action to a lien on the Project; or

(ii) take any action which has a substantial likelihood of or that has a result of, impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Borrower Loan or of causing the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or

(iii) interfere with the exercise by the Fiscal Agent, the Funding Lender or the Servicer of any of their rights under the Borrower Loan Documents upon the occurrence of an event of default by the Borrower under the Borrower Loan Documents or the Funding Loan Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Borrower Loan or the Funding Loan.

(d) The Governmental Lender shall provide Written Notice to the Funding Lender and the Servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Borrower Loan Documents or the Funding Loan Documents.

(e) As used in this Section 2.2, the term "Excess Revenues" means, for any period, the net cash flow of the Borrower available for distribution to shareholders, members or partners (as the case may be) for such period, after the payment of all interest expense, the amortization of all principal of all indebtedness coming due, including but not limited to, the Subordinate Loans, during such period (whether by maturity, mandatory sinking fund payment, acceleration or otherwise), the payment of all fees, costs and expenses on an occasional or recurring basis in connection with the Borrower Loan or the Funding Loan, [and the Subordination Loans], the payment of all operating, overhead, ownership and other expenditures of the Borrower directly or indirectly in connection with the Project (whether any such expenditures are current, capital or extraordinary expenditures), and the setting aside of all reserves for taxes, insurance, water and sewer charges or other similar impositions, capital expenditures, repairs and replacements and all other amounts which the Borrower is required to set aside pursuant to agreement, but excluding depreciation and amortization of intangibles.

Section 2.3 Loan; the Borrower Note.

As evidence of its obligation to repay the Borrower Loan, simultaneously with the delivery of this Borrower Loan Agreement to the Governmental Lender, the Borrower hereby agrees to execute and deliver the Borrower Note. The Borrower Loan shall mature and be payable at the times and in the amounts required under the terms hereof and of the Borrower Note. The

Governmental Lender shall assign the Borrower Note to the Fiscal Agent on the Conversion Date as a condition to Conversion.

Section 2.4 Borrower Loan Payments.

(a) The Borrower shall make Borrower Loan Payments in accordance with the Borrower Note. Each Borrower Loan Payment made by the Borrower shall be made in funds immediately available to the Servicer by 2:00 p.m., New York City time, on the date that is two (2) Business Days prior to the Borrower Loan Payment Date. Each such payment shall be made to the Fiscal Agent or Servicer, as applicable, by deposit to such account as the Fiscal Agent or Servicer, as applicable, may designate by Written Notice to the Borrower. Whenever any Borrower Loan Payment shall be stated to be due on a day that is not a Business Day, such payment shall be due on the first Business Day immediately thereafter. In addition, the Borrower shall make Borrower Loan Payments in accordance with the Borrower Note in the amounts and at the times necessary to make all payments due and payable on the Funding Loan. All payments made by the Borrower hereunder or by the Borrower under the other Borrower Loan Documents, shall be made irrespective of, and without any deduction for, any set-offs or counterclaims, but such payment shall not constitute a waiver of any such set offs or counterclaims.

(b) Unless there is no Servicer, payments of principal and interest on the Borrower Note shall be paid to the Servicer and the Servicer shall then remit such funds to the Fiscal Agent for deposit into the Funding Loan Payment Fund created under the Funding Loan Agreement. If there is no Servicer, payments of principal and interest on the Borrower Note shall be paid to the Fiscal Agent.

Section 2.5 Additional Borrower Payments.

(a) The Borrower shall pay the following amounts:

(i) to the Fiscal Agent, the Rebate Amount then due, if any, to be deposited in the Rebate Fund as specified in Section 5.36 hereof and the Rebate Analyst's Fee to be deposited in the Expense Fund and any other costs incurred to calculate such Rebate Amount (to the extent such costs are not included in the Borrower Loan Payment);

(ii) to the Fiscal Agent for remittance to the Governmental Lender, the Governmental Lender Fee, and, on demand, all fees, charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Governmental Lender incurred under the Borrower Loan Documents, the Funding Loan Documents or the Project, including, without limitation, reasonable counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all counsel fees and expenses relating to the enforcement of the Borrower Loan Documents or the Funding Loan Documents or any other documents relating to

the Project or the Borrower Loan or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit;

(iii) all costs of issuance and fees, charges and expenses, including agent and counsel fees incurred in connection with the origination of the Borrower Loan and the Funding Loan, as and when the same become due;

(iv) to the Funding Lender, on demand, all charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Funding Lender incurred by the Funding Lender at any time in connection with the Borrower Loan, the Funding Loan or the Project, including, without limitation, any Review Fee, reasonable counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all counsel fees and expenses relating to the enforcement of the Borrower Loan Documents or the Funding Loan Documents or any other documents relating to the Project or the Borrower Loan or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit;

(v) all Late Charges due and payable under the terms of the Borrower Note and Section 2.6 hereof; provided, however, that all payments made pursuant to this subsection (v) shall be made to the Servicer, and, if there is no Servicer, such payments shall be made to the Funding Lender;

(vi) to the Fiscal Agent, the Fiscal Agent's Fees as and when the same become due;

(vii) to the Governmental Lender, any Late Reporting Fee and any Issuer's Compliance Fee, each as defined and specified in the Regulatory Agreement;

(viii) to the Fiscal Agent, all fees, charges, costs, advances, indemnities and expenses, including without limitation agent and counsel fees, of the Fiscal Agent incurred under the Borrower Loan Documents or the Funding Loan Documents as and when the same become due; and

(ix) to the entity entitled thereto, when due and payable, all taxes and assessments levied by public agencies on the Project.

(b) The Borrower shall pay to the party entitled thereto as expressly set forth in this Borrower Loan Agreement or the other Borrower Loan Documents or Funding Loan Documents:

(i) all expenses incurred in connection with the enforcement of any rights under this Borrower Loan Agreement or any other Borrower Loan Document, the Regulatory Agreement, or any Funding Loan Document by the Governmental Lender, Funding Lender, Fiscal Agent or the Servicer, as applicable;

(ii) all other payments of whatever nature that the Borrower has agreed to pay or assume under the provisions of this Borrower Loan Agreement or any other Borrower Loan Document or Funding Loan Document; and

(iii) all expenses, costs and fees relating to inspections of the Project required by the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer, in accordance with the Borrower Loan Documents or the Funding Loan Documents or to reimburse such parties for such expenses, costs and fees.

Section 2.6 Overdue Payments; Payments in Default. If any Borrower Payment Obligation is not paid by or on behalf of the Borrower when due, the Borrower shall pay to the Servicer, a Late Charge in the amount and to the extent set forth in the Borrower Note, if any.

Section 2.7 Calculation of Interest Payments and Deposits to Real Estate Related Reserve Funds. The Borrower acknowledges as follows: (a) calculation of all interest payments shall be made by the Funding Lender in accordance with the terms of the Borrower Note; (b) deposits with respect to the Taxes and Other Charges shall be calculated by the Servicer or if there is no Servicer, the Funding Lender in accordance with the Security Instrument; and (c) deposits with respect to any replacement reserve funds required by the Funding Lender shall be calculated by the Servicer in accordance with the Replacement Reserve Agreement. In the event and to the extent that the Servicer or the Funding Lender, pursuant to the terms hereof, shall determine at any time that there exists a deficiency in amounts previously owed but not paid with respect to deposits to such replacement reserve fund, such deficiency shall be immediately due and payable hereunder following Written Notice to the Borrower.

Section 2.8 Grant of Security Interest; Application of Funds. To the extent not inconsistent with the Security Instrument and as security for payment of the Borrower Payment Obligations and the performance by the Borrower of all other terms, conditions and provisions of the Borrower Loan Documents, the Borrower hereby pledges and assigns to the Funding Lender, and grants to the Funding Lender, a security interest in, all the Borrower's right, title and interest in and to all payments to or moneys held in the funds and accounts (other than the Rebate Fund and the Expense Fund) created and held by the Fiscal Agent, the Funding Lender or the Servicer for the Project. This Borrower Loan Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC. Upon the occurrence and during the continuance of an Event of Default hereunder, the Fiscal Agent, the Funding Lender and the Servicer shall apply or cause to be applied any sums held by the Fiscal Agent (other than sums held in the Rebate Fund and the Expense Fund), the Funding Lender and the Servicer with respect to the Project in any manner and in any order determined by Funding Lender, in Funding Lender's sole and absolute discretion.

Section 2.9 Marshalling; Payments Set Aside. The Governmental Lender, the Fiscal Agent and the Funding Lender shall be under no obligation to marshal any assets in favor of the Borrower or any other Person or against or in payment of any or all of the proceeds. To the

extent that the Borrower makes a payment or payments or transfers any assets to the Governmental Lender or Funding Lender, or the Governmental Lender, the Fiscal Agent or the Funding Lender enforces its liens, and such payment or payments or transfers, or the proceeds of such enforcement or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then: (i) any and all obligations owed to the Governmental Lender, the Fiscal Agent or the Funding Lender and any and all remedies available to the Governmental Lender, the Fiscal Agent or the Funding Lender under the terms of the Borrower Loan Documents and the Funding Loan Documents or in law or equity against the Borrower, any Guarantor or the Borrower Manager and/or any of their properties shall be automatically revived and reinstated to the extent (and only to the extent) of any recovery permitted under clause (ii) below; and (ii) the Governmental Lender, the Fiscal Agent and the Funding Lender shall be entitled to recover (and shall be entitled to file a proof of claim to obtain such recovery in any applicable bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding) either: (x) the amount of payments or the value of the transfer or (y) if the transfer has been undone and the assets returned in whole or in part, the value of the consideration paid to or received by the Borrower for the initial asset transfer, plus in each case any deferred interest from the date of the disgorgement to the date of distribution to the Governmental Lender, the Fiscal Agent or the Funding Lender in any bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding, and any costs and expenses due and owing, including, without limitation, any reasonable attorneys' fees incurred by the Governmental Lender, the Fiscal Agent or the Funding Lender in connection with the exercise by the Governmental Lender, the Fiscal Agent or the Funding Lender of its rights under this Section 2.9.

**ARTICLE III
RESERVED**

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES**

Section 4.1 Borrower Representations. To induce the Governmental Lender, the Fiscal Agent and the Funding Lender to execute this Borrower Loan Agreement, the Borrower represents and warrants for the benefit of the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer, that the representations and warranties set forth in this Section 4.1 are complete and accurate as of the Conversion Date, and subject to Section 4.2 herein, shall survive the making of the Borrower Loan.

Section 4.1.1 Organization; Special Purpose. The Borrower is a Florida limited liability company in good standing under the laws of the State, has full legal right, power and authority to enter into the Borrower Loan Documents to which it is a party, and to carry out

and consummate all transactions contemplated by the Borrower Loan Documents to which it is a party, and by proper limited liability company action, has duly authorized the execution, delivery and performance of the Borrower Loan Documents to which it is a party. The Person(s) executing the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party, in the name of and on behalf of the Borrower Manager, is(are) fully authorized to execute the same. The Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party have been duly authorized, executed and delivered by the Borrower. The sole business of the Borrower is the ownership, management and operation of the Project.

Section 4.1.2 Proceedings; Enforceability. Assuming due execution and delivery by the other parties thereto, the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

Section 4.1.3 No Conflicts. The execution and delivery of the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Operating Agreement of the Borrower, or to the best knowledge of the Borrower and with respect to the Borrower, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, or the financial condition, assets, properties or operations of the Borrower.

Section 4.1.4 Litigation; Adverse Facts. There is no Legal Action, nor is there a basis known to the Borrower for any Legal Action, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened in writing, against or affecting the Borrower, any Borrower Manager or any Guarantor, or their respective assets, properties or operations which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Borrower Loan Documents or the Funding Loan Documents, upon the ability of each of the Borrower, each Borrower Manager and any Guarantor to perform their respective obligations under the

Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which it is a party, or upon the financial condition, assets (including the Project), properties or operations of the Borrower, the Borrower Manager or any Guarantor. None of the Borrower, any Borrower Manager or any Guarantor is in default (and to the Borrower's knowledge no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, the ability of each of the Borrower, any Borrower Manager and any Guarantor to perform their respective obligations under the Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which it is a party, or the financial condition, assets, properties or operations of the Borrower, any Borrower Manager or any Guarantor. None of the Borrower, any Borrower Manager or any Guarantor is (a) in violation of any applicable law, which violation materially and adversely affects or may materially and adversely affect the business, operations, assets (including the Project), or condition (financial or otherwise) of the Borrower, any Borrower Manager or any Guarantor, as applicable; (b) subject to, or in default with respect to, any other Legal Requirement that would have a material adverse effect on the business, operations, assets (including the Project), or condition (financial or otherwise) of the Borrower, any Borrower Manager or any Guarantor, as applicable; or (c) in default with respect to any agreement to which the Borrower, any Borrower Manager or any Guarantor, as applicable, is a party or by which they are bound, which default would have a material adverse effect on the business, operations, assets (including the Project), or condition (financial or otherwise) of the Borrower, any Borrower Manager or any Guarantor, as applicable; and (d) there is no Legal Action pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower, any Borrower Manager or any Guarantor questioning the validity or the enforceability of this Borrower Loan Agreement or any of the other Borrower Loan Documents or the Funding Loan Documents or of any of the Related Documents. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

Section 4.1.5 Agreements; Consents; Approvals. Except as contemplated by the Borrower Loan Documents and the Funding Loan Documents, the Borrower is not a party to any agreement or instrument or subject to any restriction that would materially adversely affect the Borrower, the Project, or the Borrower's business, properties, operations or financial condition, except the Permitted Encumbrances. The Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Project is bound.

No consent or approval of any trustee or holder of any indebtedness of the Borrower, and to the best knowledge of the Borrower and only with respect to the Borrower, no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except no representation is made with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of the Borrower Loan Documents or the Funding Loan Documents, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

Section 4.1.6 Title. The Borrower shall have fee simple title to the Project, free and clear of all Liens except the Permitted Encumbrances. The Security Instrument, when properly recorded in the appropriate records, together with any UCC financing statements required to be filed in connection therewith, will create (i) a valid, perfected first priority lien on the Project and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty included in the Project (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances. To the Borrower's knowledge, there are no delinquent real property taxes or assessments, including water and sewer charges, with respect to the Project, nor are there any claims for payment for work, labor or materials affecting the Project which are or may become a Lien prior to, or of equal priority with, the Liens created by the Borrower Loan Documents and the Funding Loan Documents.

Section 4.1.7 Survey. To the best knowledge of the Borrower, the survey for the Project delivered to the Governmental Lender and the Funding Lender does not fail to reflect any material matter affecting the Project or the title thereto.

Section 4.1.8 No Bankruptcy Filing. The Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency law or the liquidation of all or a major portion of its property (a "Bankruptcy Proceeding"), and the Borrower has no knowledge of any Person contemplating the filing of any such petition against it. As of the Conversion Date, the Borrower has the ability to pay its debts as they become due.

Section 4.1.9 Full and Accurate Disclosure. No statement of fact made by the Borrower in any Borrower Loan Document or any Funding Loan Document contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein in light of the circumstances in which they were made, not misleading. There is no material fact or circumstance presently known to the Borrower that has not been disclosed to the Governmental Lender and the Funding Lender which materially and adversely affects the Project or the business, operations or financial condition of the Borrower or the Borrower's ability to meet its obligations under this Borrower Loan Agreement and the other Borrower Loan Documents and Funding Loan Documents to which it is a party in a timely manner.

Section 4.1.10 No Plan Assets. The Borrower is not an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets of

the Borrower constitutes or will constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

Section 4.1.11 Compliance. The Borrower, the Project and the use thereof will comply, to the extent required, in all material respects with all applicable Legal Requirements. The Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would materially adversely affect the financial condition or the business of the Borrower. There has not been committed by the Borrower or any Borrower Affiliate involved with the operation or use of the Project any act or omission affording any Governmental Authority the right of forfeiture as against the Project or any part thereof or any moneys paid in performance of the Borrower’s obligations under any Borrower Loan Document or any Funding Loan Documents.

Section 4.1.12 Contracts. All service, maintenance or repair contracts affecting the Project have been entered into at arm’s length (except for such contracts between the Borrower its affiliates or the affiliates of the Borrower Controlling Entity of the Borrower) in the ordinary course of the Borrower’s business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 4.1.13 Financial Information. All financial data, including any statements of cash flow and income and operating expense, that have been delivered to the Governmental Lender or the Funding Lender in respect of the Project by or on behalf of the Borrower, to the best knowledge of the Borrower, (i) are accurate and complete in all material respects, (ii) accurately represent the financial condition of the Project as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with GAAP consistently applied throughout the periods covered, except as disclosed therein. Other than pursuant to or permitted by the Borrower Loan Documents or the Funding Loan Documents or the Borrower organizational documents, the Borrower has no contingent liabilities, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of the Borrower from that set forth in said financial statements.

Section 4.1.14 Condemnation. No Condemnation or other proceeding has been commenced or, to the Borrower’s knowledge, is contemplated, threatened or pending with respect to all or part of the Project or for the relocation of roadways providing access to the Project.

Section 4.1.15 Federal Reserve Regulations. No part of the proceeds of the Borrower Loan will be used for the purpose of purchasing or acquiring any “margin stock” within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other regulation of such Board of Governors, or for any purpose prohibited by Legal Requirements or any Borrower Loan Document or Funding Loan Document.

Section 4.1.16 Utilities and Public Access. To the best of the Borrower’s knowledge, the Project is or will be served by water, sewer, sanitary sewer and storm drain facilities adequate to service it for its intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Project are or will be located in the public right-of-way (or adjacent property pursuant to a recorded easement agreement) abutting the Project, and all such utilities are or will be connected so as to serve the Project without passing over other property absent a valid easement. All roads necessary for the use of the Project for its current purpose have been or will be completed and dedicated to public use and accepted by all Governmental Authorities. Except for Permitted Encumbrances, the Project does not share ingress and egress through an easement or private road or share on-site or off-site recreational facilities and amenities that are not located on the Project and under the exclusive control of the Borrower, or where there is shared ingress and egress or amenities, there exists an easement or joint use and maintenance agreement under which (i) access to and use and enjoyment of the easement or private road and/or recreational facilities and amenities is perpetual, (ii) the number of parties sharing such easement and/or recreational facilities and amenities must be specified, (iii) the Borrower’s responsibilities and share of expenses are specified, and (iv) the failure to pay any maintenance fee with respect to an easement will not result in a loss of usage of the easement.

Section 4.1.17 Not a Foreign Person. The Borrower is not a “foreign person” within the meaning of Section 1445(f)(3) of the Code.

Section 4.1.18 Separate Lots. As of the Conversion Date, each parcel comprising the Land is a separate tax lot and is not a portion of any other tax lot that is not a part of the Land.

Section 4.1.19 Assessments. There are no pending or, to the Borrower’s best knowledge, proposed special or other assessments for public improvements or otherwise affecting the Project, or any contemplated improvements to the Project that may result in such special or other assessments.

Section 4.1.20 Enforceability. The Borrower Loan Documents and the Funding Loan Documents are not subject to, and the Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

Section 4.1.21 Insurance. The Borrower has obtained the insurance required by this Borrower Loan Agreement, if applicable, and the Security Instrument and has delivered to the Servicer copies of insurance policies or certificates of insurance reflecting the insurance coverages, amounts and other requirements set forth in this Borrower Loan Agreement, if applicable, and the Security Instrument.

Section 4.1.22 Use of Property; Licenses. The Project will be used exclusively as a multifamily residential rental project and other appurtenant and related uses, which use is consistent with the zoning classification for the Project. To the Borrower’s knowledge, all

Licenses obtained by the Borrower have been validly issued and are in full force and effect. No Licenses will terminate, or become void or voidable or terminable, upon any sale, transfer or other disposition of the Project, including any transfer pursuant to foreclosure sale under the Security Instrument or deed in lieu of foreclosure thereunder. The Project does not violate any density or building setback requirements of the applicable zoning law except to the extent, if any, shown on the survey. No proceedings are, to the best of the Borrower's knowledge, pending or threatened that would result in a change of the zoning of the Project.

Section 4.1.23 Flood Zone. No structure within the Mortgaged Property lies or is located in an identifiable or designated Special Flood Hazard Area, or if the Mortgaged Property is determined to be in a Special Flood Hazard Area, Borrower will obtain appropriate flood insurance as required under the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994, as amended, or as required by the Servicer pursuant to its underwriting guidelines.

Section 4.1.24 Physical Condition. The Project, including all Improvements, parking facilities, systems, fixtures, Equipment and landscaping, are in good and habitable condition in all material respects and in good order and repair in all material respects (reasonable wear and tear excepted). The Borrower has not received notice from any insurance company or bonding company of any defect or inadequacy in the Project, or any part thereof, which would adversely affect its insurability or cause the imposition of extraordinary premiums or charges thereon or any termination of any policy of insurance or bond. The physical configuration of the Project is not in material violation of the ADA, if required under applicable law.

Section 4.1.25 Encroachments. All of the Improvements included in determining the appraised value of the Project lie wholly within the boundaries and building restriction lines of the Project, and no improvement on an adjoining property encroaches upon the Project, and no easement or other encumbrance upon the Project encroaches upon any of the Improvements, so as to affect the value or marketability of the Project, except those insured against by the Title Insurance Policy or disclosed in the survey of the Project as approved by the Servicer.

Section 4.1.26 State Law Requirements. The Borrower hereby represents, covenants and agrees to comply with the provisions of all applicable state laws relating to the Borrower Loan, the Funding Loan and the Project.

Section 4.1.27 Filing and Recording Taxes. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements in connection with the transfer of the Project to the Borrower have been paid. All mortgage, mortgage recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Borrower Loan Documents and the Funding Loan Documents have been or will be paid.

Section 4.1.28 Investment Company Act. The Borrower is not (i) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; or (ii) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 4.1.29 Fraudulent Transfer. The Borrower has not accepted the Borrower Loan or entered into any Borrower Loan Document or Funding Loan Document with the actual intent to hinder, delay or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for its obligations under the Borrower Loan Documents and the Funding Loan Documents. Giving effect to the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, the fair saleable value of the Borrower’s assets exceeds and will, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents, exceed the Borrower’s total liabilities, including subordinated, unliquidated, disputed or contingent liabilities. The fair saleable value of the Borrower’s assets is and will, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents, be greater than the Borrower’s probable liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. The Borrower’s assets do not and, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

Section 4.1.30 Ownership of the Borrower. Except as set forth in the Operating Agreement of the Borrower, the Borrower has no obligation to any Person to purchase, repurchase or issue any ownership interest in the Borrower.

Section 4.1.31 Environmental Matters. To the best of the Borrower’s knowledge, the Project is not in violation of any Legal Requirement pertaining to or imposing liability or standards of conduct concerning environmental regulation, contamination or clean-up, and will comply with covenants and requirements relating to environmental hazards as set forth in the Security Instrument. The Borrower will execute and deliver the Agreement of Environmental Indemnification on the Conversion Date.

Section 4.1.32 Name; Principal Place of Business. Unless prior Written Notice is given to the Funding Lender, the Borrower does not use and will not use any trade name, and has not done and will not do business under any name other than its actual name set forth herein. The principal place of business of the Borrower is its primary address for notices as set forth in

Section 10.1 hereof, and the Borrower has no other place of business, other than the Project and such principal place of business.

Section 4.1.33 Subordinated Debt. There is no secured or unsecured indebtedness with respect to the Project or any residual interest therein, other than Permitted Encumbrances and the permitted indebtedness described in Section 6.7 hereof.

Section 4.1.34 Filing of Taxes. The Borrower has filed (or has obtained effective extensions for filing) all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments, if any, payable by the Borrower.

Section 4.1.35 General Tax. All representations, warranties and certifications of the Borrower set forth in the Regulatory Agreement and the Tax Certificate are incorporated by reference herein and the Borrower will comply with such as if set forth herein.

Section 4.1.36 Approval of Borrower Loan Documents and Funding Loan Documents. By its execution and delivery of this Borrower Loan Agreement, the Borrower approves the form and substance of the Borrower Loan Documents and the Funding Loan Documents, and agrees to carry out the responsibilities and duties specified in the Borrower Loan Documents and the Funding Loan Documents to be carried out by the Borrower. The Borrower acknowledges that (a) it understands the nature and structure of the transactions relating to the financing of the Project, (b) it is familiar with the provisions of all of the Borrower Loan Documents and the Funding Loan Documents and other documents and instruments relating to the financing, (c) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (d) it has not relied on the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents or otherwise relied on the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer in any manner.

Section 4.1.37 Funding Loan Agreement. The Borrower has read and accepts and agrees that it is bound by the Funding Loan Agreement and the Funding Loan Documents.

Section 4.1.38 Americans with Disabilities Act. The Project, as designed, will conform in all material respects, with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq., and its implementing regulations and the American Disabilities Act Amendments Act (ADAAA) Pub. L. 10-325 and all subsequent amendments (the "ADA"), to the extent required (as evidenced by an architect's certificate to such effect).

Section 4.1.39 Requirements of Act, County Authorization, Code and Regulations. The Project satisfies all requirements of the Act, the County Authorization, the Code and the Regulations applicable to the Project.

Section 4.1.40 Regulatory Agreement. The Project is, as of the date of origination of the Funding Loan, in compliance with all requirements of the Regulatory Agreement to the extent such requirements are applicable; and the Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act, the Resolution, the County Authorization, the Code and the Regulations, and pursuant to leases which comply with all applicable laws.

Section 4.1.41 Intention to Hold Project. The Borrower intends to hold the Project for its own account and has no current plans, and has not entered into any agreement, to sell the Project or any part of it; and the Borrower intends to occupy the Project or cause the Project to be occupied and to operate it or cause it to be operated at all times during the term of this Borrower Loan Agreement in compliance with the terms of this Borrower Loan Agreement and the Regulatory Agreement and does not know of any reason why the Project will not be so used by it in the absence of circumstances not now anticipated by it or totally beyond its control.

Section 4.1.42 Concerning Borrower Manager.

(a) The Borrower Manager of the Borrower is a Florida limited liability company, duly organized and validly existing under the laws of the State of Florida. The Borrower Manager has all requisite power and authority, rights and franchises to enter into and perform its obligations under the Borrower Loan Documents and the Funding Loan Documents to be executed by the Borrower Manager for its own account and on behalf of the Borrower, as authorized member of the Borrower, under this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents.

(b) The Borrower Manager has made all filings (including, without limitation, all required filings related to the use of fictitious business names) and is in good standing in the State and in each other jurisdiction in which the character of the property it owns or the nature of the business it transacts makes such filings necessary or where the failure to make such filings could have a material adverse effect on the business, operations, assets, condition (financial or otherwise) or prospects of Borrower Manager.

(c) The Borrower Manager is duly authorized to do business in the State.

(d) The execution, delivery and performance by the Borrower of the Borrower Loan Documents and the Funding Loan Documents have been duly authorized by all necessary action of the Borrower Manager on behalf of the Borrower, and by all necessary action on behalf of the Borrower Manager.

(e) The execution, delivery and performance by the Borrower Manager, on behalf of the Borrower, of the Borrower Loan Documents and the Funding Loan Documents will not violate (i) the Borrower Manager's organizational documents; (ii) any other Legal Requirement affecting the Borrower Manager or any of its properties; or (iii) any agreement to which the Borrower Manager is bound or to which it is a party; and will not result in or require the creation (except as provided in or contemplated by this Borrower Loan Agreement) of any Lien upon any of such properties, any of the Collateral or any of the property or funds pledged or delivered to Funding Lender pursuant to the Security Documents.

Section 4.1.43 Government and Private Approvals. All governmental or regulatory orders, consents, permits, authorizations and approvals required for the construction, rehabilitation, use, occupancy and operation of the Improvements, that may be granted or denied in the discretion of any Governmental Authority, have been obtained and are in full force and effect (or, in the case of any of the foregoing that the Borrower is not required to have as of the Delivery Date, will be obtained), and will be maintained in full force and effect at all times during the construction or rehabilitation of the Improvements. All such orders, consents, permits, authorizations and approvals that may not be denied in the discretion of any Governmental Authority shall be obtained prior to the commencement of any work for which such orders, consents, permits, authorizations or approvals are required, and, once obtained, such orders, consents, permits, authorizations and approvals will be maintained in full force and effect at all times during the construction or rehabilitation of the Improvements. Except as set forth in the preceding two sentences, no additional governmental or regulatory actions, filings or registrations with respect to the Improvements, and no approvals, authorizations or consents of any trustee or holder of any indebtedness or obligation of the Borrower, are required for the due execution, delivery and performance by the Borrower or Borrower Manager of any of the Borrower Loan Documents or the Funding Loan Documents or the Related Documents executed by the Borrower or Borrower Manager, as applicable. All required zoning approvals have been obtained, and the zoning of the Land for the Project is not conditional upon the happening of any further event.

Section 4.1.44 Concerning Guarantors. The Borrower Loan Documents and the Funding Loan Documents to which the Guarantors are a party or a signatory executed simultaneously with this Borrower Loan Agreement have been duly executed and delivered by the Guarantors and are legally valid and binding obligations of the Guarantors, enforceable against the Guarantors in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

Section 4.1.45 No Material Defaults. Except as previously disclosed to Funding Lender in writing, there exists no material violation of or material default by the Borrower under, and, to the best knowledge of the Borrower, no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default with respect to: (i) the terms of any instrument evidencing, securing or guaranteeing any indebtedness

secured by the Project or any portion or interest thereof or therein; (ii) any lease or other agreement affecting the Project or to which the Borrower is a party; (iii) any license, permit, statute, ordinance, law, judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority, or any determination or award of any arbitrator to which the Borrower or the Project may be bound; or (iv) any mortgage, instrument, agreement or document by which the Borrower or any of its respective properties is bound; in the case of any of the foregoing: (1) which involves any Borrower Loan Document or Funding Loan Document; (2) which involves the Project and is not adequately covered by insurance; (3) that might materially and adversely affect the ability of the Borrower, the Borrower Manager or any Guarantor or to perform any of their respective obligations under any of the Borrower Loan Documents or the Funding Loan Documents or any other material instrument, agreement or document to which it is a party; or (4) which might adversely affect the priority of the Liens created by this Borrower Loan Agreement or any of the Borrower Loan Documents or the Funding Loan Documents.

Section 4.1.46 Payment of Taxes. Except as previously disclosed to Funding Lender in writing: (i) all tax returns and reports of the Borrower, Borrower Manager and Guarantors required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges upon the Borrower, Borrower Manager and Guarantors, and upon their respective properties, assets, income and franchises, which are due and payable have been paid when due and payable; and (ii) the Borrower knows of no proposed tax assessment against it or against Borrower Manager or any Guarantor, other than any federal estate taxes which may be due in connection with the Estate of Mitchell M. Friedman, that would be material to the condition (financial or otherwise) of the Borrower, Borrower Manager or any such Guarantor, and neither the Borrower nor Borrower Manager have contracted with any Governmental Authority in connection with such taxes.

Section 4.1.47 Rights to Project Agreements and Licenses. The Borrower is the legal and beneficial owner of all rights in and to the Project Agreements and Licenses, and will be the legal and beneficial owner of all rights in and to all future Project Agreements and Licenses. The Borrower's interest in the Project Agreements and Licenses is not subject to any present claim (other than under the Borrower Loan Documents, the Funding Loan Documents and the Subordinate Loan Documents or as otherwise approved by Funding Lender in its sole discretion), set-off or deduction other than in the ordinary course of business.

Section 4.1.48 Patriot Act Compliance. The Borrower is not now, nor has ever been (i) listed on any Government Lists (as defined below), (ii) a person who has been determined by a Governmental Authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC (as defined below) or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) under investigation by any Governmental Authority for alleged criminal activity. For purposes hereof, the term "Patriot Act Offense" shall mean any violation of the criminal laws of the United States of America or of any

of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) Bank Representative Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "Government Lists" shall mean (1) the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("OFAC"), (2) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Funding Lender notified the Borrower in writing is now included in "Government Lists," or (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Governmental Authority or pursuant to any Executive Order of the President of the United States of America that the Funding Lender notified the Borrower in writing is now included in "Government Lists."

Section 4.1.49 Reserved.

Section 4.1.50 Subordinate Loan Documents. The Subordinate Loan Documents are in full force and effect and the Borrower has paid all amounts due and payable to the Subordinate Lender thereunder. There exists no material violation of or material default by the Borrower under, and no event has occurred which, upon the giving of notice of the passage of time, or both, would constitute a material default under the Subordinate Loan Documents.

Section 4.1.51 Other Documents. Each of the representations and warranties of the Borrower or the Borrower Manager contained in any of the other Borrower Loan Documents or the Funding Loan Documents or Related Documents is true and correct in all material respects (or, in the case of representations or warranties contained in any of the other Borrower Loan Documents or Funding Loan Documents or Related Documents that speak as of a particular date, were true and correct in all material respects as of such date). All of such representations and warranties are incorporated herein for the benefit of the Funding Lender and the Governmental Lender.

Section 4.1.52 [Reserved].

Section 4.2 Survival of Representations and Covenants. All of the representations and warranties in Section 4.1 hereof and elsewhere in the Borrower Loan Documents (i) shall survive for so long as any portion of the Borrower Payment Obligations remains due and owing and (ii) shall be deemed to have been relied upon by the Governmental Lender and the Servicer notwithstanding any investigation heretofore or hereafter made by the Governmental Lender or the Servicer or on its or their behalf, provided, however, that the representations, warranties and covenants set forth in Section 4.1.31 hereof shall survive in perpetuity and shall not be subject to the exculpation provisions of Section 11.1 hereof.

ARTICLE V
AFFIRMATIVE COVENANTS

During the term of this Borrower Loan Agreement, the Borrower hereby covenants and agrees with the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer that:

Section 5.1 Existence. The Borrower shall (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and its material rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all material Licenses, and (iv) qualify to do business and remain in good standing under the laws of the State.

Section 5.2 Taxes and Other Charges. The Borrower shall pay all Taxes and Other Charges as the same become due and payable and prior to their becoming delinquent in accordance with the Security Instrument, except to the extent that the amount, validity or application thereof is being contested in good faith as permitted by the Security Instrument.

The Borrower covenants to pay all Taxes and Other Charges of any type or character charged to the Funding Lender affecting the amount available to the Funding Lender from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including Taxes and Other Charges assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Funding Lender and taxes based upon or measured by the net income or gross receipts (to the extent such Taxes are assessed outside the Property Jurisdiction) of the Funding Lender; provided, however, that the Borrower shall have the right to protest any such Taxes or Other Charges and to require the Funding Lender, at the Borrower's expense, to protest and contest any such Taxes or Other Charges levied upon them and that the Borrower shall have the right to withhold payment of any such Taxes or Other Charges pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Funding Lender. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan hereunder or termination of this Borrower Loan Agreement.

Section 5.3 Repairs; Maintenance and Compliance; Physical Condition. The Borrower shall cause the Project to be maintained in a good, habitable and safe (so as to not threaten the health or safety of the Project's tenants or their invited guests) condition and repair (reasonable wear and tear excepted) as set forth in the Security Instrument and shall not remove, demolish or materially alter the Improvements or Equipment (except for removal of aging or obsolete equipment or furnishings in the normal course of business), except as provided in the Security Instrument.

Section 5.4 Litigation. The Borrower shall give prompt Written Notice to the Governmental Lender, the Funding Lender and the Servicer of any litigation, governmental proceedings or claims or investigations regarding an alleged actual violation of a Legal Requirement pending or, to the Borrower's knowledge, threatened against the Borrower which might materially adversely affect the Borrower's condition (financial or otherwise) or business or the Project.

Section 5.5 Performance of Other Agreements. The Borrower shall observe and perform in all material respects each and every term to be observed or performed by it pursuant to the terms of any agreement or instrument affecting or pertaining to the Project.

Section 5.6 Notices. The Borrower shall promptly advise the Governmental Lender, the Funding Lender and the Servicer of (i) any Material Adverse Change in the Borrower's financial condition, assets, properties or operations other than general changes in the real estate market, (ii) any fact or circumstance affecting the Borrower or the Project that materially and adversely affects the Borrower's ability to meet its obligations hereunder or under any of the other Borrower Loan Document to which it is a party in a timely manner, or (iii) the occurrence of any Potential Default or Event of Default of which the Borrower has actual knowledge. If the Borrower becomes subject to federal or state securities law filing requirements, the Borrower shall cause to be delivered to the Governmental Lender, the Funding Lender and the Servicer any Securities and Exchange Commission or other public filings, if any, of the Borrower within two (2) Business Days of such filing.

Section 5.7 Cooperate in Legal Proceedings. The Borrower shall cooperate fully with the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer with respect to, and permit the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer at their option, to participate in, any proceedings before any Governmental Authority that may in any way affect the rights of the Governmental Lender, the Funding Lender, the Fiscal Agent and/or the Servicer under any Borrower Loan Document or Funding Loan Document.

Section 5.8 Further Assurances. The Borrower shall, at the Borrower's sole cost and expense (except as provided in Section 9.1 hereof), (i) furnish to the Servicer and the Funding Lender all instruments, documents, boundary surveys, footing or foundation surveys (to the extent that the Borrower's construction or renovation of the Project alters any existing building foundations or footprints), certificates, plans and specifications, appraisals, title and other insurance reports and agreements relating to the Project, reasonably requested by the Servicer or the Funding Lender for the better and more efficient carrying out of the intents and purposes of the Borrower Loan Documents and the Funding Loan Documents; (ii) execute and deliver to the Servicer, the Fiscal Agent and the Funding Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Borrower Loan, as the Servicer, the Fiscal Agent and the Funding Lender may reasonably

require from time to time; (iii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of the Borrower Loan Documents and the Funding Loan Documents, as the Servicer, the Fiscal Agent or the Funding Lender shall reasonably require from time to time; provided, however, with respect to clauses (i)-(iii) above, the Borrower shall not be required to do anything that has the effect of (A) changing the essential economic terms of the Borrower Loan or (B) imposing upon the Borrower greater liability under the Borrower Loan Documents and the Funding Loan Documents or decreasing Borrower's rights under the Borrower Loan Documents and the Funding Loan Documents; and (iv) upon the Servicer's, the Fiscal Agent's or the Funding Lender's request therefor given from time to time after the occurrence of any Potential Default or Event of Default for so long as such Potential Default or Event of Default, as applicable, is continuing pay for (a) reports of UCC, federal tax lien, state tax lien, judgment and pending litigation searches with respect to the Borrower and (b) searches of title to the Project, each such search to be conducted by search firms reasonably designated by the Servicer or the Funding Lender in each of the locations reasonably designated by the Servicer or the Funding Lender.

Section 5.9 Delivery of Financial Information. After notice to the Borrower of a Secondary Market Disclosure Document, the Borrower shall, concurrently with any delivery to the Funding Lender or the Servicer, deliver copies of all financial information required under Article IX.

Section 5.10 Environmental Matters. So long as the Borrower owns or is in possession of the Project, the Borrower shall (a) keep the Project in compliance with all Hazardous Materials Laws (as defined in the Security Instrument), (b) promptly notify the Funding Lender, the Fiscal Agent, the Governmental Lender and the Servicer if the Borrower shall become aware that any Hazardous Materials (as defined in the Security Instrument) are on or near the Project in violation of Hazardous Materials Laws, and (c) commence and thereafter diligently prosecute to completion all remedial work necessary with respect to the Project required under any Hazardous Material Laws, in each case as set forth in the Security Instrument or the Agreement of Environmental Indemnification.

Section 5.11 Title to the Project. The Borrower will warrant and defend the title to the Project, subject only to Permitted Encumbrances against the claims of all Persons.

Section 5.12 Governmental Lender's, Fiscal Agent's and Funding Lender's Fees. The Borrower covenants to pay the reasonable fees, costs and expenses of the Governmental Lender (including the Ongoing Governmental Lender Fee), the Fiscal Agent and the Funding Lender or any agents, attorneys, accountants, consultants selected by each of the Governmental Lender, the Fiscal Agent and/or the Funding Lender to act on its behalf in connection with this Borrower Loan Agreement and the other Borrower Loan Documents, the Regulatory Agreement and the Funding Loan Documents, including, without limitation, any and all reasonable expenses incurred in connection with the making of the Borrower Loan or in

connection with any litigation which may at any time be instituted involving the Borrower Loan, this Borrower Loan Agreement, the other Borrower Loan Documents, the Regulatory Agreement and the Funding Loan Documents or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan hereunder or termination of this Borrower Loan Agreement.

Section 5.13 Estoppel Statement. The Borrower shall furnish to the Funding Lender or the Servicer for the benefit of the Funding Lender or the Servicer within ten (10) days after written request by the Funding Lender and the Servicer, with a statement, duly acknowledged and certified, setting forth (i) the unpaid principal of the Borrower Note, (ii) the applicable Interest Rate, (iii) the date installments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Borrower Payment Obligations, and (v) that the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party are valid, legal and binding obligations of the Borrower and have not been modified or, if modified, giving particulars of such modification, and no Event of Default exists thereunder or specify any Event of Default that does exist thereunder. The Borrower shall use commercially reasonable efforts to furnish to the Funding Lender or the Servicer, within 30 days of a request by the Funding Lender or Servicer, tenant estoppel certificates from each commercial tenant at the Project in form and substance reasonably satisfactory to the Funding Lender and the Servicer; provided that the Funding Lender and the Servicer shall not make such requests more frequently than twice in any year.

Section 5.14 Defense of Actions. The Borrower shall appear in and defend any action or proceeding purporting to affect the security for this Borrower Loan Agreement hereunder or under the Borrower Loan Documents and the Funding Loan Documents, and shall pay, in the manner required by Section 2.4 hereof, all reasonable costs and expenses, including the cost of evidence of title and attorneys' fees, in any such action or proceeding in which Funding Lender may appear. If the Borrower fails to perform any of the covenants or agreements contained in this Borrower Loan Agreement or any other Borrower Loan Document, or if any action or proceeding is commenced that is not diligently defended by the Borrower which affects the Funding Lender's interest in the Project or any part thereof, including eminent domain, code enforcement or proceedings of any nature whatsoever under any Federal or state law, whether now existing or hereafter enacted or amended, then the Funding Lender may make such appearances, disburse such sums and take such action as the Funding Lender deems necessary or appropriate to protect its interests. Such actions include disbursement of attorneys' fees, entry upon the Project to make repairs or take other action to protect the security of the Project, and payment, purchase, contest or compromise of any encumbrance, charge or lien which in the judgment of Funding Lender appears to be prior or superior to the Borrower Loan Documents or the Funding Loan Documents. The Funding Lender shall have no obligation to do any of the above. The Funding Lender may take any such action without notice to or

demand upon the Borrower, but the Funding Lender shall endeavor to notify the Borrower upon taking any of such action (but the Funding Lender shall have no liability for any failure to do so). No such action shall release the Borrower from any obligation under this Borrower Loan Agreement or any of the other Borrower Loan Documents or Funding Loan Documents. In the event (i) that the Security Instrument is foreclosed in whole or in part or that any Borrower Loan Document is put into the hands of an attorney for collection, suit, action or foreclosure, or (ii) of the foreclosure of any mortgage, deed of trust or deed to secure debt prior to or subsequent to the Security Instrument or any Borrower Loan Document in which proceeding the Funding Lender is made a party or (iii) of the bankruptcy of the Borrower or an assignment by the Borrower for the benefit of its creditors, the Borrower shall be chargeable with and agrees to pay all costs of collection and defense, including actual attorneys' fees in connection therewith and in connection with any appellate proceeding or post-judgment action involved therein, which shall be due and payable together with all required service or use taxes.

Section 5.15 Expenses. The Borrower shall pay all reasonable expenses incurred by the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer (except as provided in Section 9.1 hereof) in connection with the Borrower Loan and the Funding Loan, including reasonable fees and expenses of the Governmental Lender's, the Fiscal Agent's, the Funding Lender's and the Servicer's attorneys, environmental, engineering and other consultants, and fees, charges or taxes for the recording or filing of the Borrower Loan Documents and the Funding Loan Documents. The Borrower shall pay or cause to be paid all reasonable expenses of the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer (except as provided in Section 9.1 hereof) in connection with the issuance or administration of the Borrower Loan and the Funding Loan, including audit costs, inspection fees, settlement of condemnation and casualty awards, and premiums for title insurance and endorsements thereto. The Borrower shall, upon request, promptly reimburse the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer for all reasonable amounts expended, advanced or incurred by the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer to collect the Borrower Note, or to enforce the rights of the Governmental Lender, the Fiscal Agent, the Funding Lender, the Fiscal Agent and the Servicer under this Borrower Loan Agreement or any other Borrower Loan Document, or to defend or assert the rights and claims of the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer under the Borrower Loan Documents and the Funding Loan Documents arising out of an Event of Default or with respect to the Project (by litigation or other proceedings) arising out of an Event of Default, which amounts will include all court costs, attorneys' fees and expenses, fees of auditors and accountants, and investigation expenses as may be reasonably incurred by the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer in connection with any such matters (whether or not litigation is instituted), together with interest at the Default Rate on each such amount from the date of disbursement until the date of reimbursement to the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer, all of which shall constitute part of the Borrower Loan and the Funding Loan and shall be secured by the Borrower Loan Documents and the Funding Loan Documents.

The obligations and liabilities of the Borrower under this Section 5.15 shall survive the Term of this Borrower Loan Agreement and the exercise by the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer, as the case may be, of any of its rights or remedies under the Borrower Loan Documents and the Funding Loan Documents, including the acquisition of the Project by foreclosure or a conveyance in lieu of foreclosure. Notwithstanding the foregoing, the Borrower shall not be obligated to pay amounts incurred as a result of the gross negligence or willful misconduct of any other party, and any obligations of the Borrower to pay for environmental inspections or audits will be governed by Section 18(i) of the Security Instrument. Notwithstanding anything to the contrary in this Agreement, neither the Borrower nor the Governmental Lender shall be responsible for any costs associated with any securitization of the Borrower Loan as permitted under this Borrower Loan Agreement.

Section 5.16 Indemnity. In addition to its other obligations hereunder, and in addition to any and all rights of reimbursement, indemnification, subrogation and other rights of the Governmental Lender, the Fiscal Agent or the Funding Lender pursuant hereto and under law or equity, to the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Servicer, the Beneficiary Parties, and each of their respective officers, directors, employees, attorneys and agents (each an “Indemnified Party”), against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement (to the extent that the Borrower has consented to such settlement) and amounts paid to discharge judgments) (hereinafter, the “Liabilities”) to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to:

(a) The Borrower Loan Documents and the Funding Loan Documents or the execution or amendment thereof or in connection with transactions contemplated thereby, including the sale, transfer or resale of the Borrower Loan or the Funding Loan, except with respect to any Secondary Market Disclosure Document (other than any of the Borrower’s obligations under Article IX);

(b) Any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Borrower Loan, the Funding Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, construction, installation or rehabilitation of, the Project or any part thereof;

(c) Any lien (other than a Permitted Encumbrance) or charge upon payments by the Borrower to the Governmental Lender, the Fiscal Agent or the Funding Lender hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and Other Charges imposed on the Governmental Lender, the Fiscal Agent or the Funding Lender in respect of any portion of the Project;

(d) Any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance or hazardous material from, the Project or any part thereof; provided, however, Borrower's liability under this provision shall not extend to cover the period of any violation that first arose, commenced or occurred as a result of actions of the Indemnified Party, after the satisfaction, discharge, release, assignment, termination or cancellation of the Security Instrument following the payment in full of the Borrower Note and all other sums payable under the Borrower Loan Documents or after the actual dispossession from the entire Mortgaged Property of Borrower and all entities which control, are controlled by, or are under common control with Borrower following foreclosure of the Security Instrument or acquisition of the Mortgaged Property by a deed in lieu of foreclosure;

(e) The enforcement of, or any action taken by the Governmental Lender, the Fiscal Agent or the Funding Lender related to remedies under, this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents;

(f) Any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower made in the course of the Borrower applying for the Borrower Loan or the Funding Loan or contained in any of the Borrower Loan Documents or Funding Loan Documents to which the Borrower is a party;

(g) Any Determination of Taxability;

(h) Any breach (or alleged breach) by the Borrower of any representation, warranty or covenant made in or pursuant to this Borrower Loan Agreement or in connection with any written representation, presentation, report, appraisal or other information given or delivered by the Borrower, Borrower Manager, Guarantor or their Affiliates to the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer or any other Person in connection with the Borrower's application for the Borrower Loan and the Funding Loan (including, without limitation, any breach or alleged breach by the Borrower of any agreement with respect to the provision of any substitute credit enhancement);

(i) any failure (or alleged failure) by the Borrower, the Funding Lender or Governmental Lender to comply with applicable federal and state laws and regulations pertaining to the making of the Borrower Loan and the Funding Loan;

(j) the Project, or the condition, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation, construction or rehabilitation of, the Project or any part thereof; or

(k) the use of the proceeds of the Borrower Loan and the Funding Loan,

except (A) in the case of the foregoing indemnification of the Fiscal Agent, or any of its respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Liabilities are caused by the negligence, unlawful acts or willful

misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Servicer, the Funding Lender, [the Governmental Lender Servicer], or the Governmental Lender or any of their respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Liabilities are caused by the gross negligence or willful misconduct of such Indemnified Party

Notwithstanding anything herein to the contrary, the Borrower's indemnification obligations to the parties specified in Section 9.1.4 hereof with respect to any securitization or Secondary Market Transaction described in Article IX hereof shall be limited to the indemnity set forth in Section 9.1.4 hereof. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party (which notice shall be timely given so as not to materially impair the Borrower's right to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not be unreasonably withheld. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if and only if in such Indemnified Party's good faith judgment (based on the advice of counsel) a conflict of interest exists or could arise by reason of common representation.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Borrower Loan Agreement or the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 5.16 if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the Governmental Lender and the Funding Lender have consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

The rights of any persons to indemnity hereunder shall survive the final payment or defeasance of the Borrower Loan and the Funding Loan and in the case of the Servicer, any resignation or removal. The provisions of this Section 5.16 shall survive the termination of this Borrower Loan Agreement.

Section 5.17 No Warranty of Condition or Suitability by the Governmental Lender or Funding Lender. Neither the Governmental Lender nor the Funding Lender make any warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Borrower's purposes or needs.

Section 5.18 Right of Access to the Project. The Borrower agrees that the Governmental Lender, the Funding Lender, the Fiscal Agent, and the Servicer and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but no obligation at all reasonable times during business hours and upon not less than five (5) days prior written notice and subject to the rights of residential tenants, to enter onto the Land (a) to examine, test and inspect the Project without material interference or prejudice to the Borrower's operations and (b) to perform such work in and about the Project made necessary by reason of the Borrower's default under any of the provisions of this Borrower Loan Agreement. The Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer, and their duly authorized agents, attorneys, accountants and representatives shall also be permitted, without any obligation to do so, at all reasonable times and upon reasonable notice during business hours, to examine the books and records of the Borrower with respect to the Project.

Section 5.19 Notice of Default. The Borrower will provide the Governmental Lender, the Funding Lender and the Servicer as soon as possible, and in any event not later than five (5) Business Days after the occurrence of any Potential Default or Event of Default, with a statement of an Authorized Borrower Representative describing the details of such Potential Default or Event of Default and any curative action Borrower proposes to take.

Section 5.20 Covenant with Governmental Lender, the Fiscal Agent and the Funding Lender. The Borrower agrees that this Borrower Loan Agreement is executed and delivered in part to induce the purchase by others of the Governmental Lender Note and, accordingly, all covenants and agreements of the Borrower contained in this Borrower Loan Agreement are hereby declared to be for the benefit of the Governmental Lender, the Funding Lender, the Fiscal Agent and any lawful owner, holder or pledgee of the Borrower Note or the Governmental Lender Note from time to time.

Section 5.21 Reserved.

Section 5.22 Maintenance of Insurance. Borrower will maintain the insurance required by the Security Instrument.

Section 5.23 Information; Statements and Reports. The Borrower shall furnish or cause to be furnished to the Funding Lender and, upon written request, the Governmental Lender:

(a) *Financial Statements; Rent Rolls.* In the manner and to the extent required under the Security Instrument, such financial statements, expenses statements, rent rolls, reports and other financial documents and information as required by the Security Instrument and the other Borrower Loan Documents and Funding Loan Documents, in the form and within the time periods required therein;

(b) *Reserved.*

(c) *Audit Reports.* Promptly upon receipt thereof, copies of all reports, if any, submitted to Borrower by independent public accountants in connection with each annual, interim or special audit of the financial statements of Borrower made by such accountants, including the comment letter submitted by such accountants to management in connection with their annual audit;

(d) *Notices; Certificates or Communications.* Immediately upon giving or receipt thereof, copies of any notices, certificates or other communications delivered at the Project or to the Borrower or Borrower Manager naming the Governmental Lender or the Funding Lender as addressee or which could reasonably be deemed to affect the structural integrity of the Project or the ability of the Borrower to perform its obligations under the Borrower Loan Documents and the Funding Loan Documents;

(e) *Certification of Non-Foreign Status.* Promptly upon request of the Funding Lender from time to time, a Certification of Non-Foreign Status, executed on or after the date of such request by the Funding Lender;

(f) *Compliance Certificates.* Together with each of the documents required pursuant to Section 5.23(a) hereof submitted by or on behalf of the Borrower, a statement, in form and substance satisfactory to the Funding Lender and certified by an Authorized Borrower Representative, to the effect that the Borrower is in compliance with all covenants, terms and conditions applicable to the Borrower, under or pursuant to the Borrower Loan Documents and the Funding Loan Documents and under or pursuant to any other Debt owing by the Borrower to any Person, and disclosing any noncompliance therewith, and any Event of Default or Potential Default, and describing the status of the Borrower's actions to correct such noncompliance, Event of Default or Potential Default, as applicable; and

(g) *Other Items and Information.* Such other information concerning the assets, business, financial condition, operations, property, prospects and results of operations of the Borrower, Borrower Manager, Guarantors or the Project, as the Funding Lender or the Governmental Lender reasonably requests from time to time.

In addition, and notwithstanding the foregoing, the Borrower shall furnish or cause to be furnished to the Governmental Lender all reports required under the Regulatory Agreement.

Section 5.24 Additional Notices. The Borrower will, promptly after becoming aware thereof, give written notice to the Funding Lender and the Governmental Lender of:

(a) any Lien affecting the Project, or any part thereof, other than Liens expressly permitted under this Borrower Loan Agreement;

(b) any Legal Action which is instituted by or against the Borrower, Borrower Manager or any Guarantor, or any Legal Action which is threatened against the Borrower, Borrower Manager or any Guarantor which, in any case, if adversely determined, could have a material adverse effect upon the business, operations, properties, assets, management, ownership or condition (financial or otherwise) of the Borrower, Borrower Manager, any Guarantor or the Project;

(c) any Legal Action which constitutes an Event of Default or a Potential Default or a default under any other Contractual Obligation to which the Borrower, Borrower Manager or any Guarantor is a party or by or to which the Borrower, Borrower Manager or any Guarantor, or any of their respective properties or assets, may be bound or subject, which default would have a material adverse effect on the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of the Borrower, Borrower Manager or any Guarantor, as applicable;

(d) any default, alleged default or potential default on the part of the Borrower under the Subordinate Loan Documents or any of the CC&R's (together with a copy of each notice of default, alleged default or potential default received from any other party thereto);

(e) any notice of material default, alleged material default or potential material default on the part of the Borrower received from any tenant or occupant of the Project under or relating to its lease or occupancy agreement (together with a copy of any such notice), if, in the aggregate, notices from at least fifteen percent (15%) of the tenants at the Project have been received by the Borrower with respect to, or alleging, the same default, alleged default or potential default;

(f) any change or contemplated change in (i) the location of the Borrower's or Borrower Manager's executive headquarters or principal place of business; (ii) the legal, trade, or fictitious business names used by the Borrower or Borrower Manager; or (iii) the nature of the trade or business of the Borrower; and

(g) any default, alleged default or potential default on the part of any member (including, without limitation, Borrower Manager and the Equity Investor) under the Operating Agreement.

Section 5.25 Compliance with Other Agreements; Legal Requirements.

(a) The Borrower shall timely perform and comply with, and shall cause Borrower Manager to timely perform and comply with the covenants, agreements, obligations and restrictions imposed on them under the Operating Agreement, and the Borrower shall not do or permit to be done anything to impair any such party's rights or interests under any of the foregoing.

(b) The Borrower will comply and, to the extent it is able, will require others to comply with, all Legal Requirements of all Governmental Authorities having jurisdiction over the Project, and will furnish the Funding Lender with reports of any official searches for or notices of violation of any requirements established by such Governmental Authorities. The Borrower will comply and, to the extent it is able, will use commercially reasonable efforts to cause others to comply, with applicable CC&R's and all restrictive covenants and all obligations created by private contracts and leases which affect ownership, construction, rehabilitation, equipping, fixturing, use or operation of the Project, and all other agreements requiring a certain percentage of the Units to be rented to persons of low or moderate income. The Improvements comply with all applicable building, zoning and other Legal Requirements, and do not violate any restrictions of record against the Project or the terms of any other lease of all or any portion of the Project. The Funding Lender shall at all times have the right to audit, at the Borrower's expense, the Borrower's compliance with any agreement requiring a certain percentage of the Units to be rented to persons of low or moderate income, and the Borrower shall supply all such information with respect thereto as Funding Lender may request and otherwise cooperate with the Funding Lender in any such audit; provided, however, that so long as no Event of Default has occurred and is continuing, the Borrower shall have no obligation to bear the expense of more than one (1) audit every three years. Without limiting the generality of the foregoing, the Borrower shall properly obtain, comply with and keep in effect (and promptly deliver copies to the Funding Lender of) all permits, licenses and approvals which are required to be obtained from Governmental Authorities in order to construct, occupy, operate, market and lease the Project.

Section 5.26 Maintenance of Project. The Borrower shall maintain the Project as a residential apartment complex in good order and condition, ordinary wear and tear excepted. A maintenance program shall be in place at all times to assure the continuation of first class maintenance.

Section 5.27 Fixtures. The Borrower shall deliver to the Funding Lender, on demand, any contracts, bills of sale, statements, receipted vouchers or agreements under which the Borrower or any other Person claims title to any materials, fixtures or articles incorporated into the Improvements.

Section 5.28 Income from Project. The Borrower shall first apply all Gross Income to Expenses of the Project, including all amounts then required to be paid under the Borrower Loan Documents and the Funding Loan Documents and the funding of all sums necessary to meet the Replacement Reserve Fund Requirement, before using or applying such Gross Income for any other purpose

Section 5.29 Leases and Occupancy Agreements.

(a) Lease Approval.

(i) Borrower may enter into leases of space within the Improvements (and amendments to such leases) in the ordinary course of business with bona fide third party tenants without the Funding Lender's prior Written Consent if:

(A) The lease is a Permitted Lease;

(B) The Borrower, acting in good faith following the exercise of due diligence, has determined that the tenant meets requirements imposed under any applicable CC&R and is financially capable of performing all of its obligations under the lease; and

(ii) If any Event of Default has occurred and is continuing, the Funding Lender may make written demand on the Borrower to submit all future leases for the Funding Lender's approval prior to execution. The Borrower shall comply with any such demand by the Funding Lender.

(iii) No approval of any lease by the Funding Lender shall be for any purpose other than to protect the Funding Lender's security for the Borrower Loan and to preserve the Funding Lender's rights under the Borrower Loan Documents and the Funding Loan Documents. No approval by the Funding Lender shall result in a waiver of any default of the Borrower. In no event shall any approval by Funding Lender of a lease be a representation of any kind with regard to the lease or its enforceability, or the financial capacity of any tenant or guarantor.

(b) Landlord's Obligations. The Borrower shall perform all obligations required to be performed by it as landlord under any lease affecting any part of the Project or any space within the Improvements.

(c) Leasing and Marketing Agreements. Except as may be contemplated in the Management Agreement with the Property Manager, the Borrower shall not without the approval of the Funding Lender enter into any leasing or marketing agreement and the Funding Lender reserves the right to approve the qualifications of any marketing or leasing agent.

Section 5.30 Project Agreements and Licenses. To the extent not heretofore delivered to the Funding Lender, the Borrower will furnish to the Funding Lender, as soon as available, true and correct copies of all Project Agreements and Licenses and the Plans and Specifications, together with assignments thereof to the Funding Lender and consents to such assignments where required by the Funding Lender, all in form and substance acceptable to the Funding Lender. Neither the Borrower nor Borrower Manager has assigned or granted, or will assign or grant, a security interest in any of the Project Agreements and Licenses, other than to Funding Lender and the Subordinate Lenders.

Section 5.31 Payment of Debt Payments. In addition to its obligations under the Borrower Note, the Borrower will (i) duly and punctually pay or cause to be paid all principal

of and interest on any Debt of the Borrower as and when the same become due on or before the due date; (ii) comply with and perform all conditions, terms and obligations of other instruments or agreements evidencing or securing such Debt; (iii) promptly inform the Funding Lender of any default, or anticipated default, under any such note, agreement, instrument; and (iv) forward to the Funding Lender a copy of any notice of default or notice of any event that might result in default under any such note, agreement, instrument, including Liens encumbering the Project, or any portion thereof, which have been subordinated to the Security Instrument (regardless of whether or not permitted under this Borrower Loan Agreement).

Section 5.32 ERISA. To the extent applicable, the Borrower will comply, and will cause each of its ERISA Affiliates to comply, in all respects with the provisions of ERISA.

Section 5.33 Patriot Act Compliance. The Borrower shall use its good faith and commercially reasonable efforts to comply with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over the Borrower and/or the Project, including those relating to money laundering and terrorism. The Funding Lender shall have the right to audit the Borrower's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over the Borrower and/or the Project, including those relating to money laundering and terrorism. In the event that the Borrower fails to comply with the Patriot Act or any such requirements of Governmental Authorities, then the Funding Lender may, at its option, cause Borrower to comply therewith and any and all costs and expenses incurred by Funding Lender in connection therewith shall be secured by the Security Instrument and shall be immediately due and payable.

Borrower covenants that it shall comply with all Legal Requirements and internal requirements of Funding Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect. Without limiting the foregoing, Borrower shall not take any action, or permit any action to be taken, that would cause Borrower's representations and warranties in Section 4.1.48 and this Section 5.33 to become untrue or inaccurate at any time during the term of the Funding Loan. Upon any Beneficiary Party's request from time to time during the term of the Funding Loan, Borrower shall certify in writing to such Beneficiary Party that Borrower's representations, warranties and obligations under Section 4.1.48 and this Section 5.33 remain true and correct and have not been breached, and in addition, upon request of any Beneficiary Party, Borrower covenants to provide all information required to satisfy obligations under all Legal Requirements and internal requirements of Funding Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, during the term of the Funding Loan. Borrower shall immediately notify the Funding Lender in writing of (a) Borrower's actual knowledge that any of such representations, warranties or covenants are no longer true and have been breached, (b) Borrower has a reasonable basis to believe that they may no longer be true and have been breached or (c) Borrower becomes the subject of an investigation by Governmental Authorities related to money laundering, anti-terrorism, trade embargos and economic sanctions. Borrower shall also reimburse Funding Lender for any reasonable expense incurred by Funding Lender in evaluating the effect of an

investigation by Governmental Authorities on the Funding Loan and Funding Lender's interest in the collateral for the Funding Loan, in obtaining necessary license from Governmental Authorities as may be necessary for Funding Lender to enforce its rights under the Funding Loan Documents, and in complying with all Legal Requirements and internal requirements of Funding Lender relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect applicable to Funding Lender as a result of the existence of such an event and for any penalties or fines imposed upon Funding Lender as a result thereof.

Section 5.34 Funds from Equity Investor. The Borrower shall cause the Equity Investor to fund all installments of the Equity Contributions in the amounts and at the times subject and according to the terms of the Operating Agreement.

Section 5.35 Tax Covenants. The Borrower further represents, warrants and covenants as follows:

(a) **General.** The Borrower shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the exclusion of interest on the Governmental Lender Note from gross income (as defined in Section 61 of the Code), for federal income tax purposes and, if it should take or permit any such action, the Borrower will take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof and that the Borrower will take such action or actions, including amendment of this Borrower Loan Agreement, the Security Instrument and the Regulatory Agreement, as may be necessary, in the opinion of Tax Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service applicable to the Governmental Lender Note, the Funding Loan or affecting the Project. Capitalized terms used in this Section 5.35 shall have the respective meanings assigned to them in the Regulatory Agreement or, if not defined therein, in the Funding Loan Agreement. With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that, prior to the final maturity of the Governmental Lender Note, unless it has received and filed with the Governmental Lender and the Funding Lender a Tax Counsel No Adverse Effect Opinion (other than with respect to interest on any portion of the Governmental Lender Note for a period during which such portion of the Governmental Lender Note is held by a "substantial user" of any facility financed with the proceeds of the Governmental Lender Note or a "related person," as such terms are used in Section 147(a) of the Code), the Borrower will comply with this Section 5.35.

(b) **Use of Proceeds.** The use of the net proceeds of the Funding Loan at all times will satisfy the following requirements:

(i) **Limitation on Net Proceeds.** At least ninety-five percent (95%) of the net proceeds of the Funding Loan (within the meaning of the Code) actually expended shall be used to pay Qualified Project Costs that are costs of a "qualified residential rental project" (within the meaning of Sections 142(a)(7) and 142(d) of the Code) and property that is "functionally related

and subordinate” thereto (within the meaning of Sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) of the Regulations).

(ii) Limit on Costs of Issuance. The proceeds of the Funding Loan will be expended for the purposes set forth in this Borrower Loan Agreement and in the Funding Loan Agreement and no portion thereof in excess of two percent (2%) of the proceeds of the Funding Loan, within the meaning of Section 147(g) of the Code, will be expended to pay costs of issuance of the Funding Loan.

(iii) Prohibited Facilities. The Borrower shall not use or permit the use of any proceeds of the Funding Loan or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(iv) Limitation on Land. Less than twenty-five percent (25%) of the net proceeds of the Funding Loan actually expended will be used, directly or indirectly, for the acquisition of land or an interest therein, nor will any portion of the net proceeds of the Funding Loan be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(v) Limitation on Existing Facilities. No portion of the net proceeds of the Funding Loan will be used for the acquisition of any existing property or an interest therein unless (A) the first use of such property is pursuant to such acquisition or (B) the construction expenditures with respect to any building and the equipment therefor equal or exceed fifteen percent (15%) of the cost of acquiring such building financed with the proceeds of the Funding Loan (with respect to structures other than buildings, this clause shall be applied by substituting one hundred percent (100%) for fifteen percent (15%)). For purposes of the preceding sentence, the term “construction expenditures” shall have the meaning set forth in Section 147(d)(3) of the Code.

(vi) Accuracy of Information. The information furnished by the Borrower and used by the Governmental Lender in preparing its certifications with respect to Section 148 of the Code and the Borrower’s information statement pursuant to Section 149(e) of the Code is accurate and complete as of the date of origination of the Funding Loan.

(vii) Limitation of Project Expenditures. The acquisition, construction and equipping of the Project were not commenced (each within the meaning of Section 144(a) of the Code) prior to the 60th day preceding the adoption of the resolution of the Governmental Lender with respect to the Project on April 17, 2022, and no obligation for which reimbursement will be sought from proceeds of the Funding Loan relating to the acquisition, construction or equipping of the Project was paid or incurred prior to 60 days prior to such date, except for permissible “preliminary expenditures” not in excess of 20% of the aggregate issue price of the Funding Loan

which include architectural, engineering surveying, soil testing, reimbursement bond issuance and similar costs (other than land acquisition, site preparation and similar costs incident to commencement of construction) incurred prior to the commencement of the construction or acquisition of the Project.

(viii) Qualified Costs. The Borrower hereby represents, covenants and warrants that the proceeds of the Funding Loan shall be used or deemed used exclusively to pay costs which (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code, and that for the greatest number of buildings the proceeds of the Funding Loan shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that the buildings (including eligible furniture and fixtures and functionally related subordinate facilities) and the land on which they are located will have been financed fifty percent (50%) or more by the proceeds of the Funding Loan for the purpose of complying with Section 42(h)(4)(B) of the Code; provided however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its members and neither the Funding Lender nor the Governmental Lender shall have any obligation to enforce this statement nor shall they incur any liability to any person, including without limitation, the Borrower, the members of the Borrower, any other affiliate of the Borrower or the holders or payees of the Funding Loan and the Borrower Note for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or event of default under this Borrower Loan Agreement or the Funding Loan Agreement.

(c) Limitation on Maturity. The average maturity of the Governmental Lender Note does not exceed 120 percent of the average reasonably expected economic life of the Project to be financed by the Funding Loan, weighted in proportion to the respective cost of each item comprising the property the cost of which has been or will be financed, directly or indirectly, with the Net Proceeds of the Funding Loan. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the Delivery Date [for the Funding Loan] or (B) the date on which such property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of property.

(d) No Arbitrage. The Borrower shall not take any action or omit to take any action with respect to the Gross Proceeds of the Governmental Lender Note or of any amounts expected to be used to pay the principal thereof or the interest thereon which, if taken or omitted, respectively, would cause a Governmental Lender Note to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code. Except as provided in the Funding Loan Agreement and this Borrower Loan Agreement, the Borrower shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under this Borrower Loan Agreement or the Borrower Note relating to the Funding Loan, shall not establish any segregated reserve or

similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Funding Loan, unless the Borrower has obtained in each case a Tax Counsel No Adverse Effect Opinion with respect to such action, a copy of which shall be provided to the Governmental Lender and the Funding Lender. The Borrower shall not, at any time prior to the final maturity of the Funding Loan, invest or cause any Gross Proceeds to be invested in any investment (or to use Gross Proceeds to replace money so invested), if, as a result of such investment the Yield of all investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such investment exceeds the Yield of the Funding Loan to the Maturity Date, except as permitted by Section 148 of the Code and Regulations thereunder or as provided in the Regulatory Agreement. The Borrower further covenants and agrees that it will comply with all applicable requirements of said Section 148 and the rules and Regulations thereunder relating to the Funding Loan and the interest thereon, including, subject to the second paragraph of this Section 5.35(d), the employment of a Rebate Analyst acceptable to the Governmental Lender and Funding Lender at all times from and after the Delivery Date for the calculation of rebatable amounts to the United States Treasury Department. Subject to the second paragraph of this Section 5.35(d), the Borrower agrees that it will cause the Rebate Analyst to calculate the rebatable amounts not later than forty-five days after the fifth anniversary of the Delivery Date and each five years thereafter and not later than forty-five days after the final Computation Date and agrees that the Borrower will pay all costs associated therewith. Subject to the second paragraph of this Section 5.35(d), the Borrower agrees to provide evidence of the employment of the Rebate Analyst satisfactory to the Governmental Lender and Funding Lender.

Notwithstanding the foregoing provisions of this subparagraph (d) with respect to the engagement of a Rebate Analyst, the Borrower shall not be required to engage a Rebate Analyst so long as on each Computation Date, the Borrower provides to the Funding Lender and the Fiscal Agent a written certification that, as of such Computation Date, no moneys have been received with respect to the Borrower Loan or, to the Borrower's knowledge, after diligent inquiry, the Funding Loan which, under the Funding Loan Documents, are pledged directly or indirectly to pay principal and/or interest on the Borrower Loan or the Funding Loan, other than regularly scheduled payments of principal and interest on the Borrower Loan. If such certification is not given when due, the Borrower agrees to immediately (and no later than 15 days after such Computation Date) engage a Rebate Analyst and to have the Rebate Analyst remain engaged to calculate any Rebate Amount which might be owed with respect to the Governmental Lender Note with respect to such Computation Date.

(e) No Federal Guarantee. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Borrower shall not take or omit to take any action which would cause the Governmental Lender Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(f) Representations. The Borrower has supplied or caused to be supplied to Tax Counsel all documents, instruments and written information requested by Tax Counsel, and all

such documents, instruments and written information supplied by or on behalf of the Borrower at the request of Tax Counsel, which have been reasonably relied upon by Tax Counsel in rendering its opinion with respect to the exclusion from gross income of the interest on the Governmental Lender Note for federal income tax purposes, are true and correct in all material respects, do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to be stated therein in order to make the information provided therein, in light of the circumstances under which such information was provided, not misleading, and the Borrower is not aware of any other pertinent information which Tax Counsel has not requested.

(g) Qualified Residential Rental Project. The Borrower hereby covenants and agrees that the Project will be operated as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, on a continuous basis during the longer of the Qualified Project Period (as defined in the Regulatory Agreement) or any period during which any portion of the Governmental Lender Note remains outstanding, to the end that the interest on the Governmental Lender Note shall be excluded from gross income for federal income tax purposes. The Borrower hereby covenants and agrees, continuously during the Qualified Project Period, to comply with all the provisions of the Regulatory Agreement.

(h) Information Reporting Requirements. The Borrower will comply with the information reporting requirements of Section 149(e)(2) of the Code requiring certain information regarding the Governmental Lender Note to be filed with the Internal Revenue Service within prescribed time limits.

(i) Funding Loan Not a Hedge Bond. The Borrower covenants and agrees that not more than 50% of the proceeds of the Funding Loan will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more within the meaning of Section 149(f)(3)(A)(ii) of the Code, and the Borrower reasonably expects that at least 85% of the spendable proceeds of the Funding Loan will be used to carry out the governmental purposes of the Funding Loan within the three-year period beginning on the Delivery Date.

(j) Termination of Restrictions. Although the parties hereto recognize that, subject to the provisions of the Regulatory Agreement, the provisions of this Borrower Loan Agreement shall terminate in accordance with Section 10.13 hereof, the parties hereto recognize that pursuant to the Regulatory Agreement, certain requirements, including the requirements incorporated by reference in this Section, may continue in effect beyond the term hereof.

(k) Public Approval. The Borrower covenants and agrees that the proceeds of the Funding Loan will not be used in a manner that deviates in any substantial degree from the Project described in the written notice of a public hearing regarding the Funding Loan.

(l) 40/60 Test Election. The Borrower and the Governmental Lender hereby elect to apply the requirements of Section 142(d)(1)(B) to the Project. The Borrower hereby represents,

covenants and agrees, continuously during the Qualified Project Period, to comply with all the provisions of the Regulatory Agreement.

(m) Modification of Tax Covenants. Subsequent to the origination of the Funding Loan and prior to its payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Funding Loan Agreement), this Section 5.35 hereof may not be amended, changed, modified, altered or terminated except as permitted herein and by the Funding Loan Agreement and with the Written Consent of the Governmental Lender and the Funding Lender. Anything contained in this Borrower Loan Agreement or the Funding Loan Agreement to the contrary notwithstanding, the Governmental Lender, the Fiscal Agent, the Funding Lender and the Borrower hereby agree to amend this Borrower Loan Agreement and, if appropriate, the Funding Loan Agreement and the Regulatory Agreement, to the extent required, in the opinion of Tax Counsel, in order for interest on the Governmental Lender Note to remain excludable from gross income for federal income tax purposes. The party requesting such amendment, which may include the Funding Lender, shall notify the other parties to this Borrower Loan Agreement of the proposed amendment and send a copy of such requested amendment to Tax Counsel. After review of such proposed amendment, Tax Counsel shall render to the Funding Lender and the Governmental Lender an opinion to the effect that such proposed amendment will not adversely impact the excludability of interest on the Governmental Lender Note in the gross income of the recipient thereof for federal income tax purposes. The Borrower shall pay all necessary fees and expenses incurred with respect to such amendment. The Borrower, the Governmental Lender and, where applicable, the Funding Lender per written instructions from the Governmental Lender shall execute, deliver and, if applicable, the Borrower shall file of record, any and all documents and instruments, including without limitation, an amendment to the Regulatory Agreement, with a file-stamped copy to the Funding Lender, necessary to effectuate the intent of this Section 5.35, and the Borrower and the Governmental Lender hereby appoint the Funding Lender as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Governmental Lender, as is applicable, any such document or instrument (in such form as may be approved by and upon instruction of Tax Counsel) if either the Borrower or the Governmental Lender defaults in the performance of its obligation under this Section 5.35; provided, however, that the Funding Lender shall take no action under this Section 5.35 without first notifying the Borrower or the Governmental Lender, as is applicable, of its intention to take such action and providing the Borrower or the Governmental Lender, as is applicable, a reasonable opportunity to comply with the requirements of this Section 5.35.

The Borrower irrevocably authorizes and directs the Funding Lender, the Fiscal Agent and any other agent designated by the Governmental Lender to make payment of such amounts from funds of the Borrower, if any, held by the Funding Lender, the Fiscal Agent, or any agent of the Governmental Lender or the Funding Lender. The Borrower further covenants and agrees that, pursuant to the requirements of Treasury Regulation Section 1.148-1(b), it (or any related

person contemplated by such regulations) will not purchase interests in the Funding Loan in an amount related to the amount of the Borrower Loan.

Section 5.36 Payment of Rebate.

(a) Arbitrage Rebate. The Borrower agrees to take all steps necessary to compute and pay any rebatable arbitrage relating to the Governmental Lender Note in accordance with Section 148(f) of the Code including:

(i) Delivery of Documents and Money on Computation Dates. The Borrower will deliver to the Fiscal Agent, the Governmental Lender, the Servicer, or, if there is no Servicer, to the Funding Lender, within 55 days after each Computation Date:

(A) a statement, signed by the Borrower, stating the Rebate Amount as of such Computation Date;

(B) (1) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” made to the United States (as that term is used in Section 1.148-3(f)(1) of the Regulations), or (2) if such Computation Date is the final Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to the Rebate Amount as of such final Computation Date, less any “previous rebate payments” made to the United States (as that term is used in Section 1.148-3(f)(1) of the Regulations); and

(C) an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

(ii) Correction of Underpayments. If the Borrower shall discover or be notified as of any date that any payment paid to the United States Treasury pursuant to this Section 5.36 of an amount described in Section 5.36(a)(i)(A) or (B) above shall have failed to satisfy any requirement of Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Borrower, the Governmental Lender or the Funding Lender), the Borrower shall (1) pay to the Servicer (for deposit to the Rebate Fund) and cause the Fiscal Agent to pay to the United States Treasury from the Rebate Fund the underpayment of the Rebate Amount, together with any penalty and/or interest due, as specified in Section 1.148-3(h) of the Regulations, within 175 days after any discovery or notice and (2) deliver to the Servicer an Internal Revenue Service Form 8038-T completed as of such date. If such underpayment of the Rebate Amount, together with any penalty and/or interest due, is not paid to the United States Treasury in the amount and manner and by the time specified in the Regulations, the Borrower shall take such steps as are necessary to prevent the Governmental Lender Note from becoming an arbitrage bond within the meaning of Section 148 of the Code.

(iii) Records. The Borrower shall retain all of its accounting records relating to the funds established under this Borrower Loan Agreement and all calculations made in preparing the statements described in this Section 5.36 for at least six years after the later of the final maturity of the Governmental Lender Note or the date the Funding Loan is retired in full.

(iv) Costs. The Borrower agrees to pay all of the fees and expenses of a nationally recognized Tax Counsel, the Rebate Analyst, a certified public accountant and any other necessary consultant employed by the Borrower or the Funding Lender in connection with computing the Rebate Amount.

(v) No Diversion of Rebatable Arbitrage. The Borrower will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Funding Loan which is not purchased at Fair Market Value or includes terms that the Borrower would not have included if the Funding Loan were not subject to Section 148(f) of the Code.

(vi) Modification of Requirements. If at any time during the term of this Borrower Loan Agreement, the Governmental Lender, the Funding Lender or the Borrower desires to take any action which would otherwise be prohibited by the terms of this Section 5.36, such Person shall be permitted to take such action if it shall first obtain and provide to the other Persons named herein a Tax Counsel No Adverse Effect Opinion with respect to such action.

(b) Rebate Fund. The Fiscal Agent shall establish under the Funding Loan Agreement and hold a separate fund designated as the "Rebate Fund." The Servicer shall deposit or transfer to the credit of the Rebate Fund each amount delivered to the Servicer by the Borrower for deposit thereto and each amount directed by the Borrower to be transferred thereto.

(c) Within fifteen (15) days after each receipt or transfer of funds to the Rebate Fund, the Fiscal Agent shall withdraw from the Rebate Fund and pay to the United States of America the entire balance of the Rebate Fund.

(d) All payments to the United States of America pursuant to this Section 5.36 shall be made by the Fiscal Agent for the account and in the name of the Governmental Lender and shall be paid through the United States Mail (return receipt requested or overnight delivery), addressed to the appropriate Internal Revenue Service Center and accompanied by the appropriate Internal Revenue Service forms (such forms to be provided to the Servicer by the Borrower or the Rebate Analyst as set forth in this Section 5.36).

(e) The Borrower shall preserve all statements, forms and explanations received or delivered pursuant this Section 5.36 and all records of transactions in the Rebate Fund until six years after the retirement of the Funding Loan.

(f) Moneys and securities held in the Rebate Fund shall not be deemed funds of the Funding Lender, the Fiscal Agent or of the Governmental Lender and are not pledged or otherwise subject to any security interest in favor of the Funding Lender to secure the Funding Loan or any other obligations.

(g) Notwithstanding anything to the contrary in this Borrower Loan Agreement, no payment shall be made to the United States if the Borrower shall furnish to the Governmental Lender, the Fiscal Agent and the Funding Lender an opinion of Tax Counsel to the effect that such payment is not required under Section 148(d) and (f) of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Governmental Lender Note. In such event, the Borrower shall be entitled to withdraw funds from the Rebate Fund to the extent the Borrower shall provide a Tax Counsel No Adverse Effect Opinion to the Governmental Lender, the Fiscal Agent and the Funding Lender with respect to such withdrawal.

(h) Notwithstanding the foregoing, the computations and payments of rebate amounts referred to in this Section 5.36 need not be made to the extent that neither the Governmental Lender nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on a Tax Counsel No Adverse Effect Opinion, a copy of which shall be provided to the Funding Lender and the Fiscal Agent.

Section 5.37 Covenants under Funding Loan Agreement. The Borrower will fully and faithfully perform all the duties and obligations which the Governmental Lender has covenanted and agreed in the Funding Loan Agreement to cause the Borrower to perform and any duties and obligations which the Borrower is required in the Funding Loan Agreement to perform. The foregoing will not apply to any duty or undertaking of the Governmental Lender which by its nature cannot be delegated or assigned.

Section 5.38 Continuing Disclosure Agreement. The Borrower and the Funding Lender shall enter into the Continuing Disclosure Agreement to provide for the continuing disclosure of information about the Funding Loan, the Borrower and other matters as specifically provided for in such agreement. The duties and obligations of the Borrower under the Continuing Disclosure Agreement shall be as set forth in the Continuing Disclosure Agreement.

Section 5.39 Subordinate Loans. Borrower shall comply in all respects with all of the covenants contained in the Subordinate Loan Documents. Borrower shall deliver to Funding Lender for its prior written approval all requests for proceeds of the Subordinate Loans, together with copies of any other forms for construction-related or non-construction-related disbursements submitted by Borrower in connection with the Subordinate Loans.

ARTICLE VI NEGATIVE COVENANTS

The Borrower hereby covenants and agrees as follows, which covenants shall remain in effect so long as any Borrower Payment Obligation or other obligation of the Borrower under any of the other Borrower Loan Documents or the Funding Loan Documents remains outstanding or unperformed. The Borrower covenants and agrees that it will not, directly or indirectly:

Section 6.1 Management Agreement. Without first obtaining the Funding Lender's prior Written Consent, enter into the Management Agreement, and thereafter the Borrower shall not, without the Funding Lender's prior Written Consent (which consent shall not be unreasonably withheld) and subject to the Regulatory Agreement: (i) surrender, terminate or cancel the Management Agreement or otherwise replace the Property Manager or enter into any other management agreement; (ii) reduce or consent to the reduction of the term of the Management Agreement; (iii) increase or consent to the increase of the amount of any charges under the Management Agreement; (iv) otherwise modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect any of its rights and remedies under, the Management Agreement; or (v) suffer or permit the occurrence and continuance of a default beyond any applicable cure period under the Management Agreement (or any successor management agreement) if such default permits the Property Manager to terminate the Management Agreement (or such successor management agreement); provided, however, that Funding Lender's prior Written Consent shall not be required for any extension or renewal of the Management Agreement on the same terms and conditions.

Section 6.2 Dissolution. Dissolve or liquidate, in whole or in part, merge with or consolidate into another Person.

Section 6.3 Change in Business or Operation of Property. Enter into any line of business other than the ownership and operation of the Project, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of its present business and activities incidental or related thereto or otherwise cease to operate the Project as a multi-family property or terminate such business for any reason whatsoever.

Section 6.4 Debt Cancellation. Cancel or otherwise forgive or release any claim or debt owed to the Borrower by a Person, except for adequate consideration or in the ordinary course of the Borrower's business in its reasonable judgment.

Section 6.5 Assets. Purchase or own any real property or personal property incidental thereto other than the Project.

Section 6.6 Transfers. Make, suffer or permit the occurrence of any Transfer other than a transfer permitted under the Security Instrument, nor transfer any material License required for the operation of the Project.

Section 6.7 Debt. Other than as expressly approved in writing by the Funding Lender, create, incur or assume any indebtedness for borrowed money (including subordinate debt) whether unsecured or secured by all or any portion of the Project or interest therein or in the Borrower or any member thereof (including subordinate debt) other than (i) the Borrower Payment Obligations, (ii) secured indebtedness incurred pursuant to or permitted by the Borrower Loan Documents and the Funding Loan Documents, (iii) trade payables incurred in the ordinary course of business, (iv) the Subordinate Loans, and (v) unsecured deferred developer fees as permitted pursuant to the terms of the Development Services Agreement. Members of the Borrower may make unsecured loans to the Borrower in accordance with the Operating Agreement.

Section 6.8 Assignment of Rights. Without the Funding Lender's prior Written Consent, attempt to assign the Borrower's rights or interest under any Borrower Loan Document or Funding Loan Document in contravention of any Borrower Loan Document or Funding Loan Document.

Section 6.9 Principal Place of Business. Change its principal place of business without providing 30 days' prior Written Notice of the change to the Funding Lender, the Governmental Lender, the Fiscal Agent and the Servicer.

Section 6.10 Operating Agreement. Without the Funding Lender's prior Written Consent (which consent shall not be unreasonably withheld, conditioned or delayed) surrender, terminate, cancel, modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect, any of its rights or remedies under the Operating Agreement; provided, however, the consent of the Funding Lender is not required for (i) modifications necessary to reflect the occurrence of a "Permitted Transfer" as defined in and permitted by the Security Instrument or (ii) modifications that do not: (A) impose any additional or greater obligations on the Borrower or any of the partners, managers or members of Borrower, (B) reduce or relieve the Borrower or any of the partner, managers or members of the Borrower of any of their obligations, (C) modify the timing, amounts, number, conditions or other terms of the installments or other payment obligations of the partners or members of the Borrower or (D) impair the collateral for the loan from the Funding Lender; provided, however, that the Borrower shall promptly provide to the Funding Lender a copy of any modifications to the Borrower's organizational documents that do not require the Funding Lender's consent.

Section 6.11 ERISA. To the extent applicable, maintain, sponsor, contribute to or become obligated to contribute to, or suffer or permit any ERISA Affiliate of the Borrower to, maintain, sponsor, contribute to or become obligated to contribute to, any Plan, or permit the

assets of the Borrower to become “plan assets,” whether by operation of law or under regulations promulgated under ERISA.

Section 6.12 No Hedging Arrangements. Without the prior Written Consent of the Funding Lender or unless otherwise required by this Borrower Loan Agreement, the Borrower will not enter into or guarantee, provide security for or otherwise undertake any form of contractual obligation with respect to any interest rate swap, interest rate cap or other arrangement that has the effect of an interest rate swap or interest rate cap or that otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

Section 6.13 Loans and Investments; Distributions; Related Party Payments.

Without the prior Written Consent of the Funding Lender in each instance, the Borrower shall not (i) lend money, make investments, or extend credit, other than in the ordinary course of its business as presently conducted; or (ii) repurchase, redeem or otherwise acquire any interest in the Borrower, any Borrower Affiliate or any other Person owning an interest, directly or indirectly, in the Borrower, or make any distribution, in cash or in kind, in respect of interests in the Borrower, any Borrower Affiliate or any other Person owning an interest, directly or indirectly, in the Borrower (except to the extent permitted by the Security Instrument and subject to the limitations set forth in Section 5.28 hereof).

Section 6.14 **Amendment of Related Documents or CC&R’s.** Without the prior Written Consent of Funding Lender in each instance, except as provided herein or in the Loan Covenant Agreement, Borrower shall not enter into or consent to any amendment, termination, modification, or other alteration of any of the Related Documents or any of the CC&R’s (including, without limitation, those contained in this Borrower Loan Agreement and any Management Agreement, but excluding the Operating Agreement, which is covered by Section 6.10 hereof), or any assignment, transfer, pledge or hypothecation of any of its rights thereunder, if any.

Section 6.15 Personal Property. The Borrower shall not install materials, personal property, equipment or fixtures subject to any security agreement or other agreement or contract wherein the right is reserved to any Person other than the Borrower to remove or repossess any such materials, equipment or fixtures, or whereby title to any of the same is not completely vested in the Borrower at the time of installation, without the Funding Lender’s prior Written Consent; provided, however, that this Section 6.15 shall not apply to laundry equipment or other equipment that is owned by a third-party vendor and commercial tenants.

Section 6.16 Fiscal Year. Without the Funding Lender’s Written Consent, which shall not be unreasonably withheld, neither the Borrower nor the Borrower Manager shall change

the times of commencement or termination of its fiscal year or other accounting periods, or change its methods of accounting, other than to conform to GAAP.

Section 6.17 Publicity. Neither the Borrower nor the Borrower Manager shall issue any publicity release or other communication to any print, broadcast or on-line media, post any sign or in any other way identify the Funding Lender or any of its Affiliates as the source of the financing provided for herein, without the prior written approval of the Funding Lender in each instance (provided that nothing herein shall prevent the Borrower or the Borrower Manager from identifying the Funding Lender or its Affiliates as the source of such financing to the extent that the Borrower or the Borrower Manager are required to do so by disclosure requirements applicable to publicly held companies).

Section 6.18 Subordinate Loan Documents. Without the Funding Lender's prior Written Consent, Borrower will not surrender, terminate, cancel, modify, change, supplement, alter, amend, waive, release, assign, transfer, pledge or hypothecate any of its rights or remedies under the Subordinate Loan Documents.

Section 6.19 [Reserved].

ARTICLE VII RESERVED

ARTICLE VIII DEFAULTS

Section 8.1 Events of Default. Each of the following events shall constitute an "Event of Default" under this Borrower Loan Agreement:

(a) failure by the Borrower to pay any Borrower Loan Payment in the manner and on the date such payment is due in accordance with the terms and provisions of the Borrower Note, or the failure by the Borrower to pay any Additional Borrower Payment on the date such payment is due in accordance with the terms and provisions of the Borrower Note, the Security Instrument, this Borrower Loan Agreement or any other Borrower Loan Document;

(b) failure by or on behalf of the Borrower to pay when due any amount (other than as provided in subsection (a) above or elsewhere in this Section 8.1) required to be paid by the Borrower under this Borrower Loan Agreement, the Borrower Note, the Security Instrument or any of the other Borrower Loan Documents or Funding Loan Documents, including a failure to repay any amounts that have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings, which default remains uncured for a period of five (5) days after Written Notice thereof shall have been given to the Borrower;

(c) an Event of Default, as defined or described in the Borrower Note, the Security Instrument or any other Borrower Loan Document, occurs (or to the extent an “Event of Default” is not defined in any other Borrower Loan Document, any default or breach by the Borrower or any Guarantor of its obligations, covenants, representations or warranties under such Borrower Loan Document occurs and any applicable notice and/or cure period has expired);

(d) any representation or warranty made by any of the Borrower, any Guarantor or the Borrower Manager in any Borrower Loan Document or Funding Loan Document to which it is a party, or in any report, certificate, financial statement or other instrument, agreement or document furnished by the Borrower, any Guarantor or the Borrower Manager in connection with any Borrower Loan Document or Funding Loan Document, shall be false or misleading in any material respect as of the Delivery Date;

(e) the Borrower shall make a general assignment for the benefit of creditors, or shall generally not be paying its debts as they become due;

(f) a Borrower Controlling Entity shall make a general assignment for the benefit of creditors, shall generally not be paying its debts as they become due, or an Act of Bankruptcy with respect to the Borrower Controlling Entity shall occur, unless in all cases the Borrower Controlling Entity is replaced with a substitute Borrower Controlling Entity that satisfies the requirements of Section 21 of the Security Instrument; which, in the case of a non-profit controlled by the Borrower Controlling Entity, may be replaced within sixty (60) days of such event with another non-profit the Borrower Controlling Entity acceptable to the Funding Lender, in which case no Event of Default shall be deemed to have occurred;

(g) the failure by the Borrower or any ERISA Affiliate of the Borrower to comply in all respects with ERISA, if applicable, or the occurrence of any other event (with respect to the failure of the Borrower or any ERISA Affiliate to pay any amount required to be paid under ERISA or with respect to the termination of, or withdrawal of the Borrower or any ERISA Affiliate from, any employee benefit or welfare plan subject to ERISA) the effect of which is to impose upon the Borrower (after giving effect to the tax consequences thereof) for the payment of any amount in excess of Fifty Thousand Dollars (\$50,000);

(h) a Bankruptcy Event shall occur with respect to the Borrower, any Borrower Manager or Guarantor, or there shall be a change in the assets, liabilities or financial position of any such Person which has a material adverse effect upon the ability of such Person to perform such Person’s obligations under this Borrower Loan Agreement, any other Borrower Loan Document or any Related Document, provided that any such Bankruptcy Event with respect to a Guarantor shall not constitute an Event of Default: (i) if such Bankruptcy Event occurs on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such Bankruptcy Event occurs prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon

which the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(i) all or any part of the property of the Borrower is attached, levied upon or otherwise seized by legal process, and such attachment, levy or seizure is not quashed, stayed or released within thirty (30) days of the date thereof;

(j) subject to Section 10.15 hereof, the Borrower fails to pay when due any monetary obligation (other than pursuant to this Borrower Loan Agreement) to any Person in excess of One Hundred Thousand Dollars (\$100,000), and such failure continues beyond the expiration of any applicable cure or grace periods;

(k) any material litigation or proceeding is commenced before any Governmental Authority against or affecting Borrower, any Borrower Manager or Guarantor, or property of Borrower, any Borrower Manager or Guarantor, or any part thereof, and such litigation or proceeding is not defended diligently and in good faith by Borrower, any Borrower Manager or Guarantor, as applicable, provided that any such material litigation or proceeding against a Guarantor shall not constitute an Event of Default: (i) if such material litigation is commenced on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the [Guaranties] have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such material litigation or proceeding is commenced prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the [Guaranties] have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(l) a final judgment or decree for monetary damages in excess of Fifty Thousand Dollars (\$50,000) or a monetary fine or penalty (not subject to appeal or as to which the time for appeal has expired) is entered against Borrower, any Borrower Manager or any Guarantor by any Governmental Authority, and such judgment, decree, fine or penalty is not paid and discharged or stayed within thirty (30) days after entry thereof (or such longer period as may be permitted for payment by the terms of such judgment, fine or penalty) , provided that any such judgment, decree, fine or penalty against any Guarantor shall not constitute an Event of Default: (i) if such judgment, decree, fine or penalty is entered on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which each Guaranty has terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such judgment, decree, fine or penalty is entered prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which each

Guaranty has terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(m) a final, un-appealable and uninsured money judgment or judgments, in favor of any Person other than a Governmental Authority, in the aggregate sum of Fifty Thousand Dollars (\$50,000) or more shall be rendered against the Borrower, any Borrower Manager or Guarantor, or against any of their respective assets, that is not paid, superseded or stayed within thirty (30) days after entry thereof (or such longer period as may be permitted for payment by the terms of such judgment); or any levy of execution, writ or warrant of attachment, or similar process, is entered or filed against the Borrower, any Borrower Manager or any Guarantor, or against any of their respective assets (that is likely to have a material adverse effect upon the ability of the Borrower, any Borrower Manager or any Guarantor to perform their respective obligations under this Borrower Loan Agreement, any other Borrower Loan Document or any Related Document), and such judgment, writ, warrant or process shall remain unsatisfied, unsettled, unvacated, unhandled and unstayed for a period of thirty (30) days, or in any event later than five (5) Business Days prior to the date of any proposed sale thereunder, provided that any such judgment, levy, writ, warrant, attachment or similar process against a Guarantor shall not constitute an Event of Default: (i) if such judgment, levy, writ, warrant, attachment or similar process is entered on or after the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the Guaranties have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor), or (ii) if such judgment, levy, writ, warrant, attachment or similar process is entered prior to the date upon which the Guaranty terminates in accordance with its terms (or the date upon which all of the [Guaranties] have terminated in accordance with their terms, if more than one Guaranty was executed by such Guarantor) and the Borrower replaces such Guarantor with a person or entity satisfying the Funding Lender's mortgage credit standards for principals and acceptable to the Funding Lender in its sole and absolute discretion within thirty (30) days after notice thereof from the Funding Lender;

(n) the Borrower shall fail to keep in force and effect any material permit, license, consent or approval required under this Borrower Loan Agreement, or any required approval, license, or permit shall be withdrawn or suspended, and the order, requirement, withdrawal or suspension remains in effect for a period of thirty (30) days;

(o) a default shall occur under any of the Subordinate Loan Documents, which shall continue beyond the expiration of all applicable notice and cure periods and which shall not be waived by the applicable Subordinate Lender; or

(p) any failure by the Borrower to perform or comply with any of its obligations under this Borrower Loan Agreement (other than those specified in this Section 8.1), as and when

required, which continues for a period of thirty (30) days after written notice of such failure by Funding Lender or the Servicer on its behalf to the Borrower; provided, however, if such failure is susceptible of cure but cannot reasonably be cured within such thirty (30) day period, and the Borrower shall have commenced to cure such failure within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for an additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such failure, such additional period not to exceed sixty (60) days. However, no such notice or grace period shall apply to the extent such failure could, in the Funding Lender's judgment, absent immediate exercise by the Funding Lender of a right or remedy under this Borrower Loan Agreement, result in harm to the Funding Lender, impairment of the Borrower Note or this Borrower Loan Agreement or any security given under any other Borrower Loan Document. Notwithstanding anything to the contrary contained herein, the Equity Investor shall have the right in its sole discretion to cure an Event of Default and the Funding Lender agrees to accept such performance as if provided by the Borrower itself.

Section 8.2 Remedies.

Section 8.2.1 Acceleration. Upon the occurrence of an Event of Default (other than an Event of Default described in paragraph (e), (f) or (i) of Section 8.1) and at any time and from time to time thereafter, as long as such Event of Default continues to exist, in addition to any other rights or remedies available to the Governmental Lender pursuant to the Borrower Loan Documents or at law or in equity, the Funding Lender may, take such action (whether directly or by directing the actions of the Fiscal Agent), without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including declaring the Borrower Payment Obligations to be immediately due and payable (including, without limitation, the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Borrower Note to be immediately due and payable), without notice or demand, and apply such payment of the Borrower Payment Obligations in any manner and in any order determined by Funding Lender, in Funding Lender's sole and absolute discretion; and upon any Event of Default described in paragraph (e), (f) or (i) of Section 8.1, the Borrower Payment Obligations shall become immediately due and payable, without notice or demand, and the Borrower hereby expressly waives any such notice or demand, anything contained in any Borrower Loan Document to the contrary notwithstanding. Notwithstanding anything herein to the contrary, enforcement of remedies hereunder and under the Funding Loan Agreement shall be controlled by the Funding Lender.

Section 8.2.2 Remedies Cumulative. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to the Funding Lender or the Fiscal Agent against the Borrower under the Borrower Loan Documents or at law or in equity may be exercised by the Funding Lender, at any time and from time to time, whether or not all or any of the Borrower Payment Obligations shall be declared due and payable, and whether or not the Funding Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the

Borrower Loan Documents. Any such actions taken by the Funding Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Funding Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Funding Lender permitted by law, equity or contract or as set forth in the Borrower Loan Documents. Without limiting the generality of the foregoing, the Borrower agrees that if an Event of Default is continuing, all Liens and other rights, remedies or privileges provided to the Funding Lender shall remain in full force and effect until it has exhausted all of its remedies, the Security Instrument has been foreclosed, the Project has been sold and/or otherwise realized upon satisfaction of the Borrower Payment Obligations or the Borrower Payment Obligations have been paid in full. To the extent permitted by applicable law, nothing contained in any Borrower Loan Document shall be construed as requiring the Funding Lender to resort to any portion of the Project for the satisfaction of any of the Borrower Payment Obligations in preference or priority to any other portion, and the Funding Lender may seek satisfaction out of the entire Project or any part thereof, in its absolute discretion.

Notwithstanding any provision herein to the contrary, the Governmental Lender, the Fiscal Agent and the Funding Lender agree that any cure of any default made or tendered by the Equity Investor shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 8.2.3 Delay. No delay or omission to exercise any remedy, right, power accruing upon an Event of Default, or the granting of any indulgence or compromise by the Funding Lender or the Fiscal Agent shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Potential Default or Event of Default shall not be construed to be a waiver of any subsequent Potential Default or Event of Default or to impair any remedy, right or power consequent thereon. Notwithstanding any other provision of this Borrower Loan Agreement, the Funding Lender and the Fiscal Agent reserve the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the foreclosure of the Security Instrument to the extent necessary to foreclose on the Project, the Rents, the funds or any other collateral.

Section 8.2.4 Setoff; Waiver of Setoff. Upon the occurrence of an Event of Default, the Funding Lender may, at any time and from time to time, without notice to the Borrower or any other Person (any such notice being expressly waived), set off and appropriate and apply (against and on account of any obligations and liabilities of the Borrower to the Funding Lender or the Fiscal Agent arising under or connected with this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents, irrespective of whether or not the Funding Lender shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured), and the Borrower hereby grants to the Funding Lender, as security for the Borrower Payment Obligations, a security interest in, any and all deposits (general or special, including but not limited to Debt

evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Debt at any time held or owing by the Funding Lender to or for the credit or the account of the Borrower.

Section 8.2.5 Assumption of Obligations. In the event that the Funding Lender, the Fiscal Agent or the assignee or designee of either shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under this Borrower Loan Agreement, the Borrower Note, the Regulatory Agreement, and any other Borrower Loan Documents and Funding Loan Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

Section 8.2.6 Accounts Receivable. Upon the occurrence of an Event of Default, the Funding Lender shall have the right, to the extent permitted by law, to impound and take possession of books, records, notes and other documents evidencing the Borrower's accounts, accounts receivable and other claims for payment of money, arising in connection with the Project, and to make direct collections on such accounts, accounts receivable and claims for the benefit of Funding Lender.

Section 8.2.7 Defaults under Other Documents. The Funding Lender shall have the right to cure any default under any of the Related Documents and Subordinate Loan Documents, but shall have no obligation to do so.

Section 8.2.8 Reserved.

Section 8.2.9 Reserved.

Section 8.2.10 Right to Directly Enforce. Notwithstanding any other provision hereof to the contrary, the Funding Lender shall have the right to directly enforce all rights and remedies hereunder with or without involvement of the Governmental Lender or the Fiscal Agent, provided that only the Governmental Lender may enforce the Unassigned Rights. In the event that any of the provisions set forth in this Section 8.2.10 are inconsistent with the covenants, terms and conditions of the Security Instrument, the covenants, terms and conditions of the Security Instrument shall prevail.

Section 8.2.11 Power of Attorney. Effective upon the occurrence of an Event of Default, and continuing until and unless such Event of Default is cured or waived, the Borrower hereby constitutes and appoints Funding Lender, or an independent contractor selected by the Funding Lender, as its true and lawful attorney-in-fact with full power of substitution, for the purposes of completion of the Project and performance of the Borrower's obligations under this Borrower Loan Agreement in the name of the Borrower, and hereby empowers said attorney-in-fact to do any or all of the following upon the occurrence and continuation of an Event of Default

(it being understood and agreed that said power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked until full payment and performance of all obligations under this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents):

(a) to employ attorneys to defend against attempts to interfere with the exercise of power granted hereby;

(b) to pay, settle or compromise all existing bills and claims which are or may be liens against the Project or the Improvements, or clearance of objections to or encumbrances on title;

(c) to execute all applications and certificates in the name of the Borrower, which may be required by any other construction contract;

(d) to prosecute and defend all actions or proceedings in connection with the Project, which the Borrower might do on its own behalf;

(e) to let new or additional contracts to the extent not prohibited by their existing contracts;

(f) to employ watchmen and erect security fences to protect the Project from injury; and

(g) to take such action and require such performance as it deems necessary under any of the bonds or insurance policies to be furnished hereunder, to make settlements and compromises with the sureties or insurers thereunder, and in connection therewith to execute instruments of release and satisfaction.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default, rights and remedies may be pursued pursuant to the terms of the Borrower Loan Documents and the Funding Loan Documents. The parties hereto acknowledge that, among the possible outcomes to the pursuit of such remedies, is the situation where the Funding Lender assignees or designees become the owner of the Project and assume the obligations identified above, and the Borrower Note, the Borrower Loan and the other Borrower Loan Documents and Funding Loan Documents remain outstanding.

ARTICLE IX SPECIAL PROVISIONS

Section 9.1 Sale of Note and Secondary Market Transaction.

Section 9.1.1 Cooperation. Subject to the restrictions of Section 2.5 and Section 2.6 of the Funding Loan Agreement, at the Funding Lender's or the Servicer's request (to the extent not already required to be provided by the Borrower under this Borrower Loan

Agreement), the Borrower shall use reasonable efforts to satisfy the market standards to which the Funding Lender or the Servicer customarily adheres or which may be reasonably required in the marketplace or by the Funding Lender or the Servicer in connection with one or more permitted sales or assignments of all or a portion of the Governmental Lender Note or participations therein or securitizations of single or multi-class securities (the "Securities") secured by or evidencing ownership interests in all or a portion of the Governmental Lender Note (each such sale, assignment and/or securitization, a "Secondary Market Transaction"); provided that the Borrower shall not incur any third party or other out-of-pocket costs and expenses in connection with a Secondary Market Transaction, including the costs associated with the delivery of any Provided Information or any opinion required in connection therewith, and all such costs shall be paid by the Funding Lender or the Servicer, and shall not materially modify the Borrower's rights or obligations. Without limiting the generality of the foregoing, the Borrower shall, so long as the Borrower Loan is still outstanding:

(a) (i) provide such financial and other information with respect to the Borrower Loan, and with respect to the Project, the Borrower, the Property Manager, the contractor of the Project or the Borrower Controlling Entity, (ii) provide financial statements, audited, if available, relating to the Project with customary disclaimers for any forward looking statements or lack of audit, and (iii), at the expense of the Funding Lender or the Servicer, perform or permit or cause to be performed or permitted such site inspection, appraisals, surveys, market studies, environmental reviews and reports (Phase I's and, if appropriate, Phase II's), engineering reports and other due diligence investigations of the Project, as may be reasonably requested from time to time by the Funding Lender or the Servicer or the Rating Agencies or as may be necessary or appropriate in connection with a Secondary Market Transaction or Exchange Act requirements (the items provided to the Funding Lender or the Servicer pursuant to this paragraph (a) being called the "Provided Information"), together, if customary, with appropriate verification of and/or consents (including, without limitation, auditor consents) to include or incorporate by reference the Provided Information in an offering document or otherwise provide the Provided Information to investors and potential investors or opinions of counsel of independent attorneys acceptable to the Funding Lender or the Servicer and the Rating Agencies;

(b) make such representations and warranties as of the closing date of any Secondary Market Transaction with respect to the Project, the Borrower, the Borrower Loan Documents and the Funding Loan Documents reasonably acceptable to the Funding Lender or the Servicer, consistent with the facts covered by such representations and warranties as they exist on the date thereof; and

(c) execute such amendments to the Borrower Loan Documents and the Funding Loan Documents to accommodate such Secondary Market Transaction so long as such amendment does not affect the economic terms of the Borrower Loan Documents and the Funding Loan Documents, does not impose any additional administrative burden on the Borrower, and is not otherwise adverse to the Borrower in its reasonable discretion.

Section 9.1.2 **Use of Information.** The Borrower understands that certain of the Provided Information and the required records may be included in disclosure documents in connection with a Secondary Market Transaction, including a prospectus or private placement memorandum (each, a “Secondary Market Disclosure Document”), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies and service providers or other parties relating to the Secondary Market Transaction. In the event that the Secondary Market Disclosure Document is required to be revised, the Borrower shall cooperate, subject to Section 9.1.1(c) hereof, with the Funding Lender and the Servicer in updating the Provided Information or required records for inclusion or summary in the Secondary Market Disclosure Document or for other use reasonably required in connection with a Secondary Market Transaction by providing all current information pertaining to the Borrower and the Project necessary to keep the Secondary Market Disclosure Document accurate and complete in all material respects with respect to such matters. The Borrower hereby consents to any and all such disclosures of such information.

Section 9.1.3 **Borrower Obligations Regarding Secondary Market Disclosure Documents.** In connection with a Secondary Market Disclosure Document, the Borrower shall provide, or in the case of a Borrower-engaged third party such as the Property Manager, cause it to provide, information reasonably requested by the Funding Lender pertaining to the Borrower, the Project or such third party (and portions of any other sections reasonably requested by the Funding Lender pertaining to the Borrower, the Project or the third party); provided that the Borrower shall not be required to incur any third party or other out of pocket costs or expenses in connection therewith. The Borrower shall, if requested by the Funding Lender and the Servicer, certify in writing that the Borrower has carefully examined those portions of such Secondary Market Disclosure Document, pertaining to the Borrower, the Project or the Property Manager, and such portions (and portions of any other sections reasonably requested and pertaining to the Borrower, the Project or the Property Manager) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; provided that the Borrower shall not be required to make any representations or warranties regarding any Provided Information obtained from a third party except with respect to information it provided to such parties. Furthermore, the Borrower hereby indemnifies the Funding Lender and the Servicer for any Liabilities to which any such parties may become subject to the extent such Liabilities arise out of or are based upon a misrepresentation by the Borrower in the Provided Information in a Secondary Market Disclosure Document; provided that the Borrower shall not provide any indemnification regarding any Provided Information obtained from unrelated third parties (except with respect to the information it provided to such parties).

Section 9.1.4 **Borrower Indemnity Regarding Filings.** In connection with filings under the Exchange Act or the Securities Act, the Borrower shall (i) indemnify the Funding Lender, the Governmental Lender, the Fiscal Agent, the underwriter group for any securities (the “Underwriter Group”) for any Liabilities to which Funding Lender, the Governmental Lender,

the Fiscal Agent, the Servicer or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or alleged omission to state in the Provided Information of a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in the light of the circumstances under which they were made not misleading and (ii) reimburse the Funding Lender, the Servicer, the Governmental Lender, the Fiscal Agent, the Underwriter Group and other indemnified parties listed above for any legal or other expenses reasonably incurred by the Funding Lender, the Governmental Lender, the Fiscal Agent, the Servicer or the Underwriter Group in connection with defending or investigating the Liabilities; provided that the Borrower shall not provide any indemnification regarding any Provided Information obtained from unrelated third parties except with respect to information it provided to such parties.

Section 9.1.5 Indemnification Procedure. Promptly after receipt by an indemnified party under Sections 9.1.3 and 9.1.4 hereof of notice of the commencement of any action for which a claim for indemnification is to be made against the Borrower, such indemnified party shall notify the Borrower in writing of such commencement, but the omission to so notify the Borrower will not relieve the Borrower from any liability that it may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the Borrower. In the event that any action is brought against any indemnified party, and it notifies the Borrower of the commencement thereof, the Borrower will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by Written Notice delivered to the indemnified party promptly after receiving the aforesaid notice of commencement, to assume the defense thereof with counsel selected by the Borrower and reasonably satisfactory to such indemnified party in its sole discretion. After notice from the Borrower to such indemnified party under this Section 9.1.5, the Borrower shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided however, that each indemnified party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel, investigation and defense if, in such indemnified party's good faith judgment (based on the advice of counsel) a conflict of interest exists or could arise by reason of common representation. No indemnified party shall settle or compromise any claim for which the Borrower may be liable hereunder without the prior Written Consent of the Borrower, and an indemnified party shall have the right to review and approve or disapprove any compromise or settlement by the Borrower, which approval shall not be unreasonably withheld, prior to the acceptance of any compromise or settlement by the Borrower.

Section 9.1.6 Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 9.1.4 hereof is for any reason held to be unenforceable by an indemnified party in respect of any Liabilities (or action in respect thereof) referred to therein which would otherwise be

indemnifiable under Section 9.1.4 hereof, the Borrower shall contribute to the amount paid or payable by the indemnified party as a result of such Liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 10(f) of the Securities Act) shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the indemnified parties and the Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. The parties hereto hereby agree that it may not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

ARTICLE X MISCELLANEOUS

Section 10.1 Notices. All notices, consents, approvals and requests required or permitted hereunder or under any other Borrower Loan Document or Funding Loan Document (a "notice") shall be deemed to be given and made when delivered by hand, by recognized overnight delivery service, confirmed facsimile transmission (provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day), or five (5) calendar days after deposited in the United States mail, registered or certified, postage prepaid, with return receipt requested, addressed as follows:

If to the Borrower: Pinnacle 441 Phase 2, LLC
c/o Pinnacle Communities
9400 South Dadeland Boulevard, Suite 100
Miami, Florida 33156
Attention: David O. Deutch
Facsimile: (305) 859-9858
Telephone: (305) 854-7100
Email: david@pinnaclehousing.com

with a copy to: Shutts & Bowen LLP
200 South Biscayne Boulevard, Suite 4100
Miami, Florida 33131
Attention: Robert Cheng, Esq.
Telephone: (305) 415-9083
Email: rcheng@shutts.com

with copy to: Bank of America, N.A.
MA5-100-04-11

100 Federal Street
Boston, MA 02110
Attention: Tax Credit Asset Management (Pinnacle at Tropical
Pointe)
Email: LIHTCreporting@bofa.com

with copy to: Holland & Knight LLP
10 St. James Avenue
Boston, MA 02116
Attention: Sara C. Heskett, Esq.
Email: sara.heskett@hklaw.com

If to the Governmental Lender: Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300

Ft. Lauderdale, Florida 33301
Attention: Executive Director
Telephone: (954) 357-4900

and a copy to: Broward County Attorney's Office

115 South Andrews Avenue, Room 423

Fort Lauderdale, Florida 33301

Attention: Annika Ashton, Esq.

Facsimile: (954) 357-5728

If to Funding Lender: Citibank, N.A.
388 Greenwich Street, Trading 4th Floor
New York, New York 10013
Attention: Transaction and Asset Management Group
Re: Pinnacle 441 Phase 2
Deal ID#
Facsimile: (212) 723-8209

with a copy to: Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager

Re: Pinnacle 441 Phase 2
Deal ID#
Facsimile: (805) 557-0924

and

Citibank, N.A.
c/o Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Re: Pinnacle 441 Phase 2
Deal ID#
Facsimile: (215) 328-0305

And a copy of any notices of
default sent to:

Citibank, N.A.
388 Greenwich Street, 17th Floor
New York, New York 10013
Attention: General Counsel's Office
Re: Pinnacle 441 Phase 2
Deal ID#
Facsimile: (646) 291-5754

If to Fiscal Agent:

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 33256
Attention: Broward HFA Relationship Manager
Email: colin.crisp@bnymellon.com
Telephone: (904) 645-1926

Any party may change such party's address for the notice or demands required under this Borrower Loan Agreement by providing written notice of such change of address to the other parties by written notice as provided herein.

The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Borrower Loan Agreement and related financing documents and delivered using Electronic Means; provided, however, that Borrower, and/or the Governmental Lender, as applicable, or and such other party giving such instruction (the "Sender") shall provide to the Fiscal Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended

by Governmental Lender and/or the Borrower, as applicable, the Sender whenever a person is to be added or deleted from the listing. "Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder. If the Governmental Lender and/or the Borrower, as applicable, elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent's understanding of such Instructions shall be deemed controlling. The Governmental Lender and the Borrower understand and agree that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The Governmental Lender and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the Governmental Lender, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Governmental Lender and/or the Borrower, as applicable. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Governmental Lender and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Governmental Lender and/or the Borrower, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 10.2 Brokers and Financial Advisors. The Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the Borrower Loan, other than those disclosed to the Funding Lender and whose fees shall be paid by the Borrower pursuant to separate agreements. The Borrower and the Funding Lender shall indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from a claim by any Person that such Person acted on behalf of the indemnifying party in connection with the transactions contemplated herein. The provisions of this Section 10.2 shall survive the expiration and termination of this Borrower Loan Agreement and the repayment of the Borrower Payment Obligations.

Section 10.3 Survival. This Borrower Loan Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by the Governmental Lender of the Borrower Loan and the execution and delivery to the Governmental Lender of the Borrower Note and the assignment of the Borrower Note to the Funding Lender, and shall continue in full force and effect so long as all or any of the Borrower Payment Obligations is unpaid. All the Borrower's covenants and agreements in this Borrower Loan Agreement shall inure to the benefit of the respective legal representatives, successors and assigns of the Governmental Lender, the Fiscal Agent the Funding Lender and the Servicer.

Section 10.4 Preferences. The Governmental Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by the Borrower to any portion of the Borrower Payment Obligations. To the extent the Borrower makes a payment to the Governmental Lender, the Fiscal Agent or the Servicer, or the Governmental Lender, the Fiscal Agent or the Servicer receives proceeds of any collateral, which is in whole or part subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Borrower Payment Obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by the Governmental Lender or the Servicer.

Section 10.5 Waiver of Notice. The Borrower shall not be entitled to any notices of any nature whatsoever from the Funding Lender, the Fiscal Agent or the Servicer except with respect to matters for which this Borrower Loan Agreement or any other Borrower Loan Document specifically and expressly provides for the giving of notice by the Funding Lender, the Fiscal Agent or the Servicer, as the case may be, to the Borrower and except with respect to matters for which the Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. The Borrower hereby expressly waives the right to receive any notice from the Funding Lender, the Fiscal Agent or the Servicer, as the case may be, with respect to any matter for which no Borrower Loan Document specifically and expressly provides for the giving of notice by the Funding Lender, the Fiscal Agent or the Servicer to the Borrower.

Section 10.6 Offsets, Counterclaims and Defenses. The Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by the Funding Lender, the Fiscal Agent, the Governmental Lender or the Servicer with respect to a Borrower Loan Payment. Any assignee of the Funding Lender's, the Governmental Lender's or the Fiscal Agent's interest in and to the Borrower Loan Documents or the Funding Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses that are unrelated to the Borrower Loan Documents or the Funding Loan Documents which the Borrower may otherwise have against any assignor of such documents, and no such unrelated offset, counterclaim or defense shall be interposed or

asserted by the Borrower in any action or proceeding brought by any such assignee upon such documents, and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by the Borrower.

Section 10.7 Publicity. The Funding Lender and the Servicer (and any Affiliates of either party) shall have the right to issue press releases, advertisements and other promotional materials describing the Funding Lender's or the Servicer's participation in the making of the Borrower Loan or the Borrower Loan's inclusion in any Secondary Market Transaction effectuated by the Funding Lender or the Servicer or one of its or their Affiliates. All news releases, publicity or advertising by the Borrower or its Borrower Affiliates through any media intended to reach the general public, which refers to the Borrower Loan Documents or the Funding Loan Documents, the Borrower Loan, the Funding Lender or the Servicer in a Secondary Market Transaction, shall be subject to the prior Written Consent of the Funding Lender or the Servicer, as applicable.

Section 10.8 Construction of Documents. The parties hereto acknowledge that they were represented by counsel in connection with the negotiation and drafting of the Borrower Loan Documents and the Funding Loan Documents and that the Borrower Loan Documents and the Funding Loan Documents shall not be subject to the principle of construing their meaning against the party that drafted them.

Section 10.9 No Third Party Beneficiaries. The Borrower Loan Documents and the Funding Loan Documents are solely for the benefit of the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer and the Borrower and, with respect to Sections 9.1.3 and 9.1.4 hereof, the Underwriter Group, and nothing contained in any Borrower Loan Document shall be deemed to confer upon anyone other than the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer, and the Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 10.10 Assignment. The Borrower Loan, the Security Instrument, the Borrower Loan Documents and the Funding Loan Documents and all Funding Lender's or Fiscal Agent's rights, title, obligations and interests therein may be assigned by the Funding Lender or the Fiscal Agent, as appropriate, at any time in its sole discretion, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise, subject to the requirements of Article II of the Funding Loan Agreement. Upon such assignment, all references to Funding Lender or the Fiscal Agent, as appropriate, in this Borrower Loan Agreement and in any Borrower Loan Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of the Funding Lender or the Fiscal Agent, as appropriate. The Borrower shall accord full recognition to any such assignment, and all rights and remedies of Funding Lender in connection with the interest so assigned shall be as fully enforceable by such assignee as they were by Funding Lender before such assignment. In connection with any proposed assignment, Funding Lender may disclose to the proposed assignee any information that Borrower has delivered, or caused to be

delivered, to Funding Lender with reference to the Borrower, Borrower Manager, Guarantors or any Borrower Affiliate, or the Project, including information that the Borrower is required to deliver to Funding Lender pursuant to this Borrower Loan Agreement, provided that such proposed assignee agrees to treat such information as confidential. The Borrower may not assign its rights, interests or obligations under this Borrower Loan Agreement or under any of the Borrower Loan Documents or Funding Loan Documents, or the Borrower's interest in any moneys to be disbursed or advanced hereunder, except only as may be expressly permitted hereby.

Section 10.11 Governmental Lender, Funding Lender, Fiscal Agent and Servicer Not in Control; No Partnership. None of the covenants or other provisions contained in this Borrower Loan Agreement shall, or shall be deemed to, give the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer the right or power to exercise control over the affairs or management of the Borrower, the power of the Governmental Lender, the Fiscal Agent, the Funding Lender and the Servicer being limited to the rights to exercise the remedies referred to in the Borrower Loan Documents and the Funding Loan Documents. The relationship between the Borrower and the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Borrower Loan Documents or the Funding Loan Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between the Borrower and the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer or to create an equity interest in the Project in the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer. Neither the Governmental Lender, the Funding Lender, the Fiscal Agent nor the Servicer undertakes or assumes any responsibility or duty to the Borrower or to any other person with respect to the Project or the Borrower Loan, except as expressly provided in the Borrower Loan Documents or the Funding Loan Documents; and notwithstanding any other provision of the Borrower Loan Documents and the Funding Loan Documents: (1) the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer are not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of the Borrower or its stockholders, members, or partners and the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer do not intend to ever assume such status; (2) the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer shall in no event be liable for any the Borrower Payment Obligations, expenses or losses incurred or sustained by the Borrower; and (3) the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer shall not be deemed responsible for or a participant in any acts, omissions or decisions of the Borrower, the Borrower Controlling Entities or its stockholders, members, or partners. The Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer and the Borrower disclaim any intention to create any partnership, joint venture, agency or common interest in profits or income between the Governmental Lender, the Funding Lender, the Fiscal Agent, the Servicer and the Borrower, or to create an equity

interest in the Project in the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer, or any sharing of liabilities, losses, costs or expenses.

Section 10.12 Release. The Borrower hereby acknowledges that it is executing this Borrower Loan Agreement and each of the Borrower Loan Documents and the Funding Loan Documents to which it is a party as its own voluntary act free from duress and undue influence.

Section 10.13 Term of this Borrower Loan Agreement. This Borrower Loan Agreement shall be in full force and effect until all payment obligations of the Borrower hereunder have been paid in full and the Borrower Loan and the Funding Loan have been retired or the payment thereof has been provided for; except that on and after payment in full of the Borrower Note, this Borrower Loan Agreement shall be terminated, without further action by the parties hereto; provided, however, that the obligations of the Borrower under Sections 5.12, 5.15, 5.16, 9.1.4, 9.1.5, 9.1.6 and 10.14 hereof shall survive the termination of this Borrower Loan Agreement.

Section 10.14 Reimbursement of Expenses. If, upon or after the occurrence of any Event of Default or Potential Default, the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer shall employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein, the Borrower will on demand therefor reimburse the Governmental Lender, the Funding Lender, the Fiscal Agent and the Servicer for fees of such attorneys and such other expenses so incurred.

Section 10.15 Permitted Contests. Notwithstanding anything to the contrary contained in this Borrower Loan Agreement, Borrower shall have the right to contest or object in good faith to any claim, demand, levy or assessment (other than in respect of Debt or Contractual Obligations of Borrower under any Borrower Loan Document or Related Document) by appropriate legal proceedings that are not prejudicial to Funding Lender's rights or the Governmental Lender's rights, but this shall not be deemed or construed as in any way relieving, modifying or providing any extension of time with respect to the Borrower's covenant to pay and comply with any such claim, demand, levy or assessment, unless the Borrower shall have given prior Written Notice to the Governmental Lender and the Funding Lender of the Borrower's intent to so contest or object thereto, and unless (i) the Borrower has, in the Funding Lender's judgment, a reasonable basis for such contest, (ii) the Borrower pays when due any portion of the claim, demand, levy or assessment to which the Borrower does not object, (iii) the Borrower demonstrates to Funding Lender's reasonable satisfaction that such legal proceedings shall conclusively operate to prevent enforcement prior to final determination of such proceedings, (iv) if required by the Funding Lender, the Borrower furnishes such bond, surety, undertaking or other security in connection therewith as required by law, or as reasonably requested by and satisfactory to Funding Lender, to stay such proceeding, which bond, surety, undertaking or other security shall be issued by a bonding company, insurer or surety company reasonably satisfactory to Funding Lender and shall be

sufficient to cause the claim, demand, levy or assessment to be insured against by the Title Company or removed as a lien against the Project, (v) the Borrower at all times prosecutes the contest with due diligence, and (vi) the Borrower pays, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by the Borrower, the amount so determined to be due and owing by the Borrower. In the event that the Borrower does not make, promptly following a determination of the amount of such claim, demand, levy or assessment due and owing by the Borrower, any payment required to be made pursuant to clause (vi) of the preceding sentence, an Event of Default shall have occurred, and Funding Lender may draw or realize upon any bond or other security delivered to Funding Lender in connection with the contest by the Borrower, in order to make such payment.

Section 10.16 Funding Lender Approval of Instruments and Parties. All proceedings taken in accordance with transactions provided for herein, and all surveys, appraisals and documents required or contemplated by this Borrower Loan Agreement and the persons responsible for the execution and preparation thereof, shall be satisfactory to and subject to approval by the Funding Lender. The Funding Lender's approval of any matter in connection with the Project shall be for the sole purpose of protecting the security and rights of the Funding Lender. No such approval shall result in a waiver of any default of the Borrower. In no event shall the Funding Lender's approval be a representation of any kind with regard to the matter being approved.

Section 10.17 Funding Lender Determination of Facts. The Funding Lender shall at all times be free to establish independently, to its reasonable satisfaction, the existence or nonexistence of any fact or facts, the existence or nonexistence of which is a condition of this Borrower Loan Agreement.

Section 10.18 Calendar Months. With respect to any payment or obligation that is due or required to be performed within a specified number of Calendar Months after a specified date, such payment or obligation shall become due on the day in the last of such specified number of Calendar Months that corresponds numerically to the date so specified; provided, however, that with respect to any obligation as to which such specified date is the 29th, 30th or 31st day of any Calendar Month: if the Calendar Month in which such payment or obligation would otherwise become due does not have a numerically corresponding date, such obligation shall become due on the first day of the next succeeding Calendar Month.

Section 10.19 Determinations by Lender. Except to the extent expressly set forth in this Borrower Loan Agreement to the contrary, in any instance where the consent or approval of the Governmental Lender and the Funding Lender may be given or is required, or where any determination, judgment or decision is to be rendered by the Governmental Lender and the Funding Lender under this Borrower Loan Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by the Governmental Lender and the Funding Lender, as applicable (or

its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

Section 10.20 Governing Law. This Borrower Loan Agreement shall be governed by and enforced in accordance with the laws of the State, without giving effect to the choice of law principles of the State that would require the application of the laws of a jurisdiction other than the State.

Section 10.21 Consent to Jurisdiction and Venue. The Borrower agrees that any controversy arising under or in relation to this Borrower Loan Agreement shall be litigated exclusively in the County. The state and federal courts and authorities with jurisdiction in the County shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Borrower Loan Agreement. The Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Beneficiary Parties' right to bring any suit, action or proceeding relating to matters arising under this Borrower Loan Agreement against the Borrower or any of the Borrower's assets in any court of any other jurisdiction.

Section 10.22 Successors and Assigns. This Borrower Loan Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors, successors-in-interest and assigns, as appropriate, of such parties. References to a "person" or "persons" shall be deemed to include individuals and entities.

Section 10.23 Severability. The invalidity, illegality or unenforceability of any provision of this Borrower Loan Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

Section 10.24 Entire Agreement; Amendment and Waiver. This Borrower Loan Agreement contains the complete and entire understanding of the parties with respect to the matters covered. This Borrower Loan Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Borrower Loan Agreement shall be considered as a general waiver.

Section 10.25 Counterparts. This Borrower Loan Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

Section 10.26 Captions. The captions of the sections of this Borrower Loan Agreement are for convenience only and shall be disregarded in construing this Borrower Loan Agreement.

Section 10.27 Servicer. The Borrower hereby acknowledges and agrees that, pursuant to the terms of [Section 38] of the Security Instrument: (a) from time to time, the Governmental Lender or the Funding Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under the Borrower Note, this Borrower Loan Agreement or the other Borrower Loan Documents, and to otherwise service the Borrower Loan and (b) unless the Borrower receives Written Notice from the Governmental Lender or the Funding Lender to the contrary, any action or right which shall or may be taken or exercised by the Governmental Lender or the Funding Lender may be taken or exercised by such servicer with the same force and effect.

Section 10.28 Beneficiary Parties as Third Party Beneficiary. Each of the Beneficiary Parties shall be a third party beneficiary of this Borrower Loan Agreement for all purposes.

Section 10.29 Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND THE BENEFICIARY PARTIES OTHER THAN THE GOVERNMENTAL LENDER (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS BORROWER LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY OTHER THAN THE GOVERNMENTAL LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 10.30 Time of the Essence. Time is of the essence with respect to this Borrower Loan Agreement.

Section 10.31 [Reserved]

Section 10.32 Americans with Disabilities Act. The Borrower hereby certifies that it will comply with the ADA. The Borrower will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the ADA. The Borrower will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the Borrower, relating to this Borrower Loan Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section.

ARTICLE XI
LIMITATIONS ON LIABILITY

Section 11.1 Limitation on Liability. Notwithstanding anything to the contrary herein, the liability of the Borrower hereunder and under the other Borrower Loan Documents and the Funding Loan Documents shall be limited to the extent set forth in the Borrower Note.

Section 11.2 Limitation on Liability of Governmental Lender. The Governmental Lender shall not be obligated to pay the principal (or Prepayment Premium) of or interest on the Funding Loan, except from moneys and assets received by the Fiscal Agent or the Funding Lender on behalf of the Governmental Lender pursuant to this Borrower Loan Agreement. Any obligation or liability of the Governmental Lender created by or arising out of this Borrower Loan Agreement (including, without limitation, any liability created by or arising out of the representations, warranties or covenants set forth herein or otherwise) shall not impose a debt or pecuniary liability upon the Governmental Lender or a charge upon its general credit, but shall be payable solely out of the moneys due and to become due under the Funding Loan Documents (and not from any moneys due or to become due to the Governmental Lender pursuant to the Unassigned Rights). Neither the issuance of the Funding Loan nor the delivery of this Borrower Loan Agreement shall, directly or indirectly or contingently, obligate the Governmental Lender to make any appropriation for payment of the Funding Loan. No agreements or provisions contained in this Borrower Loan Agreement, the Funding Loan Agreement, any other Funding Loan Document, nor any agreement, covenant or undertaking by the Governmental lender contained in any document executed by the Governmental Lender in connection with the Project or the issuance, sale and delivery of the Governmental Lender Note shall give rise to any pecuniary liability of the Governmental Lender or a charge against its general credit or taxing powers, or shall obligate the Governmental Lender financially in any way. Nothing in the Funding Loan or this Borrower Loan Agreement or the proceedings of the Governmental Lender authorizing the Funding Loan or in the Act or laws of the State or in any other related document shall be construed to authorize the Governmental Lender to create a debt of the Governmental Lender within the meaning of constitutional or statutory provision of the State. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Governmental Lender in his or her individual capacity, and neither any employee or officer of the Governmental Lender nor any officer thereof executing the Governmental Lender Note shall be liable personally on the Governmental Lender Note or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee or agent of the Governmental Lender shall incur any personal liability with respect to any other action taken by him or her pursuant to this Borrower Loan Agreement, the Funding Loan Agreement, the Act or the Law. No breach of any pledge, obligation or agreement of the Governmental Lender hereunder may impose any pecuniary liability upon the Governmental Lender or any charge upon its general credit. The Governmental Lender shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any

conceivable theory, under or by reason of or in connection with this Borrower Loan Agreement, Funding Loan or the Funding Loan Agreement, except only to the extent amounts are received for the payment thereof from the Borrower under this Borrower Loan Agreement.

The Borrower hereby acknowledges that the Governmental Lender's sole source of moneys to repay the Funding Loan will be provided by the payments made by the Borrower pursuant to this Borrower Loan Agreement and the Borrower Note, together with investment income on certain funds and accounts held by the Fiscal Agent under the Funding Loan Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Prepayment Premium) of and interest on the Funding Loan as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from the Fiscal Agent, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Prepayment Premium) of or interest on the Funding Loan, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Fiscal Agent, the Borrower, the Governmental Lender or any third party, subject to any right of reimbursement from the Fiscal Agent, the Governmental Lender or any such third party, as the case may be, therefor.

THE FUNDING LOAN IS ORIGINATED PURSUANT TO THE ACT AND IN ACCORDANCE WITH THE COUNTY AUTHORIZATION, THE RESOLUTION AND THE ACT AND IS A LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER. NEITHER THE GOVERNMENTAL LENDER, THE COUNTY NOR ANY OFFICIAL OR EMPLOYEE OF THE GOVERNMENTAL LENDER, NOR ANY PERSON EXECUTING THE FUNDING LOAN, SHALL BE LIABLE PERSONALLY ON THE FUNDING LOAN OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF ITS ISSUANCE. THE FUNDING LOAN, THE GOVERNMENTAL LENDER NOTE AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THE FUNDING LOAN AGREEMENT. NEITHER THE GOVERNMENTAL LENDER, THE COUNTY, THE STATE NOR ANY OTHER POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH FUNDING LOAN, THE GOVERNMENTAL LENDER NOTE OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR. THE FUNDING LOAN, THE GOVERNMENTAL LENDER NOTE AND THE INTEREST THEREON DO NOT AND SHALL NEVER CONSTITUTE A DEBT OF INDEBTEDNESS OR A GENERAL OBLIGATION OF THE GOVERNMENTAL LENDER, THE COUNTY, THE STATE OR ANY MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE GOVERNMENTAL LENDER, THE COUNTY, THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF OR THE FAITH AND CREDIT OF THE GOVERNMENTAL LENDER IS PLEDGED TO THE PAYMENT THE PRINCIPAL OF PREMIUM, IF ANY, OR INTEREST ON THE FUNDING LOAN, THE GOVERNMENTAL LENDER NOTE OR OTHER COSTS INCIDENT THERETO. THE

FUNDING LOAN AND GOVERNMENTAL LENDER NOTE ARE NOT DEBTS OF THE UNITED STATES OF AMERICA. THE GOVERNMENTAL LENDER HAS NO TAXING POWER.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Funding Loan or for any claim based thereon or upon any obligation, covenant or agreement in this Borrower Loan Agreement contained, against any past, present or future member of the Governmental Lender, the County, its respective governing body, officers, attorneys, accountants, financial advisors, agents or staff or the officers, attorneys, accountants, financial advisors, agents or staff of any successor public entity, as such, either directly or through the Governmental Lender, the County or any successor public entity, under any rule of law or penalty of otherwise, and all such liability of any member of the Governmental Lender, its governing body and its officers, attorneys, accountants, financial advisors, agents and staff is hereby, and by the acceptance of the Funding Loan, expressly waived and released as a condition of, and in consideration for, the execution of this Borrower Loan Agreement and the issuance of the Funding Loan. It is recognized that notwithstanding any other provision of this Borrower Loan Agreement, neither the Borrower, the Funding Lender nor the Fiscal Agent shall look to the members of the Governmental Lender or the County or its officers, program participants, attorneys, accountants, financial advisors, agents or staff, past, present or future, for damages suffered by the Borrower, the holders or such Fiscal Agent as a result of the failure of the Governmental Lender to perform any covenant, undertaking or obligation under this Borrower Loan Agreement, the Funding Loan, the Regulatory Agreement, any of the other Funding Loan Documents or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Governmental Lender in any of such documents, nor for any other reason except for representations made by the Governmental Lender in any certificate of the Governmental Lender and the opinion of counsel to the Governmental Lender delivered on the date of origination of the Funding Loan. Although this Borrower Loan Agreement recognizes that such documents shall not give rise to any pecuniary liability of the Governmental Lender, nothing contained in this Borrower Loan Agreement shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Governmental Lender) in any court or before any governmental body, agency or instrumentality or otherwise against the Governmental Lender or any of its officers or employees to enforce the provisions of any of such documents which the Governmental Lender is obligated to perform and the performance of which the Governmental Lender has not assigned to the Fiscal Agent or any other person.

Section 11.3 Waiver of Personal Liability. No member, director, officer, agent, elected official or employee of the Governmental Lender shall be individually or personally liable for the payment of any principal (or prepayment price) of or interest on the Funding Loan or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Borrower Loan Agreement; but nothing herein contained

shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Borrower Loan Agreement.

Section 11.4 Limitation on Liability of Funding Lender's Officers, Employees, Etc.

(a) The Borrower assumes all risks of the acts or omissions of the Governmental Lender, the Fiscal Agent and the Funding Lender, provided, however, this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the Governmental Lender, the Fiscal Agent and the Funding Lender at law or under any other agreement. None of Governmental Lender, the Fiscal Agent or the Funding Lender, nor the other Beneficiary Parties or their respective officers, directors, employees or agents shall be liable or responsible for (i) for any acts or omissions of the Governmental Lender, the Fiscal Agent and the Funding Lender; or (ii) the validity, sufficiency or genuineness of any documents, or endorsements, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged. In furtherance and not in limitation of the foregoing, the Governmental Lender, the Fiscal Agent and the Funding Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, unless acceptance in light of such notice or information constitutes gross negligence or willful misconduct on the part of the Governmental Lender, the Fiscal Agent or the Funding Lender.

(b) None of the Governmental Lender, the Fiscal Agent, the Funding Lender, the other Beneficiary Parties or any of their respective officers, directors, employees or agents shall be liable to any contractor, subcontractor, supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with the Project. The Governmental Lender, the Fiscal Agent and the Funding Lender shall not be liable for any debts or claims accruing in favor of any such parties against Borrower or others or against the Project. Borrower is not and shall not be an agent of the Governmental Lender, the Fiscal Agent or the Funding Lender for any purpose. Neither the Governmental Lender, the Fiscal Agent nor the Funding Lender is a joint venture partner or member with Borrower in any manner whatsoever. Prior to default by Borrower under this Borrower Loan Agreement and the exercise of remedies granted herein, the Governmental Lender, the Fiscal Agent and the Funding Lender shall not be deemed to be in privity of contract with any contractor or provider of services to the Project, nor shall any payment of funds directly to a contractor, subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by the Governmental Lender, the Fiscal Agent and the Funding Lender. Approvals granted by the Governmental Lender, the Fiscal Agent and the Funding Lender for any matters covered under this Borrower Loan Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or, if not in writing, such approvals shall be solely for the benefit of Borrower.

(c) Any obligation or liability whatsoever of the Governmental Lender, the Fiscal Agent and the Funding Lender that may arise at any time under this Borrower Loan Agreement or any other Borrower Loan Document shall be satisfied, if at all, out of the Funding Lender's

assets only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the Project or any of the Governmental Lender's, the Fiscal Agent's or the Funding Lender's shareholders (if any), directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

Section 11.5 Delivery of Reports, Etc. The delivery of reports, information and documents to the Governmental Lender, the Fiscal Agent and the Funding Lender as provided herein is for informational purposes only and the Governmental Lender's, the Fiscal Agent's and the Funding Lender's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein. The Governmental Lender, the Fiscal Agent and the Funding Lender shall have no duties or responsibilities except those that are specifically set forth herein, and no other duties or obligations shall be implied in this Borrower Loan Agreement against the Governmental Lender, the Fiscal Agent and the Funding Lender.

Section 11.6 Prior Bond Documents. On the Conversion Date, this Borrower Loan Agreement, the Governmental Lender Note and the Funding Loan Agreement shall amend, restate and supersede the Loan Agreement, the Bonds and the Indenture, respectively.

[The remainder of this page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Borrower Loan Agreement or caused this Borrower Loan Agreement to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC Tropical, LLC, a Florida
limited liability company, its
Authorized Member

By: _____
David O. Deutch
President

[Signature Page to Borrower Loan Agreement – Pinnacle 441 Phase 2]

GOVERNMENTAL LENDER:

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA,**
as the Governmental Lender

By: _____
Scott Ehrlich, Chair

[Signature Page to Borrower Loan Agreement – Pinnacle 441 Phase 2]

FISCAL AGENT:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

By: _____
Name: _____
Title: _____

[Signature Page to Borrower Loan Agreement –Pinnacle 441 Phase 2]

Agreed to and Acknowledged by:

FUNDING LENDER:

CITIBANK, N.A.

By: _____

[Signature Page to Borrower Loan Agreement – Pinnacle 441 Phase 2]

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

and

PINNACLE 441 PHASE 2, LLC

LOAN AGREEMENT

Relating to

[\$22,000,000]

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)**

Dated as of August 1, 2023

The interest of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the “Issuer”) in this Loan Agreement has been assigned (except for “Reserved Rights of the Issuer” defined in this Loan Agreement) pursuant to the Trust Indenture (the “Indenture”) dated as of the date hereof by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and is subject to the security interest of the Trustee thereunder.

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LOAN AGREEMENT

THIS LOAN AGREEMENT (“Agreement”) is entered into as of August 1, 2023, between the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the **“Issuer”**), and **PINNACLE 441 PHASE 2, LLC**, a Florida limited liability company (the **“Borrower”**).

RECITALS

A. The Legislature of the State of Florida (the **“State”**) has enacted the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended (the **“Act”**), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority.

B. Pursuant to the Act, the Board of County Commissioners of Broward County, Florida (the **“County”**), enacted Ordinance No. 79-41 on June 20, 1979 (the **“Ordinance”**), creating the Housing Finance Authority of Broward County, Florida to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act.

C. The Act authorizes the Issuer: (a) to make loans to any person, or to purchase loans, including federally insured mortgage loans, in order to provide financing for residential rental developments located within the Issuer’s area of operation, which are to be occupied by persons of low, moderate or middle income; (b) to issue its revenue bonds pursuant to the Act, for the purpose of obtaining money to make or to purchase such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds.

D. The Borrower has requested the Issuer to issue its \$[22,000,000] Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the **“Bonds”**), the proceeds of which will be utilized to make a loan to the Borrower for purposes of funding a portion of the costs of the acquisition, construction and equipping of a multifamily rental housing project located in the State to be known as Pinnacle 441 Phase 2, which, upon completion, will contain approximately 100 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related uses (the **“Project”**).

E. Pursuant to and in accordance with the Act, the Issuer desires to provide funds to finance a portion of the acquisition, construction and equipping of the Project by issuing the Bonds, pursuant to a Trust Indenture by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee, of even date herewith (the **“Indenture”**).

F. The proceeds of the Bonds will be used to make a loan to the Borrower (the **“Loan”**) which will be evidenced by this Agreement and a promissory note dated the date of delivery of the Bonds (the **“Note”**) from the Borrower to the Issuer.

G. The obligations of the Borrower under the Loan Agreement and the Note will be secured by the Trust Estate established under the Indenture.

H. Bank of America, N.A., a national banking association (the “**Mortgage Lender**”) has agreed to provide a construction bridge loan (the “**Mortgage Loan**”) to the Borrower, the proceeds of which shall be advanced pursuant to the Mortgage Loan Documents and used to finance a portion of the costs of the acquisition, construction and equipping of the Project. The Mortgage Lender will administer the Mortgage Loan during the Construction Phase in accordance with the Mortgage Loan Documents.

I. Citibank, N.A. (“**Citi**”), has entered into a forward commitment with the Borrower dated _____, 2023 (the “**Citi Forward Commitment**”), whereby Citi has committed, subject to the satisfaction on or before the [Forward Commitment Maturity Date] of the Conditions to Conversion set forth in the Citi Forward Commitment, to facilitate the financing of the Project in the Permanent Phase

J. If the Conditions to Conversion are satisfied on or before the Forward Commitment Maturity Date, Conversion will occur on the Conversion Date and, on such Conversion Date, (i) the Bonds shall be subject to mandatory tender in accordance with the Indenture, (ii) the purchase price of the Bonds shall be paid with amounts on deposit in the Collateral Fund (and other Eligible Funds held under the Indenture), (iii) a portion of the principal amount of the Bonds shall be cancelled such that the principal amount outstanding equals the [Actual Project Loan Amount] (as determined by Citi at such time), (iv) the Bonds shall be removed from the Book-Entry System and converted to a physical Governmental Lender Note (in the form attached to the Funding Loan Agreement) which shall be purchased by Citi, (v) the Funding Loan Agreement attached to the Indenture as Appendix C and the Borrower Loan Agreement attached to the Indenture as Appendix D shall be delivered by the respective parties and become effective and shall supersede the Indenture and this Loan Agreement, respectively, (vi) the proceeds of the Citi Purchase Price, along with other funds of the Borrower, shall be deposited into the Mortgage Loan Prepayment Fund, and (vii) the Mortgage Loan shall be paid in full with amounts on deposit in the Mortgage Loan Prepayment Fund and all security related to the Mortgage Loan shall be released or assigned to Citi. If the Conditions to Conversion are not satisfied on or before the Forward Commitment Maturity Date, the Loan will not convert from the Construction Phase to the Permanent Phase, and Citi will not have any obligation with respect to the purchase of the Governmental Lender Note.

K. The Issuer has expressly determined and hereby confirms that the issuance of the Bonds will accomplish a valid public purpose of the Issuer by enabling the Issuer to require the Borrower to comply with the provisions of this Agreement with respect to the Project and the Tax Regulatory Agreement, dated as of the same date as this Agreement.

AGREEMENTS

NOW THEREFOR, the parties hereto, intending to be legally bound hereby, and for and in consideration of the premises and the mutual covenants hereinafter contained, do hereby covenant, agree and bind themselves as follows; *provided* that any obligation of the Issuer created by or arising out of this Agreement shall never constitute a debt or a pledge of the faith and credit or the taxing power of the State, but shall be payable solely out of the Trust Estate (as defined in

the Indenture), anything herein contained to the contrary by implication or otherwise notwithstanding.

ARTICLE I DEFINITIONS

Section 1.01 *Definitions.*

All capitalized, undefined terms used herein shall have the same meanings as used in Article I of the Indenture.

Section 1.02 *Uses of Phrases.*

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “Bond,” “Bondholder,” “Holder,” “Owner,” “registered Holder” and “person” shall include the plural as well as the singular number, and the word “person” shall include corporations and associations, including public bodies, as well as persons. Any percentage of Bonds, specified herein for any purpose, is to be figured on the unpaid principal amount thereof then Outstanding. All references herein to specific sections of the Code refer to such sections of the Code and all successor or replacement provisions thereto.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01 *Representations, Covenants and Warranties of the Issuer.*

The Issuer represents, covenants and warrants the following, as of the date hereof:

(a) The Issuer is a corporate body and an instrumentality of the State. Under the provisions of the Act, the Issuer is authorized to enter into this Agreement and the Indenture, and the transactions contemplated hereunder and thereunder and to carry out its obligations hereunder and thereunder. By proper action of its members, the Issuer has been duly authorized to execute and deliver the Issuer Documents and to issue and sell the Bonds.

(b) The Issuer will not pledge the amounts derived from this Agreement other than as contemplated by the Indenture.

(c) The Issuer has determined that financing the Project by the issuance of the Bonds will achieve the public purposes of the Act.

(d) No member or director of the Issuer, nor any other official or employee of the Issuer, has any interest, financial, employment or other, in the Borrower, the Project or in the transactions contemplated hereby.

(e) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the title to office of any member of the Issuer; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery

of any of the Issuer Documents, or the issuance, execution or delivery of the Bonds; (iii) affects or questions the validity or enforceability of any of the Issuer Documents or the Bonds; (iv) questions the exclusion from gross income for federal income taxation of interest on the Bonds; or (v) questions the power or authority of the Issuer to perform its obligations under any of the Issuer Documents or the Bonds or to carry out the transactions contemplated by any of the Issuer Documents or the Bonds.

(f) The Issuer makes no representation or warranty, express or implied, that the proceeds of the Bonds will be sufficient to finance the construction and equipping of the Project or that the Project will be adequate or sufficient for the Borrower's intended purposes.

Section 2.02 *Representations, Covenants and Warranties of the Borrower and the Authorized Member.*

The Borrower and the Authorized Member, as applicable, represent, covenant and warrant that:

(a) Good Standing; Single-Purpose Covenants.

1. The Borrower (i) is a limited liability company duly organized and existing in good standing under the laws of the State, (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Agreement and the Tax Certificate, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The Borrower's business and purpose shall consist solely of the ownership, development, operation and management of the Project and such other lawful activities as are incidental, necessary or appropriate thereto. The Borrower shall not incur any indebtedness other than Project indebtedness approved by the Issuer and normal trade accounts payable in the ordinary course of the Borrower's business. The Borrower shall not assume or guaranty any other person's indebtedness or obligations. The Borrower shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The Borrower shall not institute or consent to any bankruptcy, insolvency or reorganization proceedings with respect to it, consent to the appointment of a receiver or similar official with respect to it, make any assignment for the benefit of its creditors or admit in writing its inability to pay its debts generally as they become due.

The Borrower shall: maintain books and records and bank accounts separate from those of any other person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with affiliates; and transact all business with affiliates on an arm's-length basis and pursuant to enforceable agreements. The Borrower shall not commingle its assets or funds with those of any other person.

2. The Authorized Member (i) is a limited liability company duly organized and existing in good standing under the laws of the State, (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Agreement, and the Tax Certificate, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The Authorized Member's business and purpose shall consist solely of acting as the authorized member of the Borrower. The Authorized Member shall not incur any indebtedness other than such obligations under the Project documents, the Borrower's Operating Agreement and related documents, the Borrower's Project indebtedness approved by the Issuer and normal trade accounts payable in the ordinary course of its and the Borrower's business and shall not assume or guaranty any other person's indebtedness or obligations. The Authorized Member shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The Authorized Member shall not, with respect to itself or the Borrower, institute or consent to any bankruptcy, insolvency or reorganization proceedings, consent to the appointment of a receiver or similar official, make or consent to any assignment for the benefit of creditors or admit in writing its or the Borrower's inability to pay debts generally as they become due.

The Authorized Member shall: maintain books and records and bank accounts separate from those of any other person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with affiliates; and transact all business with affiliates using reasonable and customary terms pursuant to enforceable agreements. The Authorized Member shall not commingle its assets or funds with those of any other person.

(b) Authority. The Borrower and the Authorized Member have full power and authority to (i) execute and deliver the Borrower Documents and Mortgage Loan Documents and (ii) incur the obligations provided for herein and therein, all of which have been duly authorized by all proper and necessary corporate action. All consents or approvals of any public authority which are required as a condition to the validity of this Agreement, the Tax Certificate, the Note, the Bond Purchase Agreement, and the Tax Regulatory Agreement have been obtained.

(c) Binding Agreements. The Borrower Documents and Mortgage Loan Documents have been properly executed by a duly authorized member of the Borrower and the Authorized Member and constitute valid and legally binding obligations of the Borrower, and are fully enforceable against the Borrower in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally, and with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose.

(d) Litigation. There is no litigation or proceeding pending or, to the knowledge of the Borrower, threatened against the Borrower, the Authorized Member or the Project before any court or administrative agency which, if determined adversely to the Borrower, will materially adversely

affect the Borrower or the Project, or the authority of the Borrower to enter into or perform under the Borrower Documents and Mortgage Loan Documents.

(e) Conflicts; Defaults. There is (i) no provision of the Borrower's or the Authorized Member's organizational documents or resolutions of the Borrower and no provision of any existing mortgage, indenture, contract or agreement binding on the Borrower or the Authorized Member or affecting any of the Borrower's property and (ii) to the Borrower's or the Authorized Member's knowledge, no provision of law or order of court binding upon the Borrower or the Authorized Member or affecting any of the Borrower's property, in either case which would conflict with or in any way prevent the execution, delivery, or performance of the terms of the Borrower Documents and Mortgage Loan Documents, or which would be in default or violated as a result of such execution, delivery or performance. The Borrower is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.

(f) Title to Project. The Borrower has or will have on the Closing Date good and marketable ground fee interest in the land constituting the site of the Project free and clear of any liens or encumbrances, other than the Permitted Encumbrances. The Borrower possesses, and will at all times possess, all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted or as it is intended to be conducted with respect to the Project, without known conflict with any rights of others.

(g) Indenture. The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Agreement, that it has reviewed the Indenture, and it hereby approves the Indenture. The Borrower agrees to perform fully and faithfully all the duties and obligations which the Issuer has covenanted and agreed to in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower or the Issuer is required by the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Issuer which, by its nature, cannot be delegated or assigned.

(h) Events Affecting Tax Exemption. The Borrower has not taken or permitted to be taken any action that would impair the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds, and the Borrower has never been advised that the interest is or will be subject to inclusion in gross income. As of the Closing Date, the Borrower is in compliance with all requirements contained in the Tax Certificate, and the representations set forth in the Tax Certificate pertaining to the Borrower and the Project are true and accurate in all material respects. Notwithstanding the above, if the Borrower becomes aware of any situation, event or condition which would result in the interest on the Bonds being included in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the Issuer and the Trustee.

(i) Compliance with Laws. The Project is of the type authorized and permitted by the Act and will, from the Closing Date forward, be operated in compliance with the provisions of the Act and the provisions of the Code applicable thereto. The Borrower will use due diligence to cause the Project to be operated in accordance with the Act and all other applicable laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof. The Borrower has obtained or will cause to be timely obtained all requisite approvals of

the State and of other federal and local governmental bodies required for the operation of the Project.

(j) No Material Misstatements. The representations and warranties of the Borrower contained in the Borrower Documents and Mortgage Loan Documents (including, without limitation, any information furnished by the Borrower in connection with the preparation of any materials related to the issuance or delivery of the Bonds on the Closing Date), contain no material misstatement of fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect. The representations and warranties of the Borrower and the statements, information and descriptions contained in the Official Statement and in the Borrower's closing certificates, as of the Closing Date, are true, correct and complete in all material respects, do not contain any untrue statement or misleading statement of material fact, and do not omit to state a material fact necessary to make the certifications, representations, warranties, statements, information and descriptions contained therein, in light of the circumstances under which they were made, not misleading in any material respect. The estimates and assumptions contained in this Agreement and in any certificate of the Borrower delivered as of the Closing Date are reasonable and based on the most accurate information available to the Borrower.

(k) Interest of Member or Agent of Issuer. To the knowledge of the Borrower, no member or agent of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other persons, in the loan of the bond proceeds, the Bonds, the Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Documents.

(l) Arbitrage Bonds. No money on deposit or to be deposited in any fund or account in connection with the Bonds, whether or not such money was or is to be derived from other sources, has been or will be used by or under the direction of the Borrower in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(m) Tax Returns. The Borrower has filed or caused to be filed all required federal, state and local tax returns and has paid all taxes as shown on such returns as such taxes have become due. No claims have been assessed and are unpaid with respect to such taxes.

(n) No Reliance on Issuer. The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Bonds.

(o) Fees. The Borrower shall pay all fees, including the Issuer Fee, as provided under the Note and in this Agreement.

(p) Place of Business of Borrower. The Borrower has a place of business in the State.

(q) Name of Borrower. The Borrower filed Articles of Organization with the State of Florida and since its date of filings has done business only under the name of “Pinnacle 441 Phase 2, LLC”.

(r) Governmental Requirements. To the Borrower’s knowledge, no violation of any Governmental Requirement exists with respect to the Project, the Borrower, or any other asset of the Borrower, the Project conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of Governmental Authorities having jurisdiction over the Project, all necessary utilities are available to the Project, and the Borrower has obtained or will obtain all requisite zoning approvals necessary with respect to the Project.

(s) Condemnation. No condemnation, eminent domain or similar proceeding is pending, or to the knowledge of the Borrower, threatened, with respect to the Project or any portion thereof.

(t) Governmental Approvals. The Borrower has obtained, or will obtain and has maintained as currently in full force and effect, or will be in full force and effect, all consents, and permits, licenses, accreditations, certifications and other approvals (governmental or otherwise) that:

(i) would constitute a condition precedent to, or the absence of which would materially adversely affect, the enforceability of and the performance by the Borrower of its obligations hereunder; and

(ii) are necessary for the acquisition, construction, financing and operation of the Project.

Section 2.03 Additional Representations, Warranties and Undertakings of the Borrower and the Authorized Member.

The Borrower and the Authorized Member, as applicable, make the following additional representations as the basis for their covenants and agreements herein:

(a) The execution and delivery of the Borrower Documents and Mortgage Loan Documents, and the consummation of the transactions herein and therein contemplated, including the application of the proceeds of the Bonds as so contemplated, will not conflict with, or constitute a breach of, or default by it under its formation and governance documents, or any statute, indenture, mortgage, deed of trust, lease, note, loan agreement or other agreement or instrument to which it is a party or by which it or its properties are bound, and will not constitute a violation of any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its activities or properties. Additionally, the Borrower is not in breach, default or violation of any applicable statute, indenture, mortgage, deed of trust, note, loan agreement or other agreement or instrument which would allow the obligee or obligees thereof to take any action which would preclude performance under the Borrower Documents by the Borrower.

(b) There are no actions, suits or proceedings of any type whatsoever pending or, to its knowledge, threatened against or affecting it or its assets, properties or operations which, if determined adversely to it or its interests, could have a material adverse effect upon its financial condition, assets, properties or operations and it is not in default with respect to any order or decree

of any court or any order, regulation or decree of any federal, state, municipal or governmental agency, which default would materially and adversely affect its financial condition, assets, properties or operations, or the completion of the construction of the Project.

(c) Neither any information, exhibit or report furnished to the Issuer by the Borrower in connection with the negotiation of the Borrower Documents nor any of the foregoing representations contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

(d) The Borrower shall pay all fees, costs and expenses required to be paid by the Borrower under the terms of this Agreement.

(e) None of the moneys in the Project Fund will be disbursed for or be used to pay any cost, or to reimburse the Issuer or the Borrower for any cost, which is not permitted by the Act, the Code, the Loan Agreement or the Indenture.

All representations of the Borrower contained herein and in any certificate or other instrument delivered by the Borrower pursuant to the Borrower Documents or in connection with the transaction contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds.

Section 2.04 *Tax-Exempt Status of the Bonds.*

The Borrower hereby represents, warrants and agrees that the Tax Certificate executed and delivered by the Borrower concurrently with the issuance and delivery of the Bonds is true, accurate and complete in all material respects as of the date on which executed and delivered.

Section 2.05 *Notice of Determination of Taxability.*

Promptly after the Borrower first becomes aware of any investigation relating to the tax status of the Bonds, or a Determination of Taxability, the Borrower shall give written notice thereof to the Issuer and the Trustee at the address of each party listed in Article I of the Indenture.

Section 2.06 *Conversion.*

The Borrower acknowledges and agrees that the Loan is subject to Conversion as provided for in Section 2.12 of the Indenture.

ARTICLE III CONSTRUCTION OF THE PROJECT; ISSUANCE OF THE BONDS

Section 3.01 *Agreement to Construct the Project.*

The Borrower agrees to make all contracts and do all things necessary for the construction of the Project. The Borrower further agrees that it will cause the construction of the Project with all reasonable dispatch and use its best efforts to cause the construction of the Project to be completed by the Completion Date, or as soon thereafter as may be practicable, delays caused by *force majeure* as defined in Section 7.01 hereof only excepted; but if for any reason such

construction is not completed by said Completion Date there shall be no resulting liability on the part of the Borrower or the Issuer and no diminution in or postponement of the payments required in Section 4.02 hereof to be paid by the Borrower.

Section 3.02 *Agreement to Issue, Sell and Deliver the Bonds; Deposit of Bond Proceeds.*

In order to provide funds for the payment of the Costs of the Project, the Issuer, concurrently with the execution of this Agreement, will issue, sell, and deliver the Bonds and deposit the proceeds thereof with the Trustee, which amounts shall be immediately deposited as set forth in the Indenture.

Section 3.03 *Disbursements from the Project Fund.*

In the Indenture, the Issuer has authorized and directed the Trustee to make disbursements from the Project Fund to pay Costs of the Project upon satisfaction of the requirements of the Indenture. The Trustee is directed in the Indenture to make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture as Appendix B.

The Borrower's right to request disbursements from the Project Fund is limited to the principal amount of the Loan and conditioned upon the deposit of Eligible Funds into the Collateral Fund as set forth in the Indenture.

Section 3.04 *Furnishing Documents to the Trustee.*

The Borrower agrees to cause such Requisitions to be delivered to the Trustee as may be necessary to effect payments out of the Project Fund in accordance with Section 3.03 hereof.

Section 3.05 *Establishment of Completion Date.*

(a) The Borrower Representative shall evidence completion of the Project and the actual date of completion to the Issuer and the Trustee (with copies to the Investor Member and Mortgage Lender) by an executed Completion Certificate. The Completion Certificate shall be executed by the Borrower Representative and shall state to the best information and belief of the Borrower, after due inquiry, that, except for amounts retained (subject to the provisions of this Section 3.05) by the Trustee at the Issuer's or the Borrower's direction and amount retained under the loan for any costs not then due and payable or costs due and payable, the payment of which is being diligently contested in good faith, construction of the Project has been substantially completed in material compliance with all applicable laws, regulations and agreements, and all costs of labor, services, materials and supplies used in the Project have been paid or provisions have been made for their payment, all equipment necessary for the operation of the Project has been purchased, installed and paid for, is suitable and sufficient for its intended purposes, and is fully operable, all costs and expenses incurred in connection with the Project have been paid except for amounts not yet due and payable or being diligently contested in good faith by the Borrower, and the multifamily units in the Project are suitable and sufficient for its intended purposes. Notwithstanding the foregoing, the Completion Certificate shall further state that it is given without prejudice to any rights of the Borrower against third parties which exist at the date of the Completion Certificate or which may subsequently come into being. The Completion Certificate

shall be furnished by the Borrower to the Issuer and the Trustee (with copies to the Investor Member and Mortgage Lender) promptly following the completion of the Project.

(b) Any amount (exclusive of amounts retained by the Trustee in the Project Fund for payment of Costs of the Project not then due and payable) of proceeds of the Bonds remaining in the Project Fund upon the Completion Date shall be transferred by the Trustee into the Bond Fund and used by the Trustee (i) to pay the principal of and interest on the Bonds or (ii) for any other purpose *provided* that the Trustee is furnished with an opinion of Bond Counsel to the effect that such use is lawful under the Act and will not cause interest on the Bonds to be included in gross income for federal income tax purposes. Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by the Indenture *provided* that prior to any such investment the Trustee is provided with an opinion of Bond Counsel to the effect that such investment will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 3.06 *Borrower Required to Pay in the Event Project Fund Is Insufficient.*

In the event the moneys in the Project Fund are not sufficient to pay the Costs of the Project in full, the Borrower agrees to complete the Project and to pay that portion of the Costs of the Project in excess of the moneys available therefore in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Project will be sufficient to pay all of the Costs of the Project. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower shall pay any portion of the Costs of the Project pursuant to the provisions of this Section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under this Agreement.

Section 3.07 *Special Arbitrage Certifications.*

The Borrower and the Issuer covenant (i) not to take any action or fail to take any action which would cause the interest on any of the Bonds to be or become includable in the gross income of the Holders for federal income tax purposes and (ii) not to cause or direct any moneys on deposit in any fund or account to be used in a manner that would cause the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. The Borrower certifies and covenants to and for the benefit of the Issuer and the Holders of the Bonds that so long as there are any Bonds Outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that will cause the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code.

Section 3.08 *Rebate Calculations and Payments.*

Within thirty (30) days after the end of each Bond Year and within twenty (20) days after payment in full of the Bonds, if necessary, the Borrower shall cause the Rebate Analyst to calculate the Rebate Amount as of the end of that Bond Year or the date of such payment and the Rebate Analyst shall notify the Trustee and the Borrower and the Investor Member of that amount. If the amount then on deposit in the Rebate Fund created under the Indenture is less than the Rebate

Amount (taking into account the amount or amounts, if any, previously paid to the United States), the Borrower shall, within thirty (30) days after the date of the aforesaid calculation, deposit or cause to be deposited to the credit of the Rebate Fund an amount sufficient to cause the Rebate Fund to contain an amount equal to the Rebate Amount. The obligation of the Borrower to make or cause to be made such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture or the termination of this Agreement. The Borrower shall obtain such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code and shall retain such records for at least six (6) years after the maturity or retirement of the Bonds.

Section 3.09 *Rebate Analyst.*

In accordance with Section 3.08 hereof, the Rebate Analyst shall perform any calculations required under Section 4.06 of the Indenture at the sole expense of the Borrower. In the event the Issuer does not select a Rebate Analyst when any such calculation is required, the Borrower, with the consent of the Issuer, shall appoint a Rebate Analyst, the expense of which shall be borne by the Borrower, and the Borrower shall give prompt notice in writing to the Trustee of such appointment. The Borrower further covenants that, during the term of the Bonds, in the event the Borrower sells or otherwise disposes of the Project, it will require that the transferee execute a covenant similar to that in this Section in the sale or other documents concerning the disposition and will require such transferee to include such a covenant in future transfer documents. The special covenants of the Borrower in this Section shall survive the defeasance or payment in full of the Bonds notwithstanding any other provision of this Agreement until the requirements for payment of any Rebate Amount has been fully satisfied.

ARTICLE IV LOAN PROVISIONS

Section 4.01 *Loan of Proceeds.*

The Issuer agrees, upon the terms and conditions contained in this Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Section 3.03 hereof.

Section 4.02 *Amounts Payable.*

(a) The Borrower hereby covenants and agrees to repay the Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in any account of the Bond Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Payments by the Trustee of principal of and interest on the Bonds from amounts in the Bond Fund shall be credited against the Borrower's obligation to pay principal and interest on the Loan. The Borrower also covenants and agrees to pay any additional interest, taxes or penalties that may be due as a result of a Determination of Taxability.

It is understood and agreed that all payments of principal and interest payable by the Borrower under subsection (a) of this Section 4.02 are assigned by the Issuer to the Trustee for the benefit of the Holders of the Bonds (excluding amounts on deposit in the Rebate Fund). The Borrower consents to such assignment.

(b) In the event the Borrower should fail to make any of the payments required in this Section 4.02, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

Section 4.03 *Fees and Expenses.*

On the Closing Date, the Borrower agrees to cause to be deposited amounts into the Costs of Issuance Fund as required under the Indenture, to pay: the Issuer Closing Fee, the portion of the Ongoing Issuer Fee due and payable on the Closing Date, rating agency fees, the portion of the Trustee's Fee due and payable on the Closing Date, the Remarketing Agent's Fee and the fee of the Rebate Analyst (including the reasonable fees and expenses of their respective counsel actually incurred) in connection with the issuance of the Bonds and the performance of their duties in connection with the transactions contemplated hereby, including, without limitation, all costs of recording and filing, to the extent such fees and expenses are not otherwise paid from the Costs of Issuance Fund in accordance with Section 4.07 of the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable. The Borrower will also pay any reasonable expenses actually incurred in connection with any redemption, underwriting or remarketing of the Bonds or amendments or modifications to the Documents. Specifically, and without limiting the foregoing, the Borrower agrees to pay to the Issuer, the Trustee or to any payee designated by the Issuer, within thirty (30) days after receipt of request for payment thereof, all reasonable expenses of the Issuer and the Trustee actually incurred and related to the Project and the financing thereof which are not paid from the funds held under the Indenture, including, without limitation, reasonable legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project or the Bonds or in connection with questions or other matters arising under such documents.

The obligations of the Borrower under this Section shall survive the termination of this Agreement and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents, including the Tax Regulatory Agreement.

Section 4.04 *Obligations of the Borrower Unconditional.*

The obligations of the Borrower to make the payments required under this Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other person. Subject to termination as provided herein, the Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Agreement, (ii) will perform and observe all of its other agreements contained in this Agreement and (iii) will not terminate this Agreement for any cause including, without limiting the generality of the foregoing,

any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

Section 4.05 *Remarketing of Bonds.*

The Borrower is hereby granted the right to (i) request a remarketing of the Bonds in the manner and to the extent set forth in Section 3.03 of the Indenture and (ii) with the written consent of the Remarketing Agent (which consent shall not be unreasonably withheld), designate the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.01 and 3.03 of the Indenture. Notice of any such Remarketing Period and the related Mandatory Tender Date also shall be delivered to the Issuer, the Investor Member, the Mortgage Lender and the Trustee not later than fifteen (15) days prior to the Mandatory Tender Date.

Section 4.06 *Mortgage Loan to Borrower.*

Contemporaneously with the issuance of the Bonds, it is expected that the Borrower shall proceed with obtaining the Mortgage Loan from the Mortgage Lender. In particular, the Borrower will promptly take all necessary actions on its part to close the Mortgage Loan.

The Mortgage Lender will, from time to time, deliver Eligible Funds to the Trustee for deposit into the Collateral Fund to enable the Trustee to disburse an equal amount of Bond proceeds from the Project Fund, as approved by the Mortgage Lender in connection with a completed and fully executed Requisition, in substantially the form attached to the Indenture as Appendix B.

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**ARTICLE V
SPECIAL COVENANTS**

Section 5.01 *No Warranty of Condition or Suitability by Issuer.*

THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY AS TO THE PROJECT OR THE CONDITION THEREOF, OR THAT THE PROJECT WILL BE SUITABLE FOR THE PURPOSES OR NEEDS OF THE BORROWER. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY THAT THE BORROWER WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY FOR THE BORROWER'S PURPOSES.

Section 5.02 *Access to the Project.*

The Borrower agrees that the Issuer, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Project and the construction thereof at all reasonable times upon prior written notice. The Borrower acknowledges that the Issuer shall monitor the construction of the Project. The Issuer, the Trustee and their duly authorized agents shall also be permitted, at all reasonable times upon prior written notice, to examine the books, accounts, contracts, documents, and other papers of the Borrower with respect to the Project which shall all be maintained by the Borrower in reasonable condition and for audit.

Section 5.03 *Further Assurances and Corrective Instruments.*

The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

Section 5.04 *Issuer and Borrower Representatives.*

Whenever under the provisions of this Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given in writing both for the Issuer by a duly authorized representative of the Issuer and for the Borrower by a Borrower Representative. The Trustee shall be authorized to act on any such approval or request pursuant to the Indenture.

Section 5.05 *Financing Statements.*

The Borrower shall, or shall cause to be filed any and all financing statements, or any amendments thereof or continuation statements thereto, to perfect the security interests granted in the Indenture, in the manner prescribed in the Indenture. The Borrower shall pay all costs of filing

such instruments and any fees and expenses (including reasonable attorney's fees) associated therewith.

Section 5.06 *Borrower Receipt of Insurance or Condemnation Proceeds.*

In the event the Borrower receives any proceeds of insurance or any condemnation awards with respect to the Project, the Borrower shall promptly upon receipt remit all such insurance proceeds or condemnation awards to the Mortgage Lender to the extent required by the Mortgage Loan Documents. Such proceeds shall be used to either reduce the indebtedness evidenced by the Mortgage Loan Documents or to repair or restore the loss caused to the Project pursuant to the terms and conditions of the Mortgage Loan Documents.

Section 5.07 *Borrower's Obligations Upon Tender of Bonds.*

If any tendered Bond is not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Collateral Fund, the Negative Arbitrage Account of the Bond Fund, or the Project Fund as provided in Section 3.01(e) of the Indenture for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee by the applicable times provided in the Indenture, an amount equal to the amount by which the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to Section 3.01(e) of the Indenture.

Section 5.08 *Option to Terminate.*

The Borrower shall have the option to cancel or terminate this Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee or the Issuer, or both, to meet all Loan Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed and (c) the Mortgage Loan shall be repaid in full. Such option shall be exercised by the Borrower, with approval of the Investor Member, giving the Issuer and the Trustee five (5) days' notice in writing of such cancellation or termination and such cancellation or termination shall become effective at the end of such notice period. The provisions of this Section shall not be deemed to permit a prepayment of the Note other than in accordance with its terms.

Section 5.09 *[Reserved].*

**ARTICLE VI
RESTRICTION ON TRANSFER; ASSIGNMENT, SELLING, LEASING;
INDEMNIFICATION**

Section 6.01 *Restriction on Transfer; Removal of Authorized Member.*

(a) Except as otherwise provided for herein, the Borrower will not, directly or indirectly, by operation of law or otherwise, sell, assign, grant a deed of trust, pledge, hypothecate, transfer or otherwise dispose of the Project or any interest in the Project, and will not encumber, alienate, hypothecate, grant a security interest in or grant any other ownership or control interest whatsoever in the Project, in the leases or in the rents, issues and profits therefrom.

(b) No interest in the Borrower and no ownership interest in the Authorized Member may be sold, conveyed, transferred, assigned, pledged or otherwise transferred, in whole or in part, directly or indirectly, by operation of law or otherwise other than the transfer of ownership interests after the parties have paid all installments of the equity contribution required to be delivered to the Trustee pursuant to the Operating Agreement.

(c) Notwithstanding anything contained in the subsections above and subject to subsection (l) hereof, each of the following transactions are hereby deemed to be expressly permitted hereunder:

(i) Issuance of ownership interests in the Borrower equal to 99.99% of the profits, losses, credits, distributions and other interests in the Borrower to the Investor Member;

(ii) The transfer by the Investor Member of the ownership interests in the Borrower to any other entity which is an Affiliate of the Investor Member or which is controlled by or under common control with the Investor Member or an Affiliate;

(iii) The transfer by the Investor Member of the ownership interests in the Borrower to any other entity which is not an Affiliate of the Investor Member or which is not controlled by the Investor Member with the prior written consent of the Issuer in its sole and absolute discretion, after [sixty (60)] days written notice to the Issuer of the intent to transfer;

(iv) The pledge and encumbrance of the interests of the Investor Member to or for the benefit of any financial institution which enables the Investor Member to make its capital contributions to the Borrower and any subsequent realization by any such lender upon the interests of the Investor Member in the Borrower;

(v) Following the occurrence of an Event of Default or in accordance with Subparagraph (k) of this Section, the removal of the Authorized Member by the Investor Member pursuant to the terms of the Operating Agreement of the Borrower and the replacement of the Authorized Member with the Investor Member or an Affiliate of the Investor Member;

(vi) A change in the beneficial ownership of the Investor Member, so long as each such entity remains controlled or under common control with Bank of America, N.A. or an Affiliate thereof; and

(vii) The Borrower may amend the Operating Agreement to effect the transfers and removals permitted under this paragraph (c).

Except as otherwise provided, the Borrower shall provide written notice to the Issuer and the Trustee of any transfer or amendment pursuant to this paragraph (c) at least fifteen (15) days prior to such transfer.

(d) The Borrower will not become a party to any merger or consolidation, or agree to effect any asset acquisition or stock acquisition.

(e) The Borrower will not convert the ownership of the Project into condominium or cooperative housing corporation form of ownership other than a limited equity cooperative that is a qualified cooperative housing corporation as defined in Section 143(k)(9) of the Code.

(f) The Borrower will not seek the dissolution or winding up, in whole or in part, of the Borrower or voluntarily file, or consent to the filing of, a petition for bankruptcy, reorganization, or assignment for the benefit of creditors or similar proceedings.

(g) The Borrower will not enter into any arrangement, directly or indirectly, whereby the Borrower shall sell or transfer any property owned by it in order then or thereafter to lease such property or lease other property that the Borrower intends to use for substantially the same purpose as the property being sold or transferred without the prior written consent of the Issuer in its sole and absolute discretion.

(h) The Borrower will not take any action that would adversely affect the exclusion of interest on the Bonds from gross income, for purposes of federal income taxation nor omit or fail to take any action required to maintain the exclusion of interest on the Bonds from gross income, for purposes of federal income taxation.

(i) This Agreement may not be sold, transferred or otherwise disposed of by the Borrower without the prior written consent of the Issuer (which consent shall be within the reasonable discretion of the Issuer), subject to each of the following conditions:

(i) No such assignment will relieve the Borrower from primary liability for any of its obligations hereunder (unless the Issuer agrees in writing to release the Borrower) and in the event of any such assignment, the Borrower will continue to remain primarily liable for payment of its obligations hereunder and for performance and observance of the other covenants and agreements on its part herein provided.

(ii) No such assignment will, in the opinion of Bond Counsel (all such expenses related to such opinion shall be paid by the Borrower), impair the excludability of interest on the Bonds from gross income for purposes of federal income taxation.

(iii) The assignee will assume in writing the obligations of the Borrower hereunder to the extent of the interest assigned in a form acceptable to the Issuer (the “**Assumption Agreement**”).

(iv) Prior to any such assignment, the Borrower will, furnish or cause to be furnished to the Issuer and the Trustee an executed original of the Assumption Agreement.

(j) The Borrower shall maintain its existence, not dissolve or sell, transfer or otherwise dispose of all or substantially all of its assets and not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; *provided* that it may do so if the surviving, resulting or transferee entity is other than the Borrower, it assumes in writing all of the obligations of the Borrower under the Borrower Documents and Mortgage Loan Documents and it has a net worth equal to or greater than that of the Borrower immediately prior to such consolidation, merger, sale or transfer. The Borrower shall not permit one or more other entities to consolidate with or merge into it; or take any action or allow any action to be taken to terminate the existence of the Borrower except as provided herein. No sale, assignment or transfer

of title to the Project, except as may be otherwise required by the Mortgage Lender, shall be made unless (a) the Mortgage Lender consents to such assignment or transfer, (b) the transferee or assignee, as the case may be, assumes all the duties of the Borrower under the Borrower Documents and Mortgage Loan Documents, *provided* that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation hereunder, except the Borrower's obligation to indemnify the Issuer and the Trustee and reimburse the Issuer and the Trustee for the fees and expenses of the Issuer and the Trustee, and (c) no Event of Default as certified in writing to the Issuer and the Trustee by the Borrower shall have occurred and be continuing under the Indenture or this Agreement. The Issuer shall consent to any such assignment or transfer if (i) the Mortgage Lender notifies it in writing that the aforesaid condition (a) is satisfied, (ii) the Issuer and the Trustee receives an Opinion of Bond Counsel to the effect that such transfer or assignment would not adversely affect the federal tax status of the Bonds, and (iii) the Trustee receives written confirmation from the Rating Agency that such transfer or assignment will not result in a withdrawal or reduction in any rating on the Outstanding Bonds by the Rating Agency (if the Bonds are then rated by the Rating Agency). Upon the assumption of the duties of the Borrower by an assignee as provided herein, the outgoing Borrower shall be released from all executory obligations so assumed; *provided, however*, the Borrower shall not be released from its obligation to pay or reimburse the fees and expenses of the Issuer and the Trustee and to indemnify the Trustee and the Issuer without the express written consent of the Trustee and the Issuer, as applicable, which consent shall not be unreasonably withheld. Nothing contained in this Section shall be construed to supersede any provisions regarding assignment and transfer of the Project contained in the Mortgage Loan Documents.

(k) Nothing contained in this Section shall be construed to supersede any provisions regarding assignment and transfer of the Project contained in the Mortgage Loan Documents. Notwithstanding anything to the contrary contained herein or in any other Borrower Documents or the Mortgage Loan Documents, and subject to the consent of the Mortgage Lender if required by the Mortgage Loan Documents, the following shall be permitted and shall not require the prior written approval of the Issuer or the Trustee, (a) the removal of the Authorized Member of the Borrower in accordance with the Borrower Documents and Mortgage Loan Documents and the replacement thereof with the Investor Member or any of its Affiliates, (b) the transfer of ownership interests in the Investor Member, (c) upon the expiration of the tax credit compliance period, the transfer of the interests of the Investor Member in the Borrower to the Authorized Member or any of its Affiliates, and (d) any amendment to the Borrower Documents or Mortgage Loan Documents to memorialize the transfers or removal described above. The parties agree that this section shall control to the extent of any conflict in any Borrower Documents or Mortgage Loan Documents.

Section 6.02 *Indemnification by Borrower and Authorized Member.*

(a) The Borrower and the Authorized Member (the “**Indemnitors**”) hereby agree to indemnify and save harmless the Issuer and the Trustee from and against all liabilities, obligations, suits, actions, claims, judgments, demands, damages, penalties, fines, assessments, losses, expenses, fees (including all fees of attorneys, auditors, and consultants), taxes (including rebate to the United States) but exclusive of income taxes on fees earned by the Trustee, contributions, and costs of every kind and nature (including litigation and court costs, amounts paid in settlement by or with the approval of the Borrower and amounts paid to discharge judgments) (collectively, “**Claims**”) incurred by, asserted or imposed against an Indemnified Party (hereinafter defined), the Indemnitors or any other person directly or indirectly resulting from or

arising out of or relating to (but excluding such Claims arising from the willful misconduct of the Issuer or the negligence or willful misconduct of the Trustee):

- (i) the issuance, offering, sale, delivery or remarketing of the Bonds;
- (ii) the design, construction, installation, operation, use, occupancy, maintenance, repair, management or ownership of the Project;
- (iii) the enforcement of (a) the provisions of this Agreement, the other Borrower Documents and Mortgage Loan Documents and any other document executed by the Borrower in connection with issuance of the Bonds and the making of the Loan and (b) the obligations of the Borrower imposed hereby or thereby;
- (iv) any untruthful, misleading or inaccurate information supplied by the Borrower relating to the Project, the Borrower, the Project manager or to the terms of financing relating to the Project, including, but not limited to, any breach of any representation or warranty of the Borrower set forth in the Borrower Documents and Mortgage Loan Documents or any certificate delivered pursuant thereto, and any representation, or warranty of the Borrower, or any information provided by the Borrower that contains or contained any untrue or misleading statement of fact or omits or omitted to state any material fact necessary to make the statements made therein not misleading in light of the circumstances under which they were made;
- (v) any breach or alleged breach (except in the case of a breach alleged by the Issuer or the Trustee and such alleged breach is not found by a court of competent jurisdiction) by the Borrower of the covenants contained herein;
- (vi) any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the repair, management, ownership, operation, use, non-use, maintenance, construction, design, installation, condition or occupancy of the Project or any part thereof, including any and all acts or operations relating to any construction, operation, use, non-use, design, management, ownership, condition, occupancy, maintenance, installation or repair performed by the Borrower in connection with the Project;
- (vii) violation or breach of any agreement, covenant, representation, warranty or condition of this Agreement (except in the case of a breach alleged by the Issuer or the Trustee and such alleged breach is not found by a court of competent jurisdiction) or the Note, except by the Issuer or the Trustee;
- (viii) any Determination of Taxability with respect to the Bonds, including, but not limited to, the fees and expenses of the Issuer or the Trustee and their counsel with respect to such Determination of Taxability in responding to any inquiry or audit by the Internal Revenue Service;
- (ix) the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in on or from the Project of Hazardous Materials or the violation or alleged violation of any Hazardous Materials Law or official interpretation thereof in connection with the Project or the land on which it is located arising out of or as

a result of events prior to the later of the full and final payment of the Bonds or the date of a transfer by the Borrower of all of its interests in the Project, as applicable;

(x) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever related to the Project or the Bonds, commenced or threatened against the Project or an Indemnified Party;

(xi) any action, suit, claim, demand or proceeding contesting or affecting title to the Project;

(xii) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Project or an Indemnified Party that might adversely affect the validity or enforceability of the Bonds, the Borrower Documents and Mortgage Loan Documents, or the performance by the Borrower or by any Indemnified Party of their respective obligations under the Borrower Documents and Mortgage Loan Documents, the Indenture or any other document executed in connection therewith by the Borrower or any Indemnified Party; and

(xiii) information provided by the Borrower or required and failed to be furnished by the Borrower relating to the Borrower or the Project, including, without limitation, information provided by the Borrower for inclusion in the preliminary or final Official Statement or any other offering document used in connection with the sale of the Bonds, any information furnished, or required and failed to be furnished, by the Borrower in accordance with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (if applicable), any information furnished by the Borrower for, and included in, or used as a basis for preparation of, any certifications, information statements or reports furnished by the Issuer, any other information or certification obtained from the Borrower to assure the exclusion of the interest on the Bonds from gross income of the Holders thereof for federal income tax purposes, and the transactions contemplated by the Indenture, the Bonds, and the Borrower Documents and Mortgage Loan Documents and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Indenture and the Borrower Documents and Mortgage Loan Documents.

All references to the Issuer and the Trustee in this Section shall be deemed to include all their respective past, present, and future officers, directors, members, employees, commissioners, and agents and their permitted successors and assigns (also referred to herein as “**Indemnified Parties**”).

The Indemnitors shall indemnify and save each Indemnified Party harmless from any such Claims (but excluding such Claims arising from the willful misconduct of the Issuer or the negligence or willful misconduct of the Trustee) and upon notice from such Indemnified Party, the Indemnitors shall defend them or either of them in any such action or proceeding as provided below.

Any Indemnified Party, after receipt of notice of the existence of a Claim in respect of which indemnity hereunder may be sought or of the commencement of any action against an Indemnified Party in respect of which indemnity hereunder may be sought, shall

notify the Indemnitors in writing of the existence of such Claim or commencement of such action. The Indemnitors shall undertake promptly to defend, at their sole cost and expense, any and all Claims against an Indemnified Party in connection with any of the matters indemnified against in this Section. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under this Agreement, the Indemnitors, upon receipt by either of written notice from the Indemnified Party, shall assume the investigation and defense of the Claims, including the employment of counsel selected by the Indemnitors, subject to the approval of the Indemnified Party in such party's sole discretion. The Indemnitors shall pay all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same, *provided* that the Issuer and the Trustee, as appropriate, shall have the right to review and approve or disapprove any such compromise or settlement. If (i) an Indemnified Party determines that a potential conflict of interest exists or may arise as a result of any of the Indemnitors assuming the investigation and defense of any claims, (ii) an Indemnified Party shall have been advised by counsel that there may be legal defenses available to it which are different from or additional to those available to the Indemnitors, or that a conflict exists that could affect the zealous defense of such Claims by the Indemnitors, (iii) the Indemnitors shall not have assigned the defense of such action and employed counsel therefor satisfactory to the Indemnified Party within a reasonable time after notice of commencement of such action, such Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense of the action or proceeding, and the Indemnitors shall pay the fees and expenses of such separate counsel.

(b) Notwithstanding the fact that it is the intention of the parties hereto that the Issuer shall not incur any pecuniary liability by reason of the terms of this Agreement or the Note or the undertakings required of the Issuer hereunder, by reason of the issuance of the Bonds, the execution of the Indenture or the performance of any act requested of the Issuer by the Borrower, including all claims arising in connection with the violation of any statutes or regulation pertaining to the foregoing; nevertheless, if the Issuer should incur any such pecuniary liability, then in such event the Indemnitors shall indemnify and hold the Issuer harmless against all such claims (but excluding such Claims arising from the willful misconduct of the Issuer) whatsoever, by or on behalf of any person, firm or corporation or other legal entity arising out of the same or lack of any offering statement in connection with the sale, resale or remarketing of the Bonds and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer, the Borrower shall defend the Issuer in any such action or proceeding.

(c) Failure of an Indemnified Party to provide notification to the Indemnitors required under this Section shall not operate as a waiver of the Indemnitors' indemnification obligations in this Section.

(d) The obligations of the Indemnitors under this Section are joint and several, and are in addition to and shall not be limited by the provisions of Section 8.03 hereof and shall survive the termination of this Agreement.

Section 6.03 *Issuer to Grant Security Interest to Trustee.*

The parties hereto agree that pursuant to the Indenture, the Issuer shall assign to the Trustee, in order to secure payment of the Bonds, all of the Issuer's right, title and interest in and to this Agreement and the Note, except for Reserved Rights of the Issuer.

**ARTICLE VII
DEFAULTS AND REMEDIES**

Section 7.01 *Defaults Defined.*

The following shall be "Defaults" under this Agreement and the term "Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay any amount required to be paid under subsection (a) or (b) of Section 4.02 hereof.

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed herein other than as referred to in subsection (a) of this Section or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Borrower Tax Certificate, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower and the Investor Member by the Issuer or the Trustee; *provided*, with respect to any such failure covered by this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60-day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby.

(c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Project, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.

(d) The occurrence of an Event of Default under the Indenture (other than under Section 9.01(d) of the Indenture).

The provisions of subsection (b) of this Section are subject to the following limitation: if by reason of *force majeure* it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained herein (other than its obligations contained in Article IV hereof), the Borrower shall not be deemed in Default during the continuance of such inability. Such *force majeure* event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The term "*force majeure*" as used herein shall mean,

without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; terrorism; landslides; earthquakes; fires; storms; droughts; floods; explosions; and events not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement. The settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Section 7.02 *Remedies on Default.*

Whenever any Default referred to in Section 7.01 hereof shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the Bonds immediately due and payable pursuant to Section 9.01 of the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the Note, the Tax Regulatory Agreement or any other Document in the event of default thereunder.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

Section 7.03 *No Remedy Exclusive.*

Subject to Section 9.01 of the Indenture, no remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Tax Regulatory Agreement or the Note, 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 Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Reserved Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 7.04 *Agreement to Pay Attorneys' Fees and Expenses.*

In the event the Borrower should cause an Event of Default to occur under any of the provisions of this Agreement or under the Note, and the Issuer and/or the Trustee should employ attorneys or incur other expenses for the collection of payments required hereunder or under the Note, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein or in the Note, the Borrower and the Authorized Member agree that they will on demand therefor pay to the Issuer and the Trustee, as the case may be, the reasonable fees and expenses of such attorneys and such other expenses so incurred by the Issuer and/or the Trustee. This Section 7.04 will continue in full force and effect notwithstanding the full payment of the obligations under the Agreement or the termination of this Agreement for any reason.

Section 7.05 *No Additional Waiver Implied by One Waiver.*

In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.06 *Right to Cure.*

Notwithstanding anything herein to the contrary, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform and, as a result a Default or Event of Default occurs or may occur, the Investor Member shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such Default or Event of Default, provided such Default or Event of Default is cured within any applicable cure period or grace period provided herein to the Borrower.

**ARTICLE VIII
MISCELLANEOUS**

Section 8.01 *Term of Agreement.*

Subject to Sections 2.12(b) and 11.07 of the Indenture, this Agreement shall remain in full force and effect from the date hereof until such time as all of the Bonds and all amounts payable hereunder and under the Indenture shall have been fully paid or provision made for such payments, whichever is later, *provided* that all representations and certificates of the Borrower and the Authorized Member as to matters affecting the tax-exempt status of the Bonds, and the provisions of Sections 3.08, 6.02 and 7.04 hereof shall survive termination of this Agreement.

Section 8.02 *Notices.*

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed each party's Notice Address. A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Borrower shall also be given to the Trustee. The Issuer, the Borrower, the Investor Member and the Trustee may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

With regard to copies of all notices which are sent to the Borrower under the terms of the Loan Documents, the Issuer and the Trustee shall send a courtesy copy to the Investor Member at Bank of America, N.A., MA5-100-04-11, 100 Federal Street, Boston, Massachusetts 02110, Attention: Tax Credit Asset Management, Pinnacle 441 Phase 2; *provided, however*, that any failure to give a duplicate copy of any such communication shall not invalidate any Notice given hereunder.

Section 8.03 *Nonrecourse Liability of Borrower.*

From and after the date of this Agreement, (i) the liability of the Borrower and its members, including the Authorized Member and its respective members, under this Agreement shall be limited to the Project Fund and the Collateral Fund, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower or its members, including the Authorized Member, under this Agreement shall be limited to amounts held under the Project Fund and the Collateral Fund; and (ii) no deficiency or other personal judgment shall be sought or rendered against the Borrower or the Authorized Member or their respective members, officers, successors, transferees or assigns, in any action or proceeding arising out of this Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; *provided, however*, that nothing herein shall limit the Issuer's or the Trustee's ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or any trustee under this Agreement, or both, or to exercise any right against the Borrower or the Authorized Member, on account of any claim for fraud and deceit, and against any other person or entity on account of any claim for fraud and deceit. Notwithstanding anything herein to the contrary, nothing in this Section shall limit the rights of indemnification against the Borrower and the Authorized Member pursuant to Sections 6.02 and 7.04 hereof, each of which shall be recourse obligations of the Borrower and Authorized Member. Furthermore, notwithstanding anything to the contrary, the Borrower and the Authorized Member shall be fully liable for: (1) amounts payable to the Issuer constituting Reserved Rights of the Issuer, (2) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, and (3) the indemnification and the payment obligations to the Issuer under Sections 6.02 and 7.04.

The limit on the Borrower's and the Authorized Member's liability set forth in this Section shall not, however, be construed, and is not intended to in any way, to (i) constitute a release, in whole or in part, of the indebtedness evidenced by this Agreement; or (ii) constitute a release, in whole or in part, or an impairment of the security interest; or (iii), in case of any default or enforcement of any other right of the Issuer under this Agreement, alter, limit or affect the liability of any person or party who may now or hereafter or prior hereto guarantee, or pledge, grant or assign its assets or collateral as security for, the obligations of the Borrower under this Agreement.

Notwithstanding anything contained in this Agreement to the contrary, neither the Issuer nor the Trustee may assert any claim arising hereunder against the Borrower's interest in the Project, any reserve or deposit made with the Mortgage Lender, or in the rents or other income of the Project for the payment of any charge due hereunder.

The provisions of this Section shall survive the termination of this Agreement.

Section 8.04 *No Pecuniary Liability of Issuer.*

No agreements or provisions contained in this Agreement or any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or any property of the Borrower financed, directly or indirectly, out of proceeds of the Bonds or the issuance, sale and delivery of the Bonds will give rise to any pecuniary liability of the Issuer (including tax and rebate liability) or its past, present or future officers, directors, employees, commissioners, agents or members of its governing body and their successors and assigns or constitute a charge against the Issuer's general credit, or obligate the Issuer financially in any way, except with respect to the Trust Estate. No failure of the Issuer to comply with any terms, covenants or agreements in this Agreement or in any document executed by the Issuer in connection with the Bonds will subject the Issuer or its past, present or future officers, directors, employees, commissioners, agents and members of its governing body and their successors and assigns to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the Trust Estate. Without limiting the requirement to perform its duties or exercise its rights and powers under this Agreement upon receipt of appropriate indemnity or payment, none of the provisions of this Agreement or the Indenture will require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement. Nothing in this Agreement will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement in this Agreement or in the Indenture; *provided* that no costs, expenses or other monetary relief will be recoverable from the Issuer except as may be payable from the funds available under this Agreement or made available under the Indenture by the Borrower and pledged to the payment of the Bonds.

No covenant, agreement or obligation contained herein or in any other financing instrument executed in connection with the Project or the making of the Loan shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee, commissioner, or agent of the Issuer in his or her individual capacity so long as he or she does not act in bad faith, and no such director, officer, employee, commissioner or agent of the Issuer in his or her individual capacity shall be subject to any liability under any agreement to which the Issuer is a party or with respect to any other action taken by him or her so long as he or she does not act in bad faith.

Section 8.05 *Binding Effect.*

This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee, the Holders of Bonds and their respective successors and assigns.

Section 8.06 *Severability.*

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.07 *Amounts Remaining in Funds.*

Subject to the provisions of Section 4.05 of the Indenture, it is agreed by the parties hereto that any amounts remaining in any account of the Bond Fund, the Project Fund (other than amounts on deposit in the Subordinate Loan Account of the Project Fund), the Collateral Fund or any other fund (other than the Rebate Fund) created under the Indenture upon expiration or earlier termination of this Agreement, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees and expenses of the Trustee and the Issuer in accordance with the Indenture, shall belong to and be paid to the Borrower by the Trustee so long as those remaining amounts do not constitute Bond Proceeds.

Section 8.08 *Amendments, Changes and Modifications.*

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, and in accordance with the provisions of the Indenture, particularly Article XI of the Indenture.

Section 8.09 *Execution in Counterparts.*

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

Section 8.10 *Applicable Law.*

This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 8.11 *Captions*

The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

Section 8.12 *Mortgage Loan Documents Independent.*

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in this Agreement, the Indenture or the other Borrower Documents will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

To the extent not otherwise set forth above in this Section 8.12, the provisions of Section 12.09 of the Indenture are incorporated herein by reference to the same extent as if set forth herein in full.

Section 8.13 *[Reserved].*

Section 8.14 *Use of Proceeds of the Bonds*

Notwithstanding anything contained in any of the documents executed in connection with the issuance of Bonds to the contrary, all of the proceeds of the Bonds shall, for federal income tax purposes, be (i) allocated on a pro rata basis to the building in the Project and the land on which such building is located and (ii) used exclusively to pay costs of the acquisition or construction of the Project which are includible in the aggregate basis of any building and the land on which the building is located (“Eligible Costs”) in a manner such that each building satisfies the requirements of Section 42(h)(4)(B) of the Code. No proceeds of the Bonds will be deemed or considered to have been used to pay any of the Costs of the Issuance of Bonds, or to fund any reserve accounts other than a Project Fund Account to be used to pay Eligible Costs.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be executed in their respective official names and their respective official seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

(SEAL)

By: _____
Scott Ehrlich, Chair

ATTEST:

By: _____
Milette Manos, Secretary

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized
Member

By: _____
David O. Deutch, President

EXHIBIT A

PROJECT DESCRIPTION

Multifamily rental housing project located in the State to be known as Pinnacle 441 Phase 2, which, upon completion, will contain approximately 100 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related uses.

EXHIBIT B

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

[\$22,000,000.00]

August __, 2023

FOR VALUE RECEIVED, **PINNACLE 441 PHASE 2, LLC**, a Florida limited liability company (the “Borrower”), promises to pay to the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “Issuer”), or its order, the principal sum of [TWENTY-TWO MILLION AND NO/100 DOLLARS (\$22,000,000.00)] (the “Loan”) or so much of that sum as may be advanced by the Issuer under the Loan Agreement of even date herewith executed between the Borrower and the Issuer (the “Loan Agreement”) with interest payable as set forth below.

Borrower promises to pay to the Issuer the principal sum of this Note, together with interest at the rate of ___% per annum (the “Initial Interest Rate”), and all assessments, taxes and premiums as follows:

One business day preceding each March 1 and September 1 of each year, beginning on the business day preceding March 1, 2024, to and including the business day preceding the earlier of (i) the Conversion Date, and (ii) [September 1, 2026] (the “Initial Mandatory Tender Date”), the Borrower shall pay to the Issuer interest on the outstanding principal balance of the Loan at the Initial Interest Rate and thereafter the Remarketing Rate (as defined in the Indenture).

(a) The entire principal balance of the Note, plus any accrued but unpaid interest to and including [September 1, 2041] (the “Maturity Date”), shall be due and payable one business day preceding the Maturity Date, unless previously called for redemption.

(b) Payments made by The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as trustee for the Issuer’s Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the “Bonds”) to the holders of the Bonds, from funds available under the Trust Indenture for the Bonds dated as of August 1, 2023 (the “Indenture”) between the Issuer and the Trustee, will be credited against the Borrower’s obligation to pay interest and principal under this Note. The Borrower shall be obligated to pay any deficiency between amounts due under this Note and amounts paid to bondholders by the Trustee pursuant to the Indenture.

(c) If any installment of interest, principal, or any other payment due under this Note is not paid within 10 days from the date that the installment or payment is due (other than any payment due at maturity, whether by acceleration or otherwise), the Borrower promises to pay to the Issuer a “late charge” equal to 5% of the aggregate monthly payment required by this Note.

(d) This Note is secured by (i) funds deposited into the Bond Fund, the Project Fund (other than funds on deposit in the Subordinate Loan Account of the Project Fund) and the Collateral Fund created pursuant to Section 4.01 of the Indenture, and (ii) the Trust Estate (as defined in the Indenture).

(e) Upon an Event of Default, as defined in the Indenture, the unpaid principal, together with all accrued interest thereon, and all other sums due and payable shall, at the option of the holder of this Note, become immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise this option in the event of any subsequent Event of Default.

(f) As to this Note and any other documents or instruments evidencing or securing the Loan (the "Loan Documents"), the Borrower and all guarantors, if any, severally waive all applicable exemption rights, whether under any state constitution, homestead laws or otherwise, and also severally waive valuation and appraisal, presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agree that the maturity of this Note, or any payment under this Note, may be extended from time to time without in any way affecting the liability of the Borrower and all guarantors.

(g) All payments due under this Note shall be made during regular business hours at the Designated Office (as defined in the Indenture) of the Trustee or at any other place that the Issuer may designate in writing, and shall be made in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public or private debts.

(h) The Borrower represents and warrants that it is a limited liability company within the meaning set forth in Chapter 620, Florida Statutes, as amended, and further represents and warrants that the Loan evidenced by this Note was made and transacted solely for the purpose of carrying on or acquiring a business or commercial enterprise within the meaning of Chapter 620, Florida Statutes.

(i) Neither the Borrower, nor any member, officer or director of the Borrower, shall have any personal liability for principal or interest payments or any other payments due under this Note, except as provided in Section 8.03 of the Loan Agreement.

(j) The Borrower hereby acknowledges that, pursuant to the Indenture, the Issuer is assigning to the Trustee all of the Issuer's right, title, and interest in and to this Note and the Loan Agreement, exclusive of the Reserved Rights of the Issuer, to be held under the Indenture as part of the Trust Estate. Such assignment is being made as security for the payment of the Bonds of the Issuer. All of the terms, conditions and provisions of the Indenture are, by this reference thereto, incorporated herein as part of this Note.

It is agreed that except as provided in Section 8.03 of the Loan Agreement, the execution of this Note shall impose no personal liability on the maker or any member hereof for payment of the indebtedness evidenced hereby and in the Event of a Default, the holder of this Note shall look solely to the Bond Fund, Project Fund (other than funds on deposit in the Subordinate Loan

Account of the Project Fund), and Collateral Fund created pursuant to Section 4.01 of the Indenture, and (ii) the Trust Estate (as defined in the Indenture) in satisfaction of the indebtedness evidenced hereby and will not seek or obtain any deficiency or personal judgment against the maker hereof except such judgment or decree as may be necessary to foreclose and bar its interest in the property and all other property mortgaged, pledged, conveyed or assigned to secure payment of this Note.

Enforcement of the covenants in this Note will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Borrower, the Project, the Mortgage Loan proceeds, any reserves or deposits required by the Mortgage Lender in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered on its behalf on the date first written above.

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized
Member

By: _____
David O. Deutch, President

ASSIGNMENT

The **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “Issuer”), hereby irrevocably assigns, without recourse, the foregoing Note (exclusive of the Reserved Rights of the Issuer) to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), under a Trust Indenture dated as of August 1, 2023 (the “Indenture”), with the Issuer and hereby directs Pinnacle 441 Phase 2, LLC to make all payments of principal of, and interest thereon directly to the Trustee at its designated office in Jacksonville, Florida, or at such other place as the Trustee may direct in writing. Such assignment is made as security for the payment of the Issuer’s \$[22,000,000] Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2), issued pursuant to the Indenture.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Scott Ehrlich, Chair

Attest:

By: _____
Milette Manos, Secretary

EXHIBIT C
RESERVED

EXHIBIT D
CONSTRUCTION DRAW SCHEDULE
[ATTACHED]

THIS INSTRUMENT PREPARED

BY AND RETURN TO:

Junious D. Brown III, Esq.
Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308

Draft #2 6/13/23
NGN File No.: 370. ___

LAND USE RESTRICTION AGREEMENT

Owner's Name and Address: PINNACLE 441 PHASE 2, LLC
c/o Pinnacle Communities, LLC
9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156

Location of Property: 6028 Johnson Street
Hollywood, Florida 33024

Name of Project: Pinnacle 441 Phase 2

Issuer's Name and Address: Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300
Fort Lauderdale, Florida 33301

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement"), made and entered into as of August 1, 2023, by and among the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida, whose mailing address is listed above (the "Issuer"); THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, whose mailing address is 4655 Salisbury Road, Suite 300, Jacksonville, Florida 32256, as trustee (the "Trustee"), pursuant to the Trust Indenture dated as of August 1, 2023, between the Issuer and the Trustee (the "Indenture"), authorizing and securing the issuance of the Issuer's \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the "Bonds"), and PINNACLE 441 PHASE 2, LLC, a Florida limited liability company, and its successors and assigns, whose mailing address is listed above (the "Owner");

WITNESSETH:

WHEREAS, Owner, the fee simple owner of the Project (as such term is herein defined), intends to acquire and construct a multifamily residential rental project located within Broward County, Florida (the "County") to be occupied by Lower-Income Persons and Eligible Persons (as such terms are herein defined), all for the public purpose of assisting persons or families of low, moderate or middle income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Issuer has authorized the issuance and delivery of the Bonds in the original principal amount of \$[22,000,000] pursuant to the Indenture in order to make a loan to the Owner (the "Loan") pursuant to a Loan Agreement dated as of August 1, 2023 (the "Loan Agreement"), by and between the Issuer and the Owner, to finance the acquisition, construction and equipping of the Project (as hereinafter defined) and certain costs incurred in connection with the issuance of the Bonds, all under and in accordance with the Constitution and laws of the State of Florida (the "State"); and

WHEREAS, the Indenture and the Loan Agreement require, as a condition of making the Loans, the execution and delivery of this Agreement; and

WHEREAS, in order to satisfy such requirement, the Issuer, the Trustee and the Owner have determined to enter into this Agreement to set forth certain terms and conditions relating to the operation of the Project, which is located on the real property in the County, as further described in Exhibit "A" hereto (the "Land"); and

WHEREAS, this Agreement shall be properly filed and recorded by the Owner within the official records of the County and shall constitute a restriction upon the use of Owner's interest in the property subject to and in accordance with the terms contained herein.

NOW THEREFORE, in consideration of providing the financing by the Issuer to the Owner, acknowledging that compliance with this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds, the Owner covenants and agrees with the other parties hereto as follows:

Section 1. Definitions and Interpretation.

(a) The following terms shall have the respective meanings set forth below (undefined terms shall be given the meanings set forth in the Indenture):

"Affiliated Party" of a person means a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (ii) such persons are members of the same controlled group of corporations as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code.

"Applicable Income Limit" means sixty percent (60%) of area median gross income (within the meaning of Section 142(d) of the Code) for Broward County, Florida, Standard Metropolitan

Statistical Area, as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination), including adjustments for family size.

"Bond Counsel" means any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income of interest on bonds for federal income tax purposes issued by states and political subdivisions selected by the Issuer.

"Bonds" means the \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2).

"Certificate of Continuing Program Compliance" means the certificate required to be delivered by the Owner to the Issuer pursuant to Section 4(e) of this Agreement.

"Closing Date" means the delivery date of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations or temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Compliance Agent" shall mean initially, the Issuer, and thereafter such other organization subsequently designated by the Issuer to serve as Compliance Agent for the Project.

"County" means Broward County, Florida.

"Current Annual Family Income" is determined in accordance with Section 8 of the Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination), and includes wages and salaries, overtime pay, commissions, fees, tips and bonuses and other forms of compensation for personal services, net income from operation of a business or a profession, interest, dividends and other net income of any kind from real or personal property, periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits or similar types of periodic receipts, payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay, welfare assistance, periodic and determinable allowances such as alimony and child support and regular pay, special pay and allowances of a member of the Armed Forces, and other forms of income described in the Income Certification (as promulgated by the Issuer from time to time in accordance with the Housing Act) but does not include earnings of children under 18, payments received for care of foster children or adults, lump sum insurance payments, inheritances, capital gains and settlements for personal or property losses, amounts received specifically for, or in reimbursement of, the cost of medical expenses, income of a live-in aide, certain student financial assistance, special pay to a member of the Armed Forces who is exposed to hostile fire, amounts received under certain training programs

and other social service programs, temporary, nonrecurring or sporadic income or other forms of income that the Income Certification specifies may be excluded.

"Eligible Persons" means one or more natural persons or a family, irrespective of race, creed, religion, color, national origin, familial status, mental or physical handicap or sex, who are either Lower-Income Persons or whose Current Annual Family Income does not exceed one hundred fifty percent (150%) of the area median gross income (within the meaning of Section 142(d) of the Code) for Broward County, Florida, Standard Metropolitan Statistical Area, subject to family size adjustment, as indicated in the latest published Decile Distributions of Family Income by Standard Metropolitan Statistical Areas and Non-Metropolitan Counties prepared and published from time to time by HUD, or such other reliable compilation of income statistics as the Issuer may determine to employ, as adjusted by the Issuer according to the most recent Consumer Price Index statistics; provided that persons of 65 years of age or older shall be defined as "Eligible Persons" regardless of their income.

"HUD" means the United States Department of Housing and Urban Development or any successor agency.

"Income Certification" means the certification required to be obtained from each Lower-Income Tenant by the Owner pursuant to Section 4(a) hereof.

"Indenture" means the Trust Indenture, dated as of August 1, 2023, between the Issuer and the Trustee relating to the issuance of the Bonds, as amended or supplemented from time to time.

"Investor Member" means Bank of America, N.A., a national banking association, the investor member of the Owner and its successors and assigns as permitted herein.

"Issuer's Compliance Fee" means a compliance monitoring fee in an annual amount (without proration for any partial year) equal to \$25.00 per rental unit in the Project (or such other amount as is implemented by the Issuer) to be paid by or on behalf of the Owner to the Issuer, if, but only if, at any time during the Qualified Project Period or for such longer period if the set-aside requirements required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force, there are no longer Bonds outstanding. Such fee will be due in a lump sum payment on the date the Bonds are paid in full. The fee will be calculated for the period commencing on the date the Bonds are paid in full and ending on the last date of the Qualified Project Period, or such longer period if the set-aside required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force after there are no Bonds outstanding.

"Land" shall have the meaning given that term in the Recitals of this Agreement.

"Loan" means the loan to the Owner made in connection with the issuance and delivery of the Bonds, evidenced by the Note and further described in the Loan Agreement.

"Loan Agreement" means that certain Loan Agreement entered into between the Owner and the Issuer dated as of August 1, 2023, as amended or supplemented from time to time.

"Loan Documents" means all documents executed in connection with the issuance of the Bonds and the making of the Loan to the Owner by the Issuer.

"Lower-Income Persons" means Eligible Persons whose Current Annual Family Income does not exceed the Applicable Income Limit; provided, however, that the occupants of a unit shall not be considered to be Lower-Income Persons if all of the occupants of such unit are students (as defined in Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code. Notwithstanding the foregoing, a dwelling unit shall not fail to be treated as a dwelling unit that is occupied by Lower-Income Persons merely because such dwelling unit is occupied (a) by an individual who is a student and (i) receiving assistance under Title IV of the Social Security Act, (ii) was previously under the care and placement responsibility of the State agency program responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act, or (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State or local laws, or (b) entirely by full-time students if such students are (i) single parents and their children and such parents are not dependents of another individual and such children are not dependents of another individual other than a parent of such children, or (ii) married and file a joint return.

"Mortgage" means the first lien [Mortgage, Assignment of Rents, Security Agreement and Fixture Filing] with respect to the Land and the Project, given by the Owner in favor of the Issuer and assigned by the Issuer to the Trustee, securing the repayment of the Note given in connection with the issuance and delivery of the Bonds, as such Mortgage may be amended from time to time.

"Note" means the promissory note executed by the Owner to evidence the obligation to repay the Loan.

"Project" means the acquisition, construction and equipping of a multifamily residential rental housing project known as Pinnacle 441 Phase 2, located on the Land and financed with proceeds of the Bonds pursuant to the Loan Agreement. The Project consists of 100 units and will be occupied by Lower-Income Persons and Eligible Persons.

"Qualified Project Period" means the period beginning on the first (1st) day on which ten percent (10%) of the residential units in the Project are first occupied or the delivery date of the Bonds, whichever is later, and ending on the latest of (a) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied, or (b) the first (1st) day on which no tax-exempt private activity bond (as that term is defined in Section 142(d)(2) of the Code) issued with respect to the Project is outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates.

"Regulations" means the Income Tax Regulations issued under the Code, as applicable (including applicable final regulations or temporary regulations).

"State" means the State of Florida.

(b) Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

(c) The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees that:

- (a) The Owner will acquire, construct, equip, own and operate the Project for the purpose of providing a "qualified residential rental project" as such phrase is used in Sections 142(a)(7) and 142(d)(1) of the Code, (2) the Owner shall own the entire Project for federal tax purposes, and (3) the Project shall be owned, managed and operated as multifamily residential rental property, comprised of a building or structure or several buildings or structures containing similarly constructed units, together with any functionally related and subordinate facilities and no other facilities, in accordance with Section 142(d) of the Code and Sections 1.103-8(b)(4) and 1.103-8(a)(3) of the Regulations, and in accordance with such requirements as may be imposed thereby on the Project from time to time.
- (b) Each residential unit in the Project shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished and constructed (except as to number of bedrooms), each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range or microwave oven, refrigerator and sink, all of which are separate and distinct from the other units.
- (c) None of the units in the Project will at any time be (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer court or park, or (3) rented for initial lease periods of less than six (6) months. No part of the Project will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.
- (d) All of the units will be rented or available for rent on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), and the Owner will not give preference to any particular class or group

of persons in renting the units in the Project, except to the extent that units are required to be leased or rented to (1) Lower-Income Persons, or (2) Eligible Persons. Lower-Income Persons and Eligible Persons who are residents of the Project will have equal access to and enjoyment of all common facilities of the Project at all times. Except as permitted by law or regulation, the Owner will not discriminate against children of any age when renting the units in the Project.

- (e) The Land primarily consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Project primarily comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance or security personnel) are functionally related and subordinate to the Project and are commensurate with its size and intended use.
- (f) The Owner or an Affiliated Party of the Owner shall not occupy any of the units in the Project; provided, however, that the Owner or an Affiliated Party of the Owner may occupy a unit in a building or structure in the Project that contains five or more units if the Owner or an Affiliated Party of the Owner is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.
- (g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.
- (h) On (i) the Closing Date for an acquisition/rehabilitation in which at least fifty percent (50%) of the residential units in the Project are occupied on such Closing Date, or (ii) the first day on which fifty percent (50%) of the residential units in the Project are first occupied for (a) new construction, and/or (b) an acquisition/rehabilitation in which less than fifty percent (50%) of the residential units in the Project are occupied on the Closing Date, the Owner shall submit to the Issuer and the Trustee a signed certificate for purposes of the calculation of the commencement and termination of the Qualified Project Period. Such certificate shall set forth the dates on which the Project achieved ten percent (10%) occupancy and fifty percent (50%) occupancy. In the event Owner does not submit the above-described certificate as required in this Section 2(h), Issuer shall utilize information provided to it by or on behalf of the Owner in satisfaction of the monthly data reporting requirements for purposes of calculating the commencement and termination of the Qualified Project Period;

The requirements of this Section 2 shall remain in effect during the term of this Agreement (as defined in Section 13 below).

Section 3. Lower-Income Persons and Eligible Persons. The Owner hereby represents, warrants and covenants as follows:

- (a) At all times during the Qualified Project Period, not less than forty percent (40%) of the residential units in the Project shall be occupied (or held available for occupancy) on a continuous basis by persons or families who at the time of their initial occupancy of such units are Lower-Income Persons. This occupancy requirement is referred to herein as the "Lower-Income Requirement."
- (b) At all times during the term of this Agreement (as defined in Section 13 below), at least sixty percent (60%) of the completed units in the Project shall be rented to or be available for rent by Eligible Persons.
- (c) For purposes of paragraphs (a) and (b) of this Section 3, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person (or Eligible Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person) during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Person (or Eligible Person). However, a Lower-Income Person whose income as of the most recent Income Certification (as described in Section 4(a) below) exceeds one hundred forty percent (140%) of the Applicable Income Limit shall not continue to be treated as a Lower-Income Person if after delivery of such Income Certification, but before the delivery of the next Income Certification, any residential unit in the Project of comparable or smaller size is occupied by a new resident who is not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person (or Eligible Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person) until it is reoccupied other than for a temporary period of not more than thirty-one (31) days, at which time the unit shall be considered to be occupied by a Lower-Income Person (or Eligible Person) only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person (or Eligible Person).

Section 4. Reporting Requirements; Payment of Issuer's Compliance Fee and Late Reporting Fee; Maintenance.

- (a) The Owner shall obtain and maintain on file an Income Certification from each Lower-Income Person and Eligible Person dated immediately prior to the initial occupancy of such tenant in the Project in the form and containing such information as may be required by Section 142(d) of the Code, as the same may be from time to time amended by the Issuer on the advice of Bond Counsel in the exercise of its opinion that any such amendment is necessary, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Depart-

ment of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Photocopies of each such Income Certification and any verifications of such income, to the extent requested by the Issuer, shall be submitted to the Issuer (i) within 10 days following the end of the calendar month during which the tenant first occupies a unit in the Project, (ii) within 10 days following the end of the calendar month thereafter in which the lease is renewed or extended, and (iii) as reasonably requested by the Issuer or the Trustee, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Issuer, such submissions may be made electronically.

- (b) The Owner shall file with the Issuer, on the tenth (10th) business day of each month, copies of the Income Certifications specified in Section 4(a) hereof obtained by the Owner during the previous month.
- (c) At all times during the term of this Agreement, the Owner will obtain and maintain on file from each Lower-Income Person residing in the Project the information demonstrating each tenant's income eligibility.
- (d) The Owner shall maintain complete and accurate records pertaining to the incomes of (as of the date of initial occupancy of each tenant) and rentals charged to Lower-Income Persons and Eligible Persons residing in the Project, and shall permit, upon five (5) business days' notice to the Owner, any duly authorized representative of the Issuer or the Trustee to inspect the books and records of the Owner pertaining to the incomes of and rentals charged to all tenants residing in the Project.
- (e) The Owner shall prepare and submit at the beginning of the Qualified Project Period, and on the tenth (10th) day of each month thereafter, to the Issuer, rent rolls and a Certificate of Continuing Program Compliance in the form and content approved by the Issuer, executed by the Owner stating (i) the percentage of residential units that were occupied by Lower-Income Persons and Eligible Persons as of the 20th day of the previous month, (ii) that at all times during the previous month 60% of the residential units, were occupied (or held available for occupancy) by Eligible Persons (as determined in accordance with Section 3 of this Agreement), (iii) that at all times during the previous month at least 40% of the residential units were occupied (or held available for occupancy) by Lower-Income Persons (as determined in accordance with Section 3 of this Agreement), and (iv) that no default has occurred under this Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Owner has taken or proposes to take to correct such default.
- (f) During the Qualified Project Period, the Owner shall submit to the Secretary of the Treasury (the "Secretary") (at such time and in such manner as the Secretary shall prescribe) an annual certification required by Section 142(d)(7) of the Code. As of the date of this Agreement, the Owner shall make such certification to the Secretary

annually by completing and submitting IRS Form 8703 by March 31 after the close of the calendar year for which the certification is made. The Owner shall be responsible for making such certification at such other time or in such other manner as the Secretary may prescribe from time to time.

- (g) In the event the Issuer transfers responsibility for compliance monitoring to the Trustee or a newly designated Compliance Agent under Section 23 hereof, the Issuer may direct the Owner to provide and the Owner shall provide to the Trustee or the newly designated Compliance Agent copies of all of the reports, documents and certificates required under this Section. The Owner shall pay all reasonable fees and expenses of the Trustee or the newly designated Compliance Agent in connection with such responsibilities. Upon the designation of the Trustee (and acceptance of such designation by the Trustee) or the Compliance Agent as the compliance monitor under this Agreement, all references herein to the Issuer as the recipient of reports and filings shall be deemed to be the Trustee and/or the Compliance Agent, as applicable.
- (h) The Owner shall immediately notify the Trustee and the Issuer of any change in the management of the Project.
- (i) If at any time during the term of this Agreement there are no Bonds outstanding (as provided in the Indenture), the Owner shall pay the Issuer's Compliance Fee.
- (j) The Owner will keep the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other improvements of any kind now or hereafter erected as part of the Project, in good condition and repair (normal wear and tear excepted), will not commit or suffer any waste and will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Project or any part thereof. In order to ensure the Owner's compliance with this covenant, the Issuer or its representatives are hereby authorized to enter upon and inspect the Project at any time during normal business hours upon reasonable notice and subject to the rights of tenants. Notwithstanding the foregoing, the Issuer has no affirmative duty to make such inspection.
- (k) The Owner will construct and operate the Project so that it conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990.
- (l) The Owner hereby agrees to pay a late fee in the amount of \$100 per day (including weekends) for each day that the Owner fails to timely submit (in the sole, reasonable opinion of the Issuer) any of the information, Income Certifications, rent rolls, Certificates of Continuing Program Compliance, reports, documents and/or certificates (collectively, the "Compliance Reporting Information") required by this Section 4, as may be amended from time to time (the "Late Reporting Fee"). The Owner acknowledges and hereby agrees that, notwithstanding anything in this

Agreement to the contrary, a Late Reporting Fee shall apply to and be payable in connection with each separate instance in which any of the Compliance Reporting Information (including individual components thereof) is not timely submitted pursuant to this Section 4, as may be amended from time to time.

Section 5. Indemnification. The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, the County and the Trustee and their respective officers, directors, officials, employees and agents from and against any and all claims by or on behalf of any person arising from any cause whatsoever in connection with this Agreement, Loan, the Project, the issuance and delivery of the Bonds or the making of the Loan to finance the Project, any and all claims arising from any act or omission of the Owner or any of its agents, contractors, servants, employees or licensees in connection with the Project or the issuance and delivery of the Bonds to finance the Project, and all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Owner shall not be required to indemnify any person for damages caused by the negligence or willful misconduct of such person or for losses relating to principal and interest. In the event that any action or proceeding is brought against the Issuer, the County the Trustee or any of their respective officers, directors, officials, employees or agents, with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the indemnified party (which notice shall be given in a timely manner so as not to impair Owner's rights to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably acceptable to the indemnified party and the payment of all expenses. The indemnified party shall have the right to employ separate counsel in any such action or proceedings and to participate in the defense thereof, but, unless such separate counsel is employed with the approval and consent of the Owner, or because of a conflict of interest between the Owner and the indemnified party, the Owner shall not be required to pay the fees and expenses of such separate counsel. The Owner agrees to execute any additional documents deemed necessary by the Issuer, the County or the Trustee to evidence the indemnification provided for in this Section 5. At the request of the Issuer or County, Owner agrees, in addition to the above indemnification, to pay the reasonable costs and expenses of the County Attorney of Broward County in connection with the action or proceeding giving rise to the indemnification.

While the Owner has possession of the Project, the Owner also shall pay and discharge and shall indemnify and hold harmless the Issuer and the Trustee from (a) any lien or charge upon payments by the Owner to the Issuer and the Trustee hereunder, and (b) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges other than income and other similar taxes in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges other than income and other similar taxes, are sought to be imposed, the Issuer or the Trustee shall give prompt notice to the Owner and the Owner shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion.

In addition thereto, the Owner will pay upon demand all of the reasonable fees and expenses paid or incurred by the Trustee and/or the Issuer in enforcing the provisions hereof.

Section 6. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by the owners from time to time of the Bonds, the County, Bond Counsel and the other parties to transactions involving the issuance, sale or remarketing of the Bonds and their respective counsel. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Owner, Lower-Income Persons and Eligible Persons reasonably believed by the Owner, its agents and employees to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Lower-Income Persons and Eligible Persons reasonably believed to be genuine and to have been executed by the proper person or persons.

Section 7. Fair Housing Laws. The Owner will comply with all fair housing laws, rules, regulations or orders applicable to the Project and shall not discriminate on the basis of race, creed, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. All advertising and promotional material used in connection with the Project shall contain the phrase "Equal Housing Opportunity."

Section 8. Tenant Lists. All tenants lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner which is unrelated to the Project, and shall be maintained, as required by the Issuer or the Trustee from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer or the Trustee. Failure to keep such lists and applications or to make them available to the Issuer or the Trustee after written request therefor will be a default hereunder.

Section 9. Tenant Lease Restrictions. All tenant leases shall contain clauses, among others, wherein each individual lessee:

- (a) Certifies the accuracy of the statements made in the Income Certification;
- (b) Agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of such lessee's tenancy; that such lessee will comply promptly with all requests for information with respect thereto from the Owner, the Trustee or the Issuer, and that such lessee's failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of such lessee's tenancy; and
- (c) Agrees not to sublease to any person or family who does not execute and deliver an Income Certification.

Section 10. Sale, Assignment, Conveyance or other Disposition of Project or Interest in Owner. Except with respect to transfer of interests within the Owner, as permitted under the terms and conditions of the Owner's [Amended and Restated Operating Agreement], dated as of August ___, 2023 (as may be further amended, the "Operating Agreement"), the Owner shall not sell, assign, convey or transfer any material portion of the Land, fixtures or improvements constituting a part of the Land or Project, or any material portion of the personal property constituting a portion of the Project during the term of this Agreement without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, conditioned or delayed, (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes, and (iii) upon receipt by the Issuer of a fee from the Owner upon transfer of ownership in excess of fifty percent (50%) interest in the Project or the Owner (which fee shall be refunded by the Issuer to the Owner in the event the Issuer does not approve the transfer of the Project to the proposed purchaser or assignee thereof, or in the event such transfer is not consummated) in the amount of (a) ten percent (10%) of the amount of the Bonds outstanding on the date of the written transfer request if up to ten percent (10%) of the units in the Project are rented; (b) two percent (2%) of the amount of the Bonds outstanding on the date of the written transfer if eleven percent (11%) to sixty percent (60%) of the units in the Project are rented; (c) one percent (1%) of the amount of the Bonds outstanding on the date of the written transfer if over sixty percent (60%) of the units in the Project are rented; or (d) one-half percent (.05%) of the amount of the Bonds outstanding on the date of the written transfer after one (1) year from the date of completion of construction of the Project, regardless of occupancy (the "Transfer Fee"). Provided that the above conditions have been satisfied, the Issuer will provide to the Owner and the purchaser or transferee on request its written consent to any transfer in accordance with this Section an estoppel certificate. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 10 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Agreement. Nothing contained in this Section 10 shall affect any provision of the Mortgage or any other document or instrument to which the Owner is a party which requires the Owner to obtain the consent of the holder of the Note or any other person as a precondition to sale, transfer or other disposition of the Project. The Transfer Fee will apply if a material portion of the Project financed with proceeds from the Loan is sold during the term hereof and such material portion of such Project consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Owner to purchase property of similar function to be used in connection with the Project, otherwise, the proceeds from such sale shall be applied in accordance with the Mortgage. If such material portion of such Project consists of real property and improvements, the purchaser thereof must execute and deliver to the Owner and the Trustee a document in form and substance reasonably satisfactory to the Issuer pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of this Agreement. Notwithstanding the foregoing, ownership of the Project may be transferred in connection with a foreclosure thereof under the Mortgage, or the acceptance of the Project by the mortgagee or its designee in lieu of foreclosure under the Mortgage, without complying with this Section 10; provided, however, that this sentence shall cease to apply if, at any time during that part of the Qualified Project Period subsequent to such transfer, the Owner or an Affiliated Party

with respect to any of such parties obtains an ownership interest in the Project for federal tax purposes.

Except as permitted under the terms and conditions of the Operating Agreement, the Owner shall not sell or otherwise transfer the Project in whole, nor shall there be substituted a new manager of the Owner or a change in the controlling ownership of the manager of the Owner, or other merger, transfer or consolidation of the Owner, unless (a) the Owner has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Issuer and its professionals have been paid, including the Transfer Fee, (c) the Owner shall not be in default hereunder, (d) it is reasonably expected that continued operation of the Project will comply with the requirements of this Agreement, (e) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer with respect to assuming the obligations of the Owner under this Agreement, (f) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (g) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (h) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of this Agreement, the Loan Agreement and the other Loan Documents, (i) the Trustee and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under this Agreement, the Loan Agreement and other Loan Documents relating to the Bonds are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Trustee and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes.

It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section shall be ineffective to relieve the Owner of its obligations under this Agreement or the Loan Agreement. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Loan, the Loan Agreement and this Agreement, the Owner shall be released from its obligations thereunder and hereunder, other than its obligations hereunder and under the Loan Agreement arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

Notwithstanding the foregoing, ownership of the Project may be transferred in connection with a foreclosure thereof under the Mortgage, or the acceptance of the Project by the mortgagee or its designee in lieu of foreclosure under the Mortgage, without complying with this Section 10; provided, however, that this sentence shall cease to apply if, at any time during that part of the Qualified Project Period subsequent to such transfer, the Owner or an Affiliated Party with respect to any of such parties obtains an ownership interest in the Project for federal tax purposes.

Notwithstanding anything in this Section 10 to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Project or any portion thereof shall

not be applicable to any of the following: (i) leases of apartment units as contemplated by this Agreement, (ii) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Project, providing same are granted in connection with the operation of the Project as contemplated by this Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (iv) the placing of a subordinate mortgage lien, assignment of leases and/or rents or security interest on or pertaining to the Project which is made expressly subject and subordinate hereto and, to the extent still outstanding, to the Mortgage, or (v) subject to the provisions of the Mortgage, any transfer of membership interests in the Owner or in the entities which are members in the Owner.

Section 11. Negative Covenants. During the term of this Agreement, the Owner shall not:

- (a) Except pursuant to the provisions of this Agreement, the Loan Agreement and the other Loan Documents, or except upon a sale or transfer of the Project in accordance with the terms of this Agreement, the Loan Agreement and the Mortgage, encumber any of the mortgaged property, including the grant of commercial leases (other than for vending machines, coin operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day to day operation of an apartment complex), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for apartment leases) for the Qualified Project Period. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project;
- (b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or
- (c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

Section 12. Covenants to Run with the Land. This Agreement and the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 13 hereof, shall pass to and be binding upon the Owner's assigns and successors and all subsequent owners of the Land (whether fee simple or leasehold) or the Project or any interest therein; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided in Section 13 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or the

Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Project.

Section 13. Term. This Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that this Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of this Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions hereof, or condemnation or a similar event (as determined by Bond Counsel), but only if within a reasonable period thereafter (i) the Bonds are retired in full or (ii) the proceeds received as a result of such event are used to finance a project that complies with the provisions hereof and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Owner or an Affiliated Party to the Owner, obtains an ownership interest in the Project for federal tax purposes.

Upon the termination of the Qualified Project Period, and the satisfaction by the Owner of all obligations under this Agreement, the Issuer, the Trustee and the Owner shall, upon the written request of the Owner, and at Owner's sole expense, execute and record a Notice of Termination of Land Use Restriction Agreement, the form of which is attached hereto as Exhibit B (the "Notice of Termination"). Pursuant to Resolution No. 2023-__, adopted by the Issuer on June 21, 2023, the Chair and Vice Chair of the Issuer have each been authorized to execute and deliver the Notice of Termination.

Section 14. Correction of Noncompliance. The failure of the Owner to comply with any of the provisions of this Agreement shall not be deemed a default hereunder unless such failure has not been corrected within a period of 60 days following the date that the Owner, or with respect to the requirements of Sections 2 or 3 hereof, any of the parties hereto, learned of such failure or should have learned of such failure by the exercise of reasonable diligence (which 60-day period may be extended if (i) such failure cannot reasonably be corrected within such 60-day period, (ii) diligent action to correct such failure commences within such 60-day period, (iii) such action is diligently pursued until such failure is corrected, and (iv) with respect to a failure to comply with any of the requirements of Sections 2 or 3 hereof, the Owner delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes). After the Trustee learns of such failure, the Trustee shall attempt with reasonable diligence to notify the Owner and the Issuer of such failure by telephonic and written communication. Notwithstanding anything to the contrary herein, the Investor Member shall have the right, but not the obligation, to cure a default hereunder within the applicable cure period.

Section 15. Modification of Tax Covenants. Notwithstanding the provisions of Section 22(b) hereof, to the extent any amendments, modifications or changes to the Regulations or the Code shall, in the written opinion of Bond Counsel addressed to the Issuer, the Owner and the Trustee, impose requirements upon the ownership, occupancy or operation of the Project different than those imposed by the Regulations or the Code and stated herein, and the Owner's failure to

comply with such different requirements would produce a material and substantial risk that interest on the Bonds will become subject to federal income taxation, then this Agreement shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Bond Counsel to effectuate the intent of this Section 15.

Section 16. Burden and Benefit. The Issuer, the Trustee and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Trustee, the Issuer and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project by Lower-Income Persons and Eligible Persons, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued. The Owner hereby expressly acknowledges that this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds issued by the Issuer to finance the Loan and covenants and agrees that in connection with the acquisition, construction, ownership and operation of the Project, it shall, and shall require any subsequent purchaser of the Project to, fully comply with all terms and conditions of this Agreement.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project.

Section 18. Application of Insurance and Condemnation Proceeds. Subject to the provisions of the Loan Agreement and the other Loan Documents, if during the Qualified Project Period, the Project is damaged or destroyed or if all or a portion of the Land or Project is taken through eminent domain proceedings, or under the threat thereof, proceeds from insurance on the Project or any condemnation awards pertaining to such eminent domain proceedings shall be applied as provided in the Mortgage.

Section 19. Remedies; Enforceability. The benefits of this Agreement shall inure to, and may be enforced by, respectively, the Issuer and the Trustee and its successors, the holder of the Bonds and their successors and assigns to the extent permitted by the Indenture, and solely as to Sections 2, 3 and 7 of this Agreement, the Lower-Income Persons and Eligible Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to Section 3 of this Agreement for the period set forth in Section 13 hereof, whether or not the Loan may be paid in full, and whether or not the Bonds are outstanding. If a material violation of any of the provisions hereof occurs and is not cured within the period provided by Section 14 hereof, any or all of such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to compel specific performance hereunder, it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default. The remedies of the beneficiaries of this Agreement other than the Issuer and the Trustee shall be limited to those described in the preceding sentence. In addition to such other remedies as may be provided for herein, if a violation of any of the provisions hereof occurs which is not corrected during the period provided in Section 14 hereof, the Issuer shall have the right (but not

the obligation), and is specifically authorized by the Owner, to terminate the manager and appoint a new manager of the Project to operate the Project in accordance with this Agreement and the Loan Agreement and take all actions necessary, in the reasonable judgment of the Issuer, to cure any default by the Owner hereunder, and such new manager assuming such management hereunder shall be paid by or on behalf of the Owner, from the rents, revenues, profits and income from the Project, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of Broward County, Florida. Subject to Section 13 hereof, the provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times. All rights and remedies provided in this Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the parties and beneficiaries hereof may otherwise have.

The Owner hereby agrees that the appointment of a new manager may be necessary to serve the public purpose for which the Bonds were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds following a violation of the provisions of this Agreement which is not cured within the period provided in Section 14 hereof. The Owner hereby expressly consents to, and agrees not to contest, the appointment of a new manager to operate the Project following a violation by the Owner of the provisions of this Agreement which is not cured as provided in Section 14 hereof and hereby waives any and all defenses and objections that might otherwise be raised to any such appointment of a new manager in accordance with the terms hereof. The Owner further agrees that the Issuer shall have the right to require the Owner to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Owner herein, including, without limitation, a material risk of an adverse impact on the excludability from gross income for federal income tax purposes of interest on the Bonds and which action or inaction is not being corrected as provided in Section 14 hereof, upon such manager or managing agent being given thirty (30) days' written notice of any violation hereof, and such right shall be expressly acknowledged in any contract between the Owner and any such manager or managing agent.

Section 20. Filing. Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the official public deed records of Broward County, Florida, and in such manner and in such other places as the Issuer or the Trustee may reasonably request, and shall pay all fees and charges incurred in connection therewith.

Section 21. Governing Law. This Agreement shall be governed by the laws of the State. The venue for any proceeding hereunder shall be a court of appropriate jurisdiction in Broward County, Florida.

Section 22. Amendments.

- (a) The Owner shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 10 hereof.
- (b) This Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto (or their successors in title), and duly recorded in the official public records for Broward County, Florida. Anything to the contrary notwithstanding, the parties hereby agree to amend this Agreement to the extent required in the opinion of Bond Counsel, in order for interest on the Bonds to remain exempt from federal income taxation under Section 103 of the Code. The Owner agrees, from time to time, to take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and amendments to this Agreement to the extent required by federal law, by any amendment to the Code or by any Regulation promulgated thereunder, in each case so that interest on the Bonds remains exempt from federal income taxes. Any such amendment, revision or termination shall be effected only in accordance with the Indenture.

Section 23. Trustee or Compliance Agent to Monitor Compliance Upon Request of Issuer. If the Issuer requests in writing that the Trustee (and the Trustee agrees in writing to such request) or Compliance Agent assume the role of compliance monitoring, the Trustee or Compliance Agent, as the case may be, shall receive and examine all other reports, certifications and other documents required to be delivered to the Issuer or the Trustee or Compliance Agent hereunder and shall notify the Issuer promptly of non-compliance with this Agreement. In such event the Trustee or Compliance Agent shall include in its monthly statement described above a statement as to whether it has received the rent rolls and whether any of the information in any such documents received by the Trustee or Compliance Agent indicates the Owner has failed to comply with any of the requirements contained in this Agreement. The Trustee or Compliance Agent shall be authorized to charge reasonable fees and expenses to the Owner if it assumes such role.

Section 24. Notice. All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed to have been duly given (i) when delivered, if sent by registered or certified mail (return receipt requested), (ii) when delivered, if delivered personally, (iii) when transmitted, if sent by facsimile if a confirmation of transmission is produced by the sending machine (and a copy of each facsimile promptly shall be sent by first class United States mail, postage fully prepaid), (iv) when delivered, if sent by overnight mail or overnight courier, or (v) on the date delivery is refused, as indicated on the return receipt or the delivery records of the delivery service, as applicable, in each case to the parties at the addresses listed in the first paragraph of this Agreement. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Owner to the others, shall also be given to the Trustee and the Investor Member. Copies of all notices sent pursuant to this Agreement shall be sent in accordance with Section 12.06 of the Indenture.

Section 25. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 26. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 27. Release of Trustee. Notwithstanding anything in this Agreement to the contrary, on and after the date the Bonds are no longer outstanding under the Indenture, the Trustee shall be released as a party to this Agreement and discharged from any duties or obligations hereunder, and all provisions throughout this Agreement related to the duties of, or notice to or from, the Trustee shall be of no further force and effect. If any approval or consent of the Trustee is required, such approval or consent shall be obtained from the Issuer; however, multiple notices need not be provided. Notwithstanding the foregoing, any such references shall remain in effect when needed to construe land use restriction obligations under this Agreement or to provide definitions. The Trustee's rights to indemnification provided for in the Indenture, the Loan Agreement and this Agreement shall survive such release and discharge.

Section 28. Conversion. Notwithstanding anything in this Agreement to the contrary, in the event Conversion of the Loan occurs pursuant to Section 2.12 of the Indenture, any and all references herein to the (i) "Bonds" shall be deemed to mean "Governmental Lender Note", (ii) "Indenture" shall be deemed to mean "Funding Loan Agreement", (iii) "Loan Agreement" shall be deemed to mean "Borrower Loan Agreement", and (iv) "Trustee" shall be deemed to mean "Fiscal Agent".

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE FOR
LAND USE RESTRICTION AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

ISSUER:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

[SEAL]

By: _____
Scott Ehrlich, Chair

ATTEST:

Milette Manos, Secretary

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by SCOTT EHRLICH and MILETTE MANOS, Chair and Secretary, respectively, of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic, on behalf of said Authority. They are (*check one*) personally known to me or have produced a valid driver's license as identification.

[Notary Seal]

Signature of person taking acknowledgment
Name (typed, printed or stamped): _____
Title or Rank: _____
Serial number (if any): _____

**COUNTERPART SIGNATURE PAGE FOR
LAND USE RESTRICTION AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

TRUSTEE:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

WITNESSES:

Print: _____

By: _____

Print: _____

Name: _____

Title: _____

Address: 4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, and Trust Officer of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., this ____ day of _____, 2023, on behalf of said bank. Said person is (*check one*) personally known to me or has produced a valid driver's license as identification.

[Notary Seal]

Signature of person taking acknowledgment

Name (typed, printed or stamped): _____

Title or Rank: _____

Serial number (if any): _____

**COUNTERPART SIGNATURE PAGE FOR
LAND USE RESTRICTION AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

OWNER:

PINNACLE 441 PHASE 2, LLC, a Florida limited liability company

WITNESSES:

By: PC 441 Phase 2, LLC, a Florida limited liability company, its Authorized Member

Print: _____

By: _____
David O. Deutch, President

Print: _____

Address: 9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2023, by DAVID O. DEUTCH, as President of PC 441 Phase 2, LLC, a Florida limited liability company, the Authorized Member of Pinnacle 441 Phase 2, LLC, a Florida limited liability company, on behalf of the limited liability companies. Said person is (*check one*) personally known to me or has produced a valid driver's license as identification.

[Notary Seal]

Signature of person taking acknowledgment
Name (typed, printed or stamped): _____
Title or Rank: _____
Serial number (if any): _____

EXHIBIT "A"

LEGAL DESCRIPTION

(Pinnacle 441 Phase 2)

The West 220 feet of Lot 11, Block 2 of Pine Ridge Estates, according to the Plat thereof, as recorded in Plat Book 24, Page 10, of the Public Records of Broward County, Florida.

EXHIBIT "B"
FORM OF
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT
(Pinnacle 441 Phase 2)

ABOVE SPACE RESERVED FOR
RECORDING PURPOSES ONLY

This NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT (the "Termination") is executed as of _____, 20____, with an effective date of _____, 20____, by the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Authority"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as Trustee (the "Trustee"), and _____, a Florida _____ (the "Current Owner").

1. That certain Land Use Restriction Agreement dated as of August 1, 2023 and recorded _____, 2023, in Official Records Book _____, Page _____, of the Public Records of Broward County, Florida (the "Land Use Restriction Agreement").

2. The Qualified Project Period, as defined in the Land Use Restriction Agreement, ended on _____, and the Authority has authorized the execution and delivery of this Termination.

3. By execution of this Termination, the Land Use Restriction Agreement will be terminated.

4. All payments of any amounts due under the Land Use Restriction Agreement are fully paid and all obligations thereunder have been met. There is currently no default under the Land Use Restriction Agreement.

IN WITNESS WHEREOF, the Authority, the Trustee and the Current Owner hereby agree to terminate the Land Use Restriction Agreement.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

CURRENT OWNER:

WITNESSES:

Print: _____

By: _____

Name: _____

Print: _____

Title: _____

Address: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as _____ of _____, a _____, on behalf of the _____. Said person is (*check one*) personally known to me or has produced a valid driver's license as identification.

[Notary Seal]

Signature of person taking acknowledgment

Name (typed, printed or stamped): _____

Title or Rank: _____

Serial number (if any): _____

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

THE AUTHORITY:

WITNESSES:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

Print: _____

Print: _____

By: _____
Chair

WITNESSES:

[SEAL]

Print: _____

Attest:

Print: _____

By: _____
Secretary

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was executed and acknowledged before me this _____ day of _____, 20____, by _____ and _____, as Chair and Secretary, respectively, of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic, on behalf of said Authority. They are (*check one*) personally known to me or have produced a valid driver's license as identification.

[Notary Seal]

Signature of person taking acknowledgment
Name (typed, printed or stamped): _____
Title or Rank: _____
Serial number (if any): _____

**COUNTERPART SIGNATURE PAGE FOR
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the parties have caused this Notice of Termination of Land Use Restriction Agreement to be executed in their respective names by their duly authorized representative as of the day and year first written above.

TRUSTEE:

WITNESSES:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

Print: _____

Print: _____

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by _____, as a _____ of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., this ____ day of _____, 20 __, on behalf of said bank. Said person is (*check one*) personally known to me or has produced a valid driver's license as identification.

[Notary Seal]

Signature of person taking acknowledgment
Name (typed, printed or stamped): _____
Title or Rank: _____
Serial number (if any): _____

BOND PURCHASE AGREEMENT

\$22,000,000

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)

[_____] , 2023

Housing Finance Authority of Broward County, Florida
110 NE 3rd Street, Suite 300
Fort Lauderdale, Florida 33301

Pinnacle 441 Phase 2, LLC
c/o Pinnacle Communities, LLC
9400 South Dadeland Boulevard, Suite 100
Miami, Florida 33156

Ladies and Gentlemen:

RBC Capital Markets, LLC (“RBC”) and Raymond James & Associates, Inc. (“Raymond James,” and together with RBC, the “Underwriter”), on its own behalf and not as your fiduciary, hereby offers to enter into this Bond Purchase Agreement (this “Bond Purchase Agreement”) with the Housing Finance Authority of Broward County, Florida, a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (the “Issuer”) and Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the “Borrower”). This offer is made subject to the Issuer’s and the Borrower’s acceptance on or before 12:00 p.m., Eastern time, on the date hereof, and, upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, the Borrower and the Underwriter, all as of 2:30 p.m., Eastern time, on the date hereof.

The Issuer is authorized to issue the above-captioned bonds (the “Bonds”) pursuant to the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended (the “Act”) and pursuant to a Resolution of the Issuer adopted on June 21, 2023, and a Resolution of the Board adopted on August 22, 2023 (collectively, the “Resolutions”). The Bonds shall be as described in and shall be issued pursuant to a Trust Indenture, dated as of August 1, 2023 (the “Indenture”), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). A disclosure statement submitted in compliance with Section 218.385, Florida Statutes, as amended, is attached hereto as Schedule II. Capitalized terms used herein but not defined herein shall have the meanings assigned thereto in the Indenture.

Simultaneously with the issuance of the Bonds, there will be executed and delivered a Loan Agreement, dated as of the date of the Indenture (the “Loan Agreement”), between the Issuer and the Borrower, pursuant to which the Issuer will loan the proceeds of the Bonds to the Borrower (the “Loan”) for the purpose of financing the acquisition, construction and equipping of a multifamily rental housing project located in Hollywood, Florida, to be known as Pinnacle 441 Phase 2, which, upon completion, will contain approximately 100 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses (the “Project”). To evidence its repayment obligations under the Loan Agreement, the Borrower will execute a promissory note, dated the Closing Date (the “Note”).

The Bonds are special, limited obligations of the Issuer, and the principal of and interest thereon will be payable solely from the revenues and other moneys assigned by the Indenture to secure such payment. At all times the Bonds will be secured by Eligible Investments and Eligible Funds sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due at maturity or upon mandatory tender.

The Project is required to be operated in compliance with a Land Use Restriction Agreement, dated as of August 1, 2023 (the “Tax Regulatory Agreement”), among the Borrower, the Issuer and the Trustee.

The Project will utilize a taxable construction loan from Bank of America N.A., a national banking association (the “Mortgage Lender”) in an aggregate principal amount of \$[] to finance a portion of the costs of the acquisition, construction and equipping of the Project (the “Mortgage Loan”). In connection with the Mortgage Loan, the Borrower will execute a Promissory Note (the “Mortgage Loan Note”). The Borrower’s repayment obligations under the Mortgage Loan Note will be secured by a first-lien priority Mortgage, Assignment of Rents, Security Agreement and Fixture Filing on the Project. Neither the owners of the Bonds nor the Trustee will have rights under the Mortgage Loan Documents (as defined in the Indenture). Neither the owners of the Bonds nor the Trustee will have a lien on the real estate on which the Project is located.

On or prior to the Closing Date, the Underwriter shall have received a copy of each of the following documents, duly executed by all parties thereto or certified to the satisfaction of the Underwriter:

- (a) Indenture;
- (b) Loan Agreement;
- (c) Tax Regulatory Agreement;
- (d) Tax Certificate;
- (e) Proceeds Certificate;
- (f) Continuing Disclosure Agreement;
- (g) Note;
- (h) Bonds;
- (i) Official Statement (as defined below);
- (j) Bond Purchase Agreement; and
- (k) Remarketing Agreement.

The foregoing documents are hereinafter collectively referred to as the “Bond Documents.” The Bond Documents executed by the Issuer shall be referred to herein as the “Issuer Documents.” The Bond Documents executed by the Borrower shall be referred to herein as the “Borrower Documents.” The Bond Documents executed by the Trustee shall be referred to herein as the “Trustee Documents.”

SECTION 1. Purchase and Sale of the Bonds

On the basis of the representations, warranties and agreements contained herein, but subject to the terms and conditions herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all, but not less than all, of the Bonds for a purchase price of [100]% of the principal amount of the Bonds. The Bonds shall bear interest at the rate and mature on the date as provided in Schedule I hereto and have such other terms as provided in the Indenture and described in the Official Statement. The Borrower agrees to pay to the Underwriter, as compensation for its services, an underwriting fee equal to \$[_____] (the “Underwriting Fee”), from which the Underwriter will pay certain fees and expenses. The Underwriting Fee shall be due and payable in immediately available funds on the Closing Date, solely and exclusively from funds provided by the Borrower.

The Issuer will deliver the Bonds to or for the account of the Underwriter against payment of the purchase price therefor by wire transfer of immediately available funds to the Trustee (the “Closing”) at or prior to 12:00 p.m., Local Time, on August [___], 2023, or at such other time not later than seven days thereafter as the Underwriter, the Borrower and the Issuer shall mutually agree (the “Closing Date”). One Bond will be delivered, registered in the name of Cede & Co. to the Trustee as agent for The Depository Trust Company on or prior to the Closing Date. The Bonds may be in printed, engraved, typewritten or photocopied form, and each such form shall constitute a “definitive” form.

SECTION 2. Official Statement

(a) The Borrower has delivered or will deliver to the Underwriter, without charge, in such quantities as the Underwriter has requested or may hereafter reasonably request, copies of the Preliminary Official Statement dated [_____] , 2023, prepared with respect to the Bonds (the “Preliminary Official Statement”), the final Official Statement dated or to be dated [_____] , 2023, prepared with respect to the Bonds (the “Official Statement”) and any amendments or supplements thereto. The Borrower will be responsible for any costs associated with printing and mailing the Preliminary Official Statement and the Official Statement.

(b) The Underwriter is required to comply with the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”) in connection with the offer and sale of the Bonds. The Issuer and the Borrower each agree to cooperate (at the cost and expense of the Borrower) with the Underwriter so as to enable the Underwriter to comply with the Rule. To this end, the Borrower has delivered to the Underwriter the Preliminary Official Statement that the Borrower deemed final as of its date, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, other terms of the Bonds depending on such matters and the identity of the Underwriter. To evidence this, the Borrower will execute and deliver a certificate in the form attached as Exhibit C hereto. The Borrower, its members and all entities affiliated with the Borrower and its members have complied with all of their previous continuing disclosure obligations under the Rule, if any (except to the extent described in the Preliminary Official Statement and the Official Statement).

(c) The Borrower has authorized the delivery of the Preliminary Official Statement and the execution and delivery of the Official Statement. The Borrower hereby approves the use by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the public offering of the Bonds by the Underwriter.

(d) The Borrower will supply sufficient quantities of the Official Statement to enable the Underwriter (i) to send a single copy of the Official Statement with any confirmation that requests

payment for a Bond, and in any event within seven business days after the date hereof, and to any potential customer upon request until the earlier of (A) 90 days after the End of the Underwriting Period (as defined below) or (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, and (ii) to comply with any applicable rules of the Municipal Securities Rulemaking Board. The Underwriter agrees to promptly file the Official Statement with a nationally recognized municipal securities information repository. The “End of the Underwriting Period” means the later of the delivery of the Bonds by the Issuer to the Underwriter or when the Underwriter no longer retains (directly or as a syndicate member) an unsold balance of the Bonds for sale to the public, provided that the “End of the Underwriting Period” will be deemed to be the Closing Date unless the Underwriter otherwise notifies the Issuer and the Borrower in writing prior to such date that there is an unsold balance of the Bonds.

(e) If, during the period from the date hereof and ending on the earlier of (i) 90 days after the End of the Underwriting Period or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, any event occurs as a result of which the Official Statement for the Bonds as then amended or supplemented might include an untrue statement of material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer, if such event relates to the information included in the Official Statement under the captions “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” (collectively, the “Issuer Portion”), or the Borrower shall promptly notify the Underwriter thereof and shall (in either case, at the expense of the Borrower), upon the request of the Underwriter, prepare and deliver to the Underwriter, as many copies of an amendment or supplement which will correct such statement or omission as the Underwriter may reasonably request.

SECTION 3. Issuer’s Representations and Warranties and Agreements.

The Issuer represents, warrants to, and covenants and agrees with, the Underwriter and the Borrower that:

(a) On the date hereof and on the Closing Date, the statements and information pertaining to the Issuer, including, without limitation, its functions, duties and responsibilities, contained in the Issuer Portion of the Preliminary Official Statement and the Official Statement, are and will be true, correct and complete in all material respects, and the Issuer Portion of the Preliminary Official Statement and the Official Statement does not and will not omit any statement or information which is necessary to make such statements and information pertaining to the Issuer, including without limitation, its functions, duties and responsibilities, in light of the circumstances under which they are made, not misleading in any material respect.

(b) To the actual knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Issuer in any way:

(i) Affecting the organization of the Issuer, or the legal or corporate existence of the Issuer, or the title of the members of the Issuer to their respective offices, or any powers of the Issuer under the laws of the State of Florida (the “State”) pursuant to which the Issuer was created;

(ii) Seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues from the Borrower derived from payments under the Loan Agreement, or the pledge thereof;

(iii) Contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents;

(iv) Contesting the power of the Issuer to enter into, execute and deliver the Issuer Documents or to consummate the transactions contemplated by such documents and the Preliminary Official Statement and the Official Statement;

(v) Contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any amendment or supplement thereto (nor to the actual knowledge of the Issuer, is there any basis therefor); or

(vi) Wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Issuer Documents, the financial position or condition of the Issuer or the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(c) The Issuer is a public body corporate and politic of the State of Florida, duly organized and existing under the laws of the State of Florida, including the Act, and has, and at the Closing Date will have, full legal right, power and authority under the Constitution and the laws of the State: (i) to enter into the Issuer Documents; (ii) to adopt the Resolutions; (iii) to issue, sell and deliver the Bonds to the Underwriter under the Indenture and as provided herein; (iv) to pledge and assign the revenue, other money, securities, funds, accounts, guarantees, insurance, and other items pledged under the terms of the Indenture, as provision of and security for the payment of the principal of and interest on the Bonds, and to similarly pledge all money, securities and earnings held in the funds and accounts held under the Indenture, all in the manner described in the Resolutions, the Indenture and the Loan Agreement; and (v) to carry out, give effect to and consummate all the other transactions contemplated by the Issuer Documents, the Resolutions, the Preliminary Official Statement and the Official Statement.

(d) The Issuer and the Board of County Commissioners (the "Board") have duly and validly adopted the Resolutions, have duly authorized and approved the execution and delivery of the Bonds, the Issuer Documents, the Preliminary Official Statement and the Official Statement, and have duly authorized and approved the performance by the Issuer of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of those documents, and at the Closing Date, the Bonds and the Issuer Documents will constitute the valid, legal and binding special, limited obligations of the Issuer (assuming due authorization, execution and delivery by the other parties thereto, where necessary) in accordance with their respective terms and the Resolutions and will be in full force and effect.

(e) The Issuer's execution and delivery of the Bonds and the Issuer Documents, the Issuer's consummation of the transactions contemplated by such documents, and the Issuer's fulfillment of or compliance with the terms, conditions or provisions thereof will not conflict with, violate or result in the breach of any of the terms, conditions or provisions of any constitutional provision or statute of the State or of any agreement, instrument, statute, governmental rule or regulation, law and order, judgment or decree to which the Issuer is now a party or by which it is bound, and will not constitute a default under any of the foregoing which has not been waived or consented to in writing by the appropriate party or parties, and will not result in the creation or imposition of any lien, charge, security interest or

encumbrance of any nature upon any property or assets of the Issuer prohibited under the terms of any such agreement, instrument, statute, governmental rule or regulation, court order, judgment or decree.

(f) Upon delivery of the Bonds, the Issuer will have good right, full power and lawful authority to pledge and assign the Trust Estate described in the Indenture to the Trustee as provided in the Indenture and the Resolutions.

(g) The Issuer has complied, and will at the Closing Date be in compliance, in all respects with the Resolutions and the Issuer Documents.

(h) All approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or issuer having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations hereunder or under the Bonds or any of the Issuer Documents have been obtained and are in full force and effect.

(i) The Bonds, when delivered in accordance with the Indenture and paid for by the Underwriter on the Closing Date as provided herein, will be validly issued and outstanding limited obligations of the Issuer entitled to all the benefits and security of the Indenture.

(j) The Issuer will furnish such information, execute such instruments and take such other action at the expense of the Borrower in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, provided that in connection therewith the Issuer shall not be required to file a general consent to service of process in any jurisdiction. In particular, the Issuer will comply with all securities laws, rules and regulations relating to continuing disclosure applicable to the Bonds or the Project at all times that any of the Bonds are outstanding.

(k) Any certificate related to the issuance and delivery of the Bonds signed by an authorized officer of the Issuer shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

(l) The Issuer will apply the proceeds of the Bonds in accordance with the Indenture and as contemplated by the Preliminary Official Statement and the Official Statement.

(m) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(n) The Issuer has not taken or omitted to take on or before the date hereof any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

The execution and delivery of this Bond Purchase Agreement by the Issuer shall constitute a representation to the Underwriter that the representations and warranties contained in this Section are true as of the date hereof.

SECTION 4. Representations, Warranties and Agreements of the Borrower.

The Borrower represents and warrants to and agrees with the Issuer and the Underwriter as follows:

(a) The Borrower is duly organized and existing as a limited liability company under the laws of the State, has full legal right, power and authority to own its properties and to conduct its business as described in the Official Statement and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Official Statement, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required, including the State.

(b) By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(c) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) At the time of the Borrower's acceptance hereof and at all times subsequent thereto during the period up to and including the date of Closing, the Preliminary Official Statement and the Official Statement do not and will not contain any untrue or misleading statement of a material fact in the portions of the Preliminary Official Statement or the Official Statement captioned "PRIVATE PARTICIPANTS," "THE PROJECT," "CERTAIN BONDHOLDERS' RISKS" (but only with respect to those risks that expressly relate to the Borrower, the Project or the private participants) and "ABSENCE OF LITIGATION – The Borrower" or any omission or alleged omission from the portions of the Preliminary Official Statement or Official Statement captioned "PRIVATE PARTICIPANTS," "THE PROJECT," "CERTAIN BONDHOLDERS' RISKS" (but only with respect to those risks that expressly relate to the Borrower, the Project or the private participants) and "ABSENCE OF LITIGATION – The Borrower" of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, the Borrower is not in any material respect in violation of, breach of or default under any applicable law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or default under any law of the State or of any state in which the Borrower is authorized to do business or of

the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound which violation, breach or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents; provided, however, that the Borrower makes no representation or warranty with respect to compliance with applicable state securities or blue sky laws or the registration of the Bonds under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(f) All consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or commission of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect or will be timely obtained.

(g) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers executing this Bond Purchase Agreement to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower's financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

(h) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts upon the reasonable request of the Underwriter to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(i) Any certificate signed by the Borrower and delivered to the Underwriter or the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty by the Borrower to the Underwriter and the Issuer as to the statements made therein as of the date thereof.

(j) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under the Internal Revenue Code of 1986, as amended.

(k) The Borrower shall honor all other covenants contained in the Borrower Documents; provided, however, that nothing herein shall be deemed to alter the nonrecourse nature of any covenants which are under the terms of the Borrower Documents, without recourse to the Borrower.

(l) All permits, licenses and other authorizations necessary for the ownership, acquisition, and construction of the Project in the manner contemplated by the Official Statement and the Borrower Documents have been obtained or will be obtained by the time required, and said ownership, acquisition, and construction are not in conflict with any zoning or similar ordinance applicable to the Project.

The execution and delivery of this Bond Purchase Agreement by the Borrower shall constitute a representation to the Underwriter that the representations and warranties contained in this Section 4 are true as of the date hereof.

SECTION 5. Indemnification

(a) (i) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Underwriter and each affiliate, member, officer, director, official, supervisor, employee and agent past, present and future of the Underwriter and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the “Underwriter Indemnified Parties”), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the “Liabilities”), except any Liability arising from the gross negligence or willful misconduct of the Underwriter, caused by or directly or indirectly arising from or in any way relating to (A) the Borrower’s obligations relating to the Bonds, the Project, the Loan, the Loan Agreement, the Indenture, this Bond Purchase Agreement or any document related to the Bonds, the Project, the Loan (the “Transaction Documents”) or any transaction or agreement, written or oral, pertaining to the foregoing but specifically excluding the Preliminary Official Statement and the Official Statement; or (B) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the headings “PRIVATE PARTICIPANTS,” “THE PROJECT,” “CERTAIN BONDHOLDERS’ RISKS” (but only with respect to those risks that expressly relate to the Borrower, the Project or the private participants) and “ABSENCE OF LITIGATION – The Borrower,” or caused by any omission or alleged omission from the above-referenced sections of the Preliminary Official Statement or the Official Statement of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(ii) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer and each affiliate, member, officer, director, official, supervisor, employee and agent past, present and future of the Issuer and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the “Issuer Indemnified Parties” and together with the Underwriter Indemnified Parties, the “Indemnified Parties”), against any and all Liabilities caused by or directly or indirectly arising from or in any way relating to (A) the Borrower’s obligations relating to the Transaction Documents or any transaction or agreement, written or oral, pertaining to the foregoing; or (B) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement (other than the Issuer

Portion) or caused by any omission or alleged omission from the Preliminary Official Statement or the Official Statement (other than the Issuer Portion) of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, this Section shall not apply to any Liability arising from the gross negligence or willful misconduct of the Issuer and shall not be construed to modify the indemnification provisions of the Loan Agreement.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Underwriter from and against the Liabilities directly or indirectly arising from or relating to any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by the Issuer pertaining to the Bonds.

(c) Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower's expense and with counsel satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense and shall have the right to review and approve or disapprove any compromise or settlement which approval shall not be unreasonably withheld. If there may be legal defenses available to the Indemnified Party that are different from or in addition to those available to the Borrower, if conflicts of interest exist or arise between the Borrower and the Indemnified Party or if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk and expense of, the Borrower, in any manner that the Indemnified Party, in its sole good-faith judgment, considers to be reasonable. Notwithstanding the foregoing provisions of this Section, the Borrower shall not be personally liable for the payment of principal or interest on the Note.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (a) or (b) of this Section is for any reason held to be unavailable, the Borrower and the Underwriter shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Parties may be subject, so that the Underwriter is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Underwriter in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Underwriter be responsible for any amount in excess of the fees paid by the Borrower to the Underwriter in connection with the issuance and administration of the Bonds and provided further that the Borrower shall not be required to contribute for Liabilities arising from the gross negligence or willful misconduct of the Underwriter. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act of 1933) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

(e) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third-party beneficiaries of this Bond Purchase Agreement for purposes of this Section. The provisions of this Section will be in addition to all liability that the Borrower may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

(f) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Loan Agreement, the Tax Regulatory Agreement or any other document.

SECTION 6. Closing

At 12:00 p.m., Local Time, on the Closing Date, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower and the Underwriter, the Issuer shall direct the Trustee to deliver the Bonds to the Underwriter through the facilities of The Depository Trust Company (“DTC”), New York, New York, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer shall deliver at the Issuer’s offices the Bond Documents and the Underwriter shall accept delivery of the Bonds and the Bond Documents and pay the purchase price for the Bonds by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer shall direct. As a condition precedent to such acceptance, the Underwriter shall have received the Underwriting Fee by wire transfer in immediately available federal funds to the order of the Underwriter, in such manner as shall be agreed upon by the Borrower and the Underwriter. If the Underwriter shall make such request, the applicable Bonds shall be made available to the Underwriter one business day before the Closing at the offices of DTC for purposes of inspection and packaging. The ownership of one fully registered Bond in the aggregate principal amount of the Bonds, bearing a proper, duly assigned CUSIP number will be issued initially in the name of Cede & Co., as nominee of DTC.

SECTION 7. Closing Conditions of the Underwriter

The Underwriter has entered into this Bond Purchase Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations and warranties of the Issuer and the representations and warranties of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Resolutions shall have been duly approved and adopted by the Issuer and the Board and shall be in full force and effect and the Issuer Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel, and counsel for the Underwriter, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) At or prior to the Closing, the Underwriter shall receive the following documents:

(i) an approving opinion of Bond Counsel addressed to the Issuer and the Underwriter, dated the Closing Date substantially in the form attached to the Official Statement;

(ii) opinions or certificates, as the case may be, dated the Closing Date and addressed to the Underwriter and to such other parties as may be appropriate, of

(A) Bond Counsel, substantially in the form attached hereto as Exhibit A;

(B) Borrower's Counsel, substantially in the form attached hereto as Exhibit B; and

(C) Counsel to the Trustee, in form and substance satisfactory to the Underwriter and Bond Counsel.

(iii) a certificate, dated the Closing Date and signed on behalf of the Issuer, to the effect that:

(A) except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, pending or to the Issuer's knowledge threatened against or affecting the Issuer (or to the knowledge of the Issuer, any meritorious basis therefore), wherein an unfavorable decision, ruling or finding would: (a) affect the creation, existence or powers of the Issuer, or the title to the office of the officers thereof, (b) limit, enjoin or restrain the issuance, sale and delivery of the Bonds, or the payment, collection or application of the revenues and limit, enjoin or restrain other moneys and securities pledged or to be pledged under the Indenture or the pledge thereof, (c) contest or affect any of the rights, powers, duties or obligations of the Issuer with respect to the moneys and assets pledged or to be pledged to pay the principal of or redemption price, if any, or interest on the Bonds, (d) question or affect the authority for or validity of the Bonds, the Indenture, the Issuer Documents and the applicable Borrower Documents to which the Issuer is a party or the Resolutions, or (e) question or affect its obligations as contemplated by any other agreement or instrument executed and delivered by the Issuer in connection with the issuance of the Bonds;

(B) the Issuer has complied or will comply with all agreements, covenants and arrangements and has satisfied all conditions on its part to be complied with, performed or satisfied in connection with the issuance and delivery of the Bonds at or prior to the Closing Date;

(C) the representations and covenants of the Issuer contained herein and in the Issuer Documents are true, complete and correct in all material respects as of the Closing Date; and

(D) the statements in the Official Statement under the Issuer Portion do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(iv) a certificate of the Issuer and the Borrower as to arbitrage and other federal tax matters in form and substance acceptable to Bond Counsel and the Underwriter.

(v) a certificate of the Borrower, dated the Closing Date, that (A) each of the representations and warranties set forth in the Borrower Documents (including this Bond Purchase Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) to the Borrower's knowledge, no event has occurred since the date of the Official Statement that causes the Official Statement to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (C) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date.

(vi) counterpart originals or certified copies of each of the Issuer Documents, Borrower Documents and Trustee Documents.

(vii) written evidence satisfactory to the Underwriter that Moody's Investors Service, Inc., has issued a rating of "Aaa/VMIG-1" for the Bonds and such rating shall be in effect on the Closing Date.

(viii) such agreements, certificates and opinions as requested by the Underwriter to evidence the closing of the Loan.

(ix) such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Bonds from gross income for federal income tax purposes), instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Borrower's or the Issuer's representations herein and in the Official Statement and the due performance or satisfaction by the Borrower and the Issuer at or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by the Borrower and the Issuer.

(c) None of the events referred to in Section 8 of this Bond Purchase Agreement shall have occurred.

Acceptance of delivery of the Bonds shall be deemed approval of such conditions to Closing. If the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, neither the Underwriter nor the Issuer shall be under further obligation hereunder.

SECTION 8. Termination

The Underwriter may terminate this Bond Purchase Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) (A) legislation shall be enacted by the Congress of the United States or adopted by the Senate or House of Representatives of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to the Senate or House of Representatives by any committee of either such body to which such legislation has been referred for consideration or by a conference committee of such bodies, (B) a decision shall be rendered by a court of the United States or by the Tax Court of the United States, (C) a ruling, regulation or official action shall be rendered by or on behalf of the United States, or (D) a ruling, regulation or official action shall be proposed or issued,

including by pronouncement, press release or any other form of formal notice, by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or another governmental agency of the United States or by or on behalf of any member of the Senate or House of Representatives of the United States in any such instance with respect to federal taxation of interest received on obligations of the general character of the Bonds and which (1) in the reasonable opinion of counsel for the Underwriter would have or proposes action which would have the effect of making such interest includable in gross income for federal income tax purposes or (2) which, in the reasonable opinion of the Underwriter would materially adversely affect any intended utilization of Bond proceeds or other intended action described in the Official Statement;

(ii) between the date hereof and the Closing, payment for and delivery of the Bonds is rendered impracticable or inadvisable because (A) additional material restrictions not in force as of this date shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; (C) trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been established by federal or New York authorities or (D) a war involving the United States shall have been declared, or there shall have occurred any other outbreak or escalation of hostilities or another national or international calamity shall have occurred, the effect of any of which, in the reasonable judgment of the Underwriter materially adversely affects the marketability of the Bonds (it being agreed by the parties hereto that there is no war or national calamity of such a nature as of the date hereof);

(iii) any event shall occur or exist which, in the judgment of the Underwriter, causes the Official Statement to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) legislation shall be enacted, or any action shall be taken by the Securities and Exchange Commission, which, in the opinion of counsel for the Underwriter has or may have the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended;

(v) In the judgment of the Underwriter, the market price of the Bonds is adversely affected because: (i) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority or security for or the validity of the Bonds, or the existence or powers of the Issuer; or (ii) legislation shall have been introduced in or enacted by the Legislature of the State with the purpose or effect, directly or indirectly, of imposing State income taxation upon interest to be received by any owners of the Bonds or that would, in the reasonable judgment of the Underwriter, adversely affect an investment in or the security pledged for the Bonds;

(vi) There shall have occurred any change that, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the assumptions upon which: (i) yield on the Bonds for purposes of compliance with the Code, (ii) payment of debt service on the Bonds, or (iii) the basis for the exclusion from gross income for federal income tax purposes of interest on the Bonds, is predicated.

(vii) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal or negative change in credit watch status of the Bonds by any national rating service;

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(ix) an occurrence, in the reasonable judgment of the Underwriter, of a material adverse change in the capital markets which makes the syndication, sale or financing contemplated hereby impractical or which makes it inadvisable to proceed with the syndication, sale or financing contemplated hereby on the terms, manner and basis contemplated hereby; or

(x) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to, the Official Statement, and the Official Statement has not been so amended or supplemented.

SECTION 9. Expenses

The Underwriter shall be under no obligation to pay, and the Borrower hereby agrees to pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to, (a) the costs of printing and preparation for printing or other reproduction for distribution and use in connection with the public offering of the Bonds such number of copies as may be requested by the Underwriter of the Preliminary Official Statement, the Official Statement, the Indenture, the Resolutions and the blue sky survey, as well as any delivery costs incurred in connection with the distribution of the foregoing documents; (b) the cost of preparing the definitive Bonds; (c) the fees and disbursements of Bond Counsel in connection with the authorization and issuance of the Bonds; the fees and expenses of Issuer's counsel; the fees and expenses of the Trustee and its counsel; any application or administrative fee of the Issuer; and the fees and disbursements of the Issuer's financial advisor and any other experts or consultants retained by the Issuer; (d) the fees of rating agencies in connection with the rating of the Bonds; (e) the Underwriting Fee; (f) the fees and expenses of counsel to the Underwriter; and (g) all other expenses in connection with the public offer and sale of the Bonds. The Issuer shall have no obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds. The Borrower shall pay for any expenses incurred on behalf of the Issuer's employees which are incidental to implementing this Bond Purchase Agreement.

SECTION 10. Notices

Any notice or other communication to be given to the Issuer or the Borrower under this Bond Purchase Agreement may be given by delivering the same in writing to the Issuer or the Borrower at their respective addresses set forth on the first page hereof. Any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to

RBC Capital Markets, LLC, 100 2nd Avenue South, Suite 800, St. Petersburg, Florida 33701, Attention: Ms. Helen H. Feinberg.

SECTION 11. Parties in Interest

This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Underwriter (including any successor or assignees of the Underwriter), and, except as provided in Section 5 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

SECTION 12. Amendments

This Bond Purchase Agreement may not be amended without the written consent of the Issuer, the Borrower and the Underwriter.

SECTION 13. Survival of Representations and Warranties

The representations and warranties of the Issuer and the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing.

SECTION 14. Execution in Counterparts

This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 15. No Prior Agreements

This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer.

SECTION 16. Effective Date

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.

SECTION 17. Governing Law

This Bond Purchase Agreement shall be governed by the internal laws of the State without giving effect to the conflict of law principles of the State.

SECTION 18. Bidding Agent; Underwriter Not Acting as Advisor or Fiduciary

RBC will also serve as bidding agent for certain of the Eligible Investments to be purchased with amounts on deposit in the Project Fund, Collateral Fund and Bond Fund under the Indenture.

The Issuer and the Borrower each acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Issuer, the Borrower, and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor, municipal advisor or fiduciary of the Issuer or the Borrower, (iii) the Underwriter has not assumed individually or collectively an

advisory or fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has advised or provided other services or is currently advising or providing other services to the Issuer or the Borrower on other matters) and the Underwriter has no obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement and (iv) the Issuer and the Borrower have consulted their own legal, financial and other advisors to the extent they deem appropriate in connection with the offering of the Bonds.

SECTION 19. Establishment of Issue Price for the Bonds

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and the Underwriter shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) The Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) the Underwriter, (B) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (C) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) or (B) above to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(Underwriter's Signature Page to the Pinnacle 441 Phase 2 Bond Purchase Agreement)

If the foregoing is in accordance with your understanding of the Bond Purchase Agreement, please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Underwriter in accordance with its terms.

RBC CAPITAL MARKETS, LLC
RAYMOND JAMES & ASSOCIATES, INC.

By: RBC Capital Markets, LLC, as representative

By: _____
Helen H. Feinberg, Managing Director

(Issuer's Signature Page to the Pinnacle 441 Phase 2 Bond Purchase Agreement)

ACCEPTED at _____, Florida _____ .m. Eastern time this ____ day of _____, 2023.

[SEAL]

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

ATTEST:

By: _____
Scott Ehrlich, Chair

By: _____
Milette Manos, Assistant Secretary

(Borrower Signature Page to the Pinnacle 441 Phase 2 Bond Purchase Agreement)

BORROWER:

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized
Member

By: _____
David O. Deutch, President

SCHEDULE I

AMOUNT, MATURITY, INTEREST RATE AND PRICE

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Price</u>
\$22,000,000	[September 1, 2041] (subject to mandatory tender on [September 1, 2026])	[.]%	[]%

SCHEDULE II

DISCLOSURE LETTER

[_____] , 2023

Housing Finance Authority of Broward County, Florida
110 NE 3rd Street, Suite 300
Fort Lauderdale, FL 33301

Ladies and Gentlemen:

In reference to the issuance of those certain \$22,000,000 Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the “Bonds”), RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the “Underwriter”), pursuant to the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Underwriter, Pinnacle 441 Phase 2, LLC (the “Borrower”) and the Housing Finance Authority of Broward County, Florida (the “Issuer”), hereby makes the following disclosures to the Issuer:

1. The Underwriter is acting as underwriter to the Issuer for the public offering of the Bonds. The total fee to be paid to the Underwriter pursuant to the Bond Purchase Agreement is equal to approximately \$[.] per bond, of the total face amount of the Bonds, or \$[_____].

2. The estimated expenses not included in the above number to be incurred by the Underwriter and to be charged to the Borrower in connection with the issuance of the Bonds are:

Underwriter’s Counsel (including disbursements) \$[_____] (or \$[.] per Bond)

3. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker or financial consultant or advisor and who enters into an understanding with either the Issuer or the Underwriter, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the underwriter or who exercises or attempts to exercise any influence to effect any transaction in the purchase of the Bonds are:

None

4. The amount of the underwriting risk and takedown expected to be realized is:

Takedown/Concession \$[_____] or \$[.] per Bond

5. The amount of the management fee to be charged by the Underwriter is:

\$[_____] or \$[.] per Bond

6. Any other fee, bonus, and other compensation estimated to be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter is as follows:

Fee and Expenses

\$[_____] or \$[.] per Bond (in addition to Underwriter’s Counsel fee)

7. The Issuer is proposing to issue \$22,000,000 of debt or obligation for the purpose of financing the Project. This debt or obligation is expected to be repaid over a period of [_._] years. At a forecasted interest rate of [_._]%, total interest paid over the life of the debt or obligation will be \$[_____].

8. The source of repayment or security for the Bonds is the Trust Estate. Authorizing this debt or obligation will result in \$0.00 of the Issuer's moneys not being available to finance the other services of the Issuer each year the Bonds are Outstanding.

9. The name and address of the Underwriter connected with the Bonds is:

RBC Capital Markets, LLC
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701

Raymond James & Associates, Inc.
880 Carillon Parkway, 3rd Floor
St. Petersburg, Florida 33716

[Signature Page to Disclosure Letter]

**RBC CAPITAL MARKETS, LLC
RAYMOND JAMES & ASSOCIATES, INC.**

By: RBC Capital Markets, LLC, as representative

By: _____
Helen H. Feinberg, Managing Director

EXHIBIT A
SUPPLEMENTAL OPINION OF BOND COUNSEL

August __, 2023

Brevard County Housing
Finance Authority
4420 S. Washington Avenue
Titusville, Florida 32780

Raymond James & Associates, Inc.
880 Carillion Parkway, 3rd Floor
St. Petersburg, Florida 33716

\$22,000,000
Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)

Ladies and Gentlemen:

We have served as Bond Counsel to the Housing Finance Authority of Broward County, Florida (the “Issuer”) in connection with the issuance of the above referenced Bonds (the “Bonds”). The Bonds are being issued pursuant to the Trust Indenture dated as of August 1, 2023, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) (the “Indenture”). The proceeds of the Bonds are being loaned by the Issuer to Pinnacle 441 Phase 2, LLC, a Florida limited liability community (the “Borrower”) pursuant to the Loan Agreement dated as of August 1, 2023, by and between the Issuer and the Borrower (the “Loan Agreement”). As a requirement for issuance of the Bonds, the Issuer, the Trustee and the Borrower have entered into the Land Use Restriction Agreement, dated as of August 1, 2023 (the “Tax Regulatory Agreement,” and together with the Indenture and the Loan Agreement, the “Bond Documents”).

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them in the Bond Documents.

We have examined, among other things, the Act, the Resolutions, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the proceedings of the Issuer with respect to the authorization and issuance of the Bonds, the Preliminary Official Statement, the Official Statement and the Bond Purchase Agreement, and have made such examination of applicable Florida and other laws as we have deemed necessary in giving this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Documents, the certified proceedings and other certifications of public officials

furnished to us, and certifications furnished to us by or on behalf of the Issuer, without undertaking to verify the same by independent investigation.

The opinions expressed herein are supplemented to and are subject to all qualifications, assumptions, limitations, caveats and reliances contained in our bond counsel opinion rendered to the Issuer as of the date hereof pertaining to the Bonds (the “Bond Counsel Opinion”).

Based on the foregoing, under existing law, we are of the opinion that:

(1) The information contained in each of the Preliminary Official Statement dated [_____] 2023, with respect to the Bonds (the “Preliminary Official Statement”), as of its date and the date of the Bond Purchase Agreement, and the Official Statement dated [_____] 2023, with respect to the Bonds (the “Official Statement”), as of its date and the date hereof, under the sections “THE BONDS” (except under the subcaption “Book-Entry Only System), “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” APPENDIX A – “DEFINITIONS OF CERTAIN TERMS,” APPENDIX B - “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE,” APPENDIX C - “SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” and APPENDIX D - “SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT,” other than the financial, statistical and demographic information include therein, as to all of which our opinion is expressed, insofar as such statements purport to be summaries of certain provisions of the Bond Documents and the Bonds, such statements constitute a fair summary of the provisions purported to be summarized; provided that, with respect to the Preliminary Official Statement, we note that our opinion set forth in this paragraph is expressly qualified as to the exclusion of the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery and payment dates, any other terms or provisions to be determined in connection with the pricing of the Bonds, ratings, and other terms of the securities dependent on such matters. The statements in the Preliminary Official Statement and the Official Statement on the cover relating to our opinion and under the section captioned “TAX MATTERS” and APPENDIX F – “FORM OF BOND COUNSEL OPINION” are accurate statements of summaries of the matters set forth therein. It should be noted that such summaries do not purport to summarize all of the provisions of, and are qualified in their entirety by, the complete documents or provisions which are summarized.

We express no opinion as to the information contained in the Preliminary Official Statement and Official Statement other than as provided in paragraph (1) above. The opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation or duty to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

(2) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

Of even date herewith we have delivered our approving opinion with respect to the Bonds. This letter shall confirm that the Underwriter referenced above may rely on such opinion as if it were addressed to them; provided, however, no attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds and by virtue of this opinion letter to our Bond Counsel Opinion.

We are furnishing this letter to the Issuer and the Underwriter of the Bonds, solely for your benefit. The letter is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Respectfully submitted,

NABORS, GIBLIN & NICKERSON, P.A.

EXHIBIT B

BORROWER'S COUNSEL OPINION

[_____] __, 2023

RBC Capital Markets, LLC

The Bank of New York Mellon Trust Company, N.A.

Raymond James & Associates, Inc.

Housing Finance Authority of Broward County,
Florida

\$22,000,000

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)

[After appropriate introductory language, the opinion shall state substantially as follows:]

1. The Borrower is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite limited liability company power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The Borrower is qualified to do business in the State of Florida.

2. The Borrower has full legal right, power and authority (a) to own its properties and conduct its business as described in the Preliminary Official Statement and the Official Statement and (b) to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents.

3. The Authorized Member is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite limited liability company power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The Authorized Member is qualified to do business in the State of Florida.

4. By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents, and approved the execution and delivery of, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Bonds and the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture and the Borrower Documents in connection with the issuance of the Bonds. The individual(s) who have executed the Borrower Documents on behalf of the Authorized Member of the Borrower have the authority to bind the Authorized Member and thereby the Borrower to the terms and conditions of the Borrower Documents.

5. The Borrower Documents have been duly executed and delivered by the Borrower and, assuming the due authorization, execution and delivery of such agreements by the respective other parties thereto where necessary, if any, constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

6. The execution and delivery of the Borrower Documents, the performance by Borrower of its obligations thereunder and the consummation of the transactions contemplated therein are within the organizational powers of Borrower and will not (i) conflict with or constitute a breach of the Borrower's organizational documents; (ii) to our knowledge, constitute a default under any indenture, mortgage, deed of trust or other material lien, lease, contract, note, order, judgment, decree or other material agreement, instrument or restriction of any kind to which Borrower is a party or by which any of its properties are bound or affected; or (iii) result in a violation of any constitutional or statutory provision or any material order, rule, regulation, decree or ordinance of any court, government or governmental authority known to us to be applicable to the Borrower or its property.

7. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, the Borrower is not in any material respect in violation of, breach of or default under any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Bonds and the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with, or constitute on the part of the Borrower a violation of, breach of or default under, any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.

8. As of the Closing Date, all consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or issuer of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect.

9. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best of our knowledge, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Act, the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated thereby; nor, to the best of our knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial condition or operations of the Borrower or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

10. Nothing has come to our attention that would lead us to believe that the statements and information contained in the Preliminary Official Statement and the Official Statement as of their respective dates and the date hereof under the captions “PRIVATE PARTICIPANTS,” “THE PROJECT,” “CERTAIN BONDHOLDERS’ RISKS” (but only with respect to those risks that expressly relate to the Borrower, the Project or the private participants) and “ABSENCE OF LITIGATION – The Borrower” (except as to the statistical and financial data included in the Preliminary Official Statement and the Official Statement with respect to which we do not express any opinion), contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

11. The Borrower may not plead the defense of usury or maintain an action for usury with respect to the loan(s) being made under the Transaction Documents.

Very truly yours,

EXHIBIT C

BORROWER'S RULE 15c2-12 CERTIFICATE

\$22,000,000

Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)

The undersigned hereby certifies and represents to RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the "Underwriter") that he/she is authorized to execute and deliver this certificate on behalf of Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the "Borrower"), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the issuance and sale of the above-captioned bonds (the "Bonds").

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated the date of this certificate, setting forth information concerning the Bonds and the Borrower (the "Preliminary Official Statement").

(c) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

(e) The sections of the Preliminary Official Statement entitled "CONTINUING DISCLOSURE" and "APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT" describes the agreement the Borrower expects to make for the benefit of the Holders in the Continuing Disclosure Agreement, dated as of August 1, 2023, by and between the Borrower and The Bank of New York Mellon Trust Company, N.A., in its capacity as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

(f) The Borrower, its members and all entities affiliated with the Borrower and its members have complied with all of their previous continuing disclosure obligations under the Rule, if any (except to the extent described in the Preliminary Official Statement).

Dated: [_____] , 2023

(Signature Page to Borrower's Rule 15c2-12 Certificate)

IN WITNESS WHEREOF, I have hereunto set my hand this as of the date set forth above.

BORROWER:

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized
Member

By: _____
David O. Deutch, President

NEW ISSUE – Book-Entry Only

RATING: Moody’s “Aaa/VMIG-1”
SEE “RATING” herein.

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under “TAX MATTERS,” interest on the Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption “TAX MATTERS,” and (b) not an item of tax preference for purposes of the federal alternative minimum tax. Such interest also may be subject to other federal income tax consequences referred to herein under “TAX MATTERS.” See “TAX MATTERS” herein for a general discussion of Bond Counsel’s opinion and other tax considerations.

\$22,000,000*

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)**

Dated: Date of Delivery
Initial Interest Rate: ___%
Initial Offering Price: ___%

Initial Mandatory Tender Date: [September 1, 2026]*
Maturity Date: [September 1, 2041]*
CUSIP: _____

The Housing Finance Authority of Broward County, Florida (the “Issuer”) is issuing its Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the “Bonds”) pursuant to a Trust Indenture dated as of August 1, 2023 (the “Indenture”), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds shall bear interest on the outstanding principal amount thereof at the Initial Interest Rate set forth above (the “Initial Interest Rate”) from their date of issuance to but not including the Initial Mandatory Tender Date set forth above (the “Initial Mandatory Tender Date”), payable on each March 1* and September 1*, commencing March 1, 2024*. See “THE BONDS” herein.

The Bonds are being issued to finance a loan (the “Loan”) to Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the “Borrower”), to enable the Borrower to pay a portion of the cost of acquiring, constructing and equipping a 100-unit multifamily rental housing project located in the City of Hollywood, Broward County, Florida (the “State”), and known as Pinnacle 441 Phase 2 (the “Project”). The Loan will be made to the Borrower pursuant to a Loan Agreement, dated as of August 1, 2023 (the “Loan Agreement”), between the Issuer and the Borrower, under which the Borrower has agreed to provide, as described herein, payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due. The Loan will be evidenced by a Promissory Note in the principal amount of \$22,000,000* (the “Note”) from the Borrower to the Issuer and endorsed to the Trustee.

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Preliminary Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Preliminary Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

The Bonds are subject to mandatory tender prior to the Initial Mandatory Tender Date as set forth herein. See “THE BONDS” herein.

At all times the Bonds will be secured by Eligible Investments or other Eligible Funds sufficient, along with earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of the Initial Mandatory Tender Date or any preceding Mandatory Tender Date, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER. THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered for delivery when, as and if issued and received by Raymond James & Associates, Inc., and RBC Capital Markets, LLC, (collectively, the “Underwriter”) and subject to the approval of legality by Nabors, Giblin, Nickerson, P.A., Tampa, Florida, Bond Counsel, of certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, D.C., and for the Borrower by its counsel, Shutts & Bowen LLP, Miami, Florida. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in New York, NY on or about _____, 2023.

This cover page contains limited information for ease of reference only. It is not a summary of the Bonds or the security therefor. The entire Preliminary Official Statement, including the Appendices, must be read to obtain information essential to make an informed investment decision.

RBC CAPITAL MARKETS

RAYMOND JAMES

Date: _____, 2023

* Preliminary; subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No broker, dealer, salesman or other person has been authorized by the Issuer, to give any information or to make any representations other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to the registration or qualification under the securities laws of any such jurisdiction. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made under the Indenture shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Preliminary Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Bonds. All statements made in this Preliminary Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, inside front cover, and the appendices attached hereto are part of this Preliminary Official Statement. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has reviewed the information in this Preliminary Official Statement pursuant to its responsibilities to investors under federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Preliminary Official Statement. Any representation to the contrary is a criminal offense.

The order and placement of information in this Preliminary Official Statement, including the Appendices, are not an indication of relevance, materiality or relative importance, and this Preliminary Official Statement, including the Appendices, must be read in its entirety. The captions and headings in this Preliminary Official Statement are for convenience only and in no way define, limit, or describe the scope and intent, or affect the meaning or construction, of any provision or section of this Preliminary Official Statement.

CUSIP data herein are provided by S&P Global Ratings' CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence LLC. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

The Bank of New York Mellon Trust Company, N.A., as Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Preliminary Official Statement and makes no representation or warranty, express or implied, as to any matters contained in this Preliminary Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the Bonds, or (iii) the tax-exempt status of the Bonds.

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PRELIMINARY OFFICIAL STATEMENT

\$22,000,000*

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)**

INTRODUCTION

This Preliminary Official Statement (this “Preliminary Official Statement”) has been prepared in connection with the issuance of the above-captioned Bonds (the “Bonds”) by the Housing Finance Authority of Broward County, Florida (the “Issuer”), a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “State”). The Board of the Issuer has authorized the issuance of the Bonds by its duly adopted Resolution dated June 21, 2023 and a Resolution of the Board adopted on August 22, 2023 (collectively, the “Resolution”) and the Bonds are issued pursuant to a Trust Indenture dated as of August 1, 2023 (the “Indenture”), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Certain capitalized terms that are used in this Preliminary Official Statement and not otherwise defined shall have the definitions ascribed to them in “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto.

The Bonds are to be issued pursuant to the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended (the “Act”), for the purpose of providing funds to make a loan (the “Loan”) to Pinnacle 441 Phase 2, LLC a Florida limited liability company (the “Borrower”), to enable the Borrower to pay a portion of the cost of acquiring, constructing and equipping a 100-unit multifamily residential rental project to be located in City of Hollywood, Broward County, Florida, and to be known as Pinnacle 441 Phase 2 (the “Project”). See “PRIVATE PARTICIPANTS” and “THE PROJECT” herein.

The Loan will be made to the Borrower under a Loan Agreement dated as of August 1, 2023 (the “Loan Agreement”), by and between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower has agreed to make payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due (the “Bond Service Charges”) to the extent that amounts otherwise available for such payment are insufficient therefor. The Loan will be evidenced by a promissory note in the principal amount of \$22,000,000* (the “Note”) from the Borrower to the Issuer and endorsed to the Trustee.

The aggregate funds and Eligible Investments on deposit in the Project Fund (excluding the Subordinate Account of the Project Fund) and the Collateral Fund will, at all times, equal the principal amount of Bonds Outstanding. Bond Service Charges will be paid from amounts on deposit in the Bond Fund, the Collateral Fund and the Project Fund (excluding the Subordinate Account of the Project Fund), and investment earnings thereon. Amounts on deposit in the Collateral Fund, the Bond Fund and the Project Fund (excluding the Subordinate Account of the Project Fund) will be invested in Eligible Investments. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Bonds shall bear interest on the outstanding principal amount thereof at a rate equal to the Initial Interest Rate set forth on the cover page hereof from the date of delivery to, but not including, [September 1, 2026]* (the “Initial Mandatory Tender Date”), payable on each March 1* and September 1*, commencing March 1, 2024* (each an “Interest Payment Date”).

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on or prior to the Initial Mandatory Tender Date, including on the Conversion Date. All Bondholders must tender their Bonds for purchase on each Mandatory Tender Date, as set forth in the Indenture. A new interest rate for the Bonds may be determined on the Initial Remarketing Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Preliminary Official Statement. Therefore,

* Preliminary; subject to change.

prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Preliminary Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Subject to the satisfaction of certain Conditions to Conversion set forth in a forward commitment with the Borrower dated _____, 2023 (the “Citi Forward Commitment”) on or before the Forward Commitment Maturity Date, Citibank, N.A. (“Citi”), has agreed to facilitate the financing of the Project in the Permanent Phase as described in the Indenture.

Brief descriptions of the Issuer, the Borrower, the Mortgage Lender, the Mortgage Loan, the Project, the Bonds, the security for the Bonds, the Indenture, the Loan Agreement and the Tax Regulatory Agreement are included in this Preliminary Official Statement. The summaries herein do not purport to be complete and are qualified in their entirety by reference to such documents, agreements and programs as may be referred to herein, and the summaries herein of the Bonds are further qualified in their entirety by reference to the form of the Bonds included in the Indenture and the provisions with respect thereto included in the aforesaid documents.

THE ISSUER

The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the Underwriter, nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or sufficiency of such information.

General

The Issuer is a public body corporate and politic created under the laws of the State of Florida. It was created by Ordinance No. 79-41 enacted by the Broward County Board of County Commissioners on June 20, 1979, pursuant to the provisions of the Act. The Broward County Board of County Commissioners is the principal legislative and governing body of Broward County, Florida, as provided by the Florida Constitution and Chapter 125 of the Florida Statutes. The Issuer was created for the purpose of addressing a housing shortage in Broward County, Florida by stimulating the construction and rehabilitation of housing through the use of public financing. Pursuant to the Act, the Issuer has the power to issue revenue bonds for the purposes described in the Act including, but not limited to, the purchasing of or making of commitments to purchase mortgage loans to stimulate the construction and rehabilitation of housing in the Issuer’s area of operation.

The Issuer is authorized to finance and refinance multifamily rental housing projects, and since its inception, has issued approximately \$[1,836,350,000] aggregate principal amount of revenue bonds for such purpose (the “Prior Bonds”). The Prior Bonds do not share in the security for the Bonds, and the Bonds will not be secured by the revenues related to the projects financed by such Prior Bonds or the security for the Prior Bonds in connection with such projects.

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER. THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

THE MORTGAGE LOAN, DEPOSITS INTO THE COLLATERAL FUND AND DISBURSEMENT OF BOND PROCEEDS

Contemporaneously with the issuance of the Bonds, the Borrower will obtain a construction loan (the “Mortgage Loan”) from Bank of America, N.A. (the “Mortgage Lender”) and the Subordinate Loans (as defined herein). Over time, Eligible Funds, including proceeds of the Mortgage Loan, are expected to be delivered to the Trustee for deposit into the Collateral Fund established by the Trustee under the Indenture. Upon the deposit of Eligible Funds into the Collateral Fund, and subject to the other applicable provisions set forth in the Indenture and the Loan

Agreement, the Trustee shall disburse a like amount of Bond proceeds from the Project Fund to or at the direction of the Mortgage Lender for purposes of paying costs of the Project, all in accordance with the Loan Agreement and the Indenture. The maximum aggregate amount of funds representing proceeds of the Mortgage Loan to be delivered to the Trustee for deposit into the Collateral Fund will be \$22,000,000*.

Bond Service Charges shall be payable as they become due, (i) in the first instance from moneys on deposit in the Bond Fund (but not including the Negative Arbitrage Account thereof), (ii) in the second instance from moneys on deposit in the Negative Arbitrage Account, and (iii) thereafter, from moneys on deposit in the Collateral Fund or the Project Fund and transferred as necessary to the Bond Fund. The Indenture provides that the amount of funds disbursed from the Project Fund (excluding the Subordinate Account of the Project Fund) on any given date for payment of Project Costs shall at all times equal the amount of Eligible Funds deposited into the Collateral Fund in connection with such disbursement. Accordingly, the aggregate amount in the Collateral Fund and the Project Fund (excluding the Subordinate Account of the Project Fund) shall at all times equal 100% of the principal amount of the Bonds outstanding plus original issue premium, if any.

Notwithstanding any provision of the Loan Agreement or the Indenture to the contrary, the Trustee will not act upon the delivery of a certified copy of the request for disbursement of funds from the Project Fund (excluding the Subordinate Account of the Project Fund), unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited into the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has verified that the sum of the amount then held in the Collateral Fund and the amount then on deposit in the Project Fund (excluding the Subordinate Account of the Project Fund), less the anticipated amount of the disbursement from the Project Fund (excluding the Subordinate Account of the Project Fund), is at least equal to the then-outstanding principal amount of the Bonds. The Mortgage Lender will not deliver Eligible Funds to the Trustee for deposit into the Collateral Fund until the Trustee has first confirmed this calculation to the Mortgage Lender. Upon receipt of Eligible Funds, Trustee shall be unconditionally and irrevocably obligated to disburse Bond proceeds in the amount of such installment of Eligible Funds to pay for Costs of the Project as set forth in the Indenture.

Amounts on deposit in the Project Fund (excluding the Subordinate Account of the Project Fund), the Bond Fund and the Collateral Fund will be invested on the Closing Date in Eligible Investments. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Investment of Bond Fund, Project Fund and Collateral Fund; Eligible Investments” herein.

THE BONDS

Terms of Bonds Generally

The Bonds shall be issued in Authorized Denominations and shall mature on [September 1, 2041]* (the “Maturity Date”). The Bonds are dated as of the Closing Date and shall bear interest at the Initial Interest Rate from the Closing Date, to but not including the Initial Mandatory Tender Date, payable on each Interest Payment Date, commencing March 1, 2024*, and on each Mandatory Tender Date.

Interest on the Bonds shall be computed on the basis of a 360-day year of 12 months of 30 days each.

The principal of and interest on any of the Bonds shall be payable in lawful money of the United States of America. Except as described below under the subcaption “Book-Entry-Only System,” (a) the principal of any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the Designated Office of the Trustee or at the office, designated by the Trustee, of any paying agent and (b) interest on any Bond shall be paid on each Interest Payment Date by check or draft which the Trustee shall cause to be mailed on that date to the Person in whose name the Bond (or one or more predecessor bonds) is registered at the close of business of the Record Date applicable to that Interest Payment Date on the register at the address appearing therein.

* Preliminary; subject to change.

Mandatory Tender

All Outstanding Bonds shall be subject to mandatory tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date and shall be paid in full on the applicable Mandatory Tender Date.

The Mandatory Tender Dates shall consist of (i) the earliest of (A) the Initial Mandatory Tender Date, (B) the Conversion Date and (C) the Forward Commitment Maturity Date, and (ii) any subsequent dates for mandatory tender of the Bonds established by the Borrower with the consent of the Investor Member, and with the consent of the Remarketing Agent in connection with a remarketing of the Bonds pursuant to the Indenture.

While tendered Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

Notwithstanding anything in the Indenture to the contrary, any Bond tendered under this heading will not be purchased if such Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Bonds deposited into the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase; (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase; (iii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest; if any, on Bonds tendered for purchase; (iv) available interest earnings on amounts on deposit in the Project Fund to pay the accrued interest, if any, on the Bonds tendered for purchase and (v) any other Eligible Funds available or made available for such purpose at the direction of the Borrower, with the consent of the Issuer.

Bonds shall be deemed to have been tendered for purposes of this heading whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee and, subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds and interest accrued thereon to the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Mandatory Tender Notice

Notice to Holders. Not less than thirty (30) days preceding a Mandatory Tender Date (or eight (8) days in connection with a Mandatory Tender Date that is the Conversion Date), the Trustee shall give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Investor Member and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (a) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date, (b) all Outstanding Bonds must be tendered for purchase no later than 12:00 noon Local Time on the Mandatory Tender Date and (c) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date; and

(iv) any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the twentieth (20th) day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Bond.

Notice delivered as required under the Indenture with respect to a mandatory tender in connection with Conversion may be rescinded and annulled on or before the tender date set forth in such notice if Conversion does not occur by the Conversion Date. Neither failure to give or receive any notice described in this heading, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this heading.

Mandatory Redemption

The Bonds are subject to mandatory redemption, in whole, on any Mandatory Tender Date, upon the occurrence of any of the following events: (i) the Borrower has not previously elected pursuant to the Indenture and the Loan Agreement to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. The Bonds shall be redeemed at a redemption price equal to 100% of the principal amount of such Bonds plus accrued interest to the applicable redemption date from funds on deposit in, or transferred from, the Bond Fund, the Collateral Fund, and the Project Fund.

Book-Entry Only System

The following information on the Book-Entry System applicable to all Bonds has been supplied by DTC and none of the Issuer, the Borrower or the Underwriter make any representation, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial

relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant’s interest in the Bonds, on DTC’s records, to the Trustee. The requirement for physical delivery of Bonds in connection

with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be secured by all right, title and interest of the Issuer in the Trust Estate, including, but not limited to (i) all right, title and interest of the Issuer in and to all Revenues, derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Loan Agreement (other than the Reserved Rights of the Issuer), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate, (ii) all right, title and interest of the Issuer in and to the Note (other than the Reserved Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof, (iii) all moneys (including Eligible Funds) which are at any time or from time to time on deposit in any fund or account created under the Indenture (excluding funds in the Costs of Issuance Fund (but only to the extent such moneys are not proceeds of the Bonds), the Mortgage Loan Prepayment Fund and the Rebate Fund), (iv) all right, title and interest of the Issuer in and to, and remedies under, the Loan Agreement; and (v) all funds, moneys and securities 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 the Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture (the foregoing collectively referred to as the "Trust Estate").

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER. THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

Repayment of Loan

The Loan Agreement and the Note obligate the Borrower to cause to be paid to the Trustee amounts which shall be sufficient to pay Bond Service Charges coming due on each Interest Payment Date. At all times the Eligible Funds required to be deposited into the Collateral Fund and amounts on deposit in the Bond Fund and the Project Fund (excluding the Subordinate Account of the Project Fund), if any, along with interest earnings thereon (without the need for reinvestment), will be sufficient to pay such Bond Service Charges and such amounts will be a credit against the Borrower's payment obligations under the Loan Agreement and the Note.

Investment of Bond Fund, Project Fund and Collateral Fund; Eligible Investments

On the Closing Date, all amounts on deposit in the Bond Fund and Collateral Fund will be invested in Eligible Investments. It is anticipated that all of the Bond proceeds in the Project Fund will be disbursed to pay Project Costs on and after the Closing Date and that Bond Service Charges will be paid from amounts on deposit in the Bond Fund and Collateral Fund and any investment earnings thereon.

Additional Bonds

No additional Bonds on parity with the Bonds may be issued pursuant to the Indenture.

PRIVATE PARTICIPANTS

The following information concerning the private participants has been provided by representatives of the private participants and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Borrower

The Borrower is Pinnacle 441 Phase 2, LLC, a Florida limited liability company, a single-asset entity formed for the specific purpose of acquiring, owning, and operating the Project. The authorized member of the Borrower is PC 441 Phase 2, LLC, a Florida limited liability company (the “Authorized Member”), which will own a 0.01% interest in the Borrower. Bank of America, N.A., a national banking association (the “Investor Member”), will own a 99.99% interest in the Borrower.

The Investor Member

Simultaneously with the issuance of the Bonds, the Borrower expects the Authorized Member and the Investor Member to enter into an [Amended and Restated Operating Agreement] pursuant to which the Investor Member will acquire a 99.99% ownership interest in the Borrower. The equity funding arrangements for the funding of the tax credit equity are expected to be in the total amount set forth under “THE PROJECT — Plan of Financing” herein paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The Developer

The developer is Pinnacle Communities, LLC, a Florida limited liability company (the “Developer”). The Developer was created in 2018 and has five years of experience in affordable housing development. The Developer and its principal via an affiliate has developed 10,127 units in three states, predominantly in Florida. There is an identity of interest between the principals of the Developer and the Borrower. Both entities are controlled by David O. Deutch and Louis Wolfson, III.

Limited Assets and Obligation of Borrower, Authorized Member and Investor Member

The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. However, the Authorized Member, the Investor Member, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, members, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Loan Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its members have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower's financial statements nor those of its members are included in this Preliminary Official Statement.

The Property Manager

The Project will be managed by Professional Management, Inc. a Florida Corporation (the "Property Manager"). The Property Manager has been involved in the management of apartment complexes since 1969. The Property Manager currently manages 75 apartment complexes comprising a total of approximately 9,231 units throughout the United States. The Property Manager was formed in 1969 and currently has a staff of 55 corporate personnel and 247 site employees. The Property Manager is not an affiliate of the Developer or the Borrower.

The General Contractor

The general contractor for the Project will be PC Building, LLC, a Florida limited liability company (the "General Contractor"). The General Contractor is an affiliate of the Developer and the Borrower. The General Contractor and its affiliated construction companies have been constructing and rehabilitating multifamily rental housing developments for over 20 years and have constructed over 32 projects, comprising 3,891 units.

The Architect

The architect for the Project is Joseph B. Kaller & Associates, P.A. (the "Architect"). The Architect has been a licensed architect for 41 years and has been the principal architect for approximately [] multifamily developments comprising [] units throughout South Florida. The Architect is not an affiliate of the Developer or the Borrower.

THE PROJECT

The following information concerning the Project has been provided by representatives of the Borrower and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Project, known as Pinnacle 441 Phase 2, is located at 6028 Johnson Street in the City of Hollywood, Florida, on an approximately 1.667-acre site. The Project will contain 100 apartment units located in one building. Construction of the Project is anticipated to commence in September 2023* and be completed approximately 16* months later.

The building construction consists of one building, including 100 residential units (one of which is a live/work space with a street-facing office/commercial bay) with community space. Common area improvements will include: a community room, cyber lounge and package room. The development will operate under a reciprocal use agreement with Phase I of Pinnacle 441, consisting of 113 units and expected to be completed in November 2023*. Phase I includes an outdoor covered patio, dog walk area fitness facility, meeting space, gaming/virtual reality room and package room. It also will contain approximately 6,700 square feet of commercial space and a live/work unit. Unit amenities include: Hard surface LVT flooring throughout, granite countertops and Energy Star appliances. There are 110 parking spaces for resident use only, but another 199 spaces shared with Phase 1.

The unit type, the unit mix and approximate square footage for the units of the Project will be as follows:

* Preliminary; subject to change.

Unit Type	Average Square Feet	Number of Units
1 bedroom, 1 bath	756	30
2 bedroom, 2 bath	960	<u>48</u>
3 bedroom, 2 bath	1,231	<u>22</u>
TOTAL		<u>100</u>

Plan of Financing*

The estimated sources and uses of funds for the Project during the Construction Phase (as defined herein) are projected to be approximately as follows:

Sources of Funds*:

Bond Proceeds ¹	\$22,000,000
Mortgage Loan	22,000,000
Tax Credit Equity	19,293,920
County Loan	10,000,000
City of Hollywood Loan	1,000,000
SAIL Loan	4,000,000
ELI Loan	750,000
NHTF Loan	1,850,000
Interest Revenue	2,145,000
Equity Fee Reimbursement	99,045
Deferred Development Fee	<u>3,405,291</u>
Total Sources	<u>\$186,543,256</u>

Uses of Funds*:

Land Acquisition	\$3,500,000
Hard Costs (including 7% contingency)	25,098,764
Soft Costs	11,599,379
Reserves	281,291
Development Fee	6,563,822
Repayment of Bond Principal	<u>22,000,000</u>
Total Uses	<u>\$169,043,256</u>

¹ Subject to the satisfaction of certain conditions, the Bonds may be redeemed on or prior to the Initial Mandatory Tender Date with certain Eligible Funds, including the proceeds of a loan in the maximum principal amount of \$4,500,000* (the "Funding Loan") from Citibank, N.A., a national banking association, in its capacity as the funding lender (the "Funding Lender"). All costs of issuing the Bonds, including the Underwriter's fee, will be paid by the Borrower.

The Mortgage Loan. The Project will utilize a construction loan in the principal amount of up to \$22,000,000* (the "Mortgage Loan"). The Mortgage Loan will be secured by a senior mortgage on the Project and the obligation to repay the Mortgage Loan will be evidenced by a promissory note (the "Mortgage Note") from the Borrower to Bank of America, N.A. (the "Mortgage Lender"). The Mortgage Note will have a term of 36* months, with the right to one six-month* extension, and will bear interest at BSBY Daily Floating Rate plus 235bps, approximately 7.35%* per annum, with no payments of principal during the term, and with all unpaid principal and interest due at maturity. The Mortgage Loan proceeds will be disbursed from time to time by the Mortgage Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to the Project.

* Preliminary; subject to change.

The Low-Income Housing Tax Credit Proceeds. Prior to the issuance of the Bonds, the Borrower committed to sell to the Investor Member a 99.99% ownership interest in the Borrower. Pursuant to the sale, the funding of the federal Low-Income Housing Tax Credit (“LIHTC”) equity will total approximately \$19,293,920*, with approximately \$2,894,089* expected to be funded in connection with the issuance of the Bonds. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The County Loan. The Project will also utilize a loan from the Broward County Affordable Housing Trust Fund in the principal amount of \$10,000,000* (the “County Loan”), of which \$8,000,000* will be available during construction. The obligation to repay the County Loan will be set forth in a promissory note (the “County Note”) from the Borrower to Broward County, Florida (the “County”) and will be repayable on the terms and conditions set forth therein. The County Note will be secured by a subordinate mortgage against the Project subordinate to the Mortgage Loan. The County Note will have a term of 30* years and will not bear interest and will be non-amortizing with the full loan amount due at maturity.

City of Hollywood Loan. Simultaneously with the issuance of the Bonds, the City of Hollywood (the “City”) will make a loan to the Borrower in the amount of \$1,000,000* (the “City of Hollywood Loan”). The City of Hollywood Loan is expected to mature in 384* months, will not bear interest, will be non-amortizing with the full loan amount due at maturity and will be [secured by a subordinate mortgage].

SAIL Loan. Simultaneously with the issuance of the Bonds, the Florida Housing Finance Corporation (“FHFC”) will make a loan to the Borrower of State Apartment Incentive Loan (SAIL) Program funds in the amount of \$4,000,000* (the “SAIL Loan”). The SAIL Loan is expected to mature in 360* months, will have an interest rate of 1%* simple interest per year, will be non-amortizing and repayable from surplus cash flow and will be [secured by a subordinate mortgage].

ELI Loan. Simultaneously with the issuance of the Bonds, FHFC will make a loan to the Borrower of State Apartment Incentive Loan Extremely Low Income Program in the original aggregate amount of \$750,000* (the “ELI Loan”) through its State Apartment Incentive Loan Extremely Low Income Program. The ELI Loan is expected to mature in 180* months, will have not bear interest, will be non-amortizing and will be [secured by a subordinate mortgage].

NHTF Loan. Simultaneously with the issuance of the Bonds, FHFC will make a loan of National Housing Trust Funds in an amount equal to approximately \$1,850,000* to the Borrower (the “NHTF Loan”). The NHTF Loan will be to mature in 360* months, will not bear interest, will be non-amortizing and will be [secured by a subordinate mortgage].

Deferred Development Fee. The Project will utilize deferred developer fee in the anticipated amount of \$3,405,291* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

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* Preliminary; subject to change.

The sources and uses of funds to be applied under the Indenture are projected to be approximately as follows:

Sources of Funds*	
Bond Proceeds	\$22,000,000
Mortgage Loan	22,000,000
Total	\$44,000,000
Uses of Funds*	
Project Fund	\$22,000,000
Collateral Fund	22,000,000
Total	\$44,000,000

Project Regulation

The Borrower intends to construct and operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds and closing of the Mortgage Loan, the Borrower, the Issuer and the Trustee will enter into the Regulatory Agreement. Under the Regulatory Agreement, the Borrower will agree that, at all times during the Qualified Project Period, the Borrower will rent at least [40]% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is less than [60]% of the median area income (adjusted for family size). The Qualified Project Period commences on the later of the Closing Date or the first day on which at least 10% of the units are occupied and continues until the latest of (a) the date which is fifteen (15) years after the later of the Closing Date or the date on which at least ten percent (10%) of the units in the Project are first occupied, (b) the first date on which no tax-exempt private activity bonds with respect to the Project are outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the National Housing Act terminates. The failure of the Borrower to comply with the Regulatory Agreement could cause interest on the Bonds to be included in gross income for federal income tax purposes. See APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT.

The Project will also be encumbered by an Extended Use Agreement required by Section 42 of the Code relating to tax credits, which will (a) restrict the income levels of [100]% of the units in the Project to amounts not greater than [60]% of the area median income adjusted for family size, and (b) restrict the rents which may be charged to the tenants for occupancy of units in the Project to not more than 30% of [60]% of area median income, adjusted for family size.

No fewer than five (5) units shall be both rent-restricted and occupied (or, if unoccupied, held for occupancy) by individuals and families whose income is no greater than 22% of AMI pursuant to the terms and conditions of the NHTF Loan; no fewer than ten (10) units shall be both rent-restricted and occupied (or, if unoccupied, held for occupancy) by individuals and families whose income is no greater than 30% of AMI under the terms and conditions of the ELI Loan; and no fewer than eighty-five (85) units shall be both rent-restricted and occupied (or, if unoccupied, held for occupancy) by individuals and families whose income is no greater than 60% of AMI under the terms and conditions of the LIHTC allocation, SAIL Loan, County Loan and City of Hollywood Loan. Both income and rent restrictions shall be calculated as provided in the Code.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

General

Payment of the Bond Service Charges, and the Borrower's obligations with respect to the Bond Service Charges, will be secured by and payable from Bond proceeds held in the Project Fund (excluding the Subordinate

* Preliminary; subject to change.

Account of the Project Fund), if any, and moneys deposited into the Collateral Fund and the Bond Fund, including the Negative Arbitrage Account held in the Bond Fund. Although the Borrower will execute the Note to evidence its obligation to repay the Loan, it is not expected that any revenues from the Project or other amounts, except moneys in the Bond Fund, Project Fund (excluding the Subordinate Account of the Project Fund), if any, and Collateral Fund, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund (excluding the Subordinate Account of the Project Fund), that the sum of the funds on deposit in the Project Fund (excluding the Subordinate Account of the Project Fund) and the Collateral Fund is at least equal to the then outstanding principal amount of the Bonds. It is expected that all of the Bond proceeds in the Project Fund will be disbursed to pay Project Costs on and after the Closing Date. At all times funds on deposit in the Collateral Fund and Negative Arbitrage Account of the Bond Fund, and the interest earnings thereon (without the need for reinvestment), will be sufficient to pay the debt service on the Bonds.

Limited Security for Bonds

The Bonds are not secured by the Mortgage Loan. Investors should look exclusively to amounts on deposit in the Bond Fund, Project Fund (excluding the Subordinate Account of the Project Fund), if any, and Collateral Fund under the Indenture and investment earnings on each as the source of payment of debt service on the Bonds.

Future Determination of Taxability of the Bonds

Failure of the Borrower to have complied with and to continue to comply with certain covenants contained in the Loan Agreement and the Tax Regulatory Agreement could result in interest on the Bonds being taxable retroactive to the date of original issuance of the Bonds. The Bonds are not subject to redemption upon a determination of taxability and are not subject to payment of additional interest in such an event, and neither the Issuer nor the Borrower will be liable under the Bonds, the Indenture or the Loan Agreement for any such payment of additional interest on the Bonds.

Issuer Limited Liability

The Bonds will not be insured or guaranteed by any governmental entity or by the Issuer or any member or program participant of the foregoing. The Bondholders will have no recourse to the Issuer in the event of an Event of Default on the Bonds. The Trust Estate for the Bonds will be the only source of payment on the Bonds.

Enforceability of Remedies upon an Event of Default

The remedies available to the Trustee and the owners of the Bonds upon an Event of Default under the Indenture, the Loan Agreement, the Tax Regulatory Agreement or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Remarketing Agent will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

Eligible Investments

Proceeds of the Bonds deposited into the Project Fund and Eligible Funds received by the Trustee for deposit into the Collateral Fund are required to be invested in Eligible Investments. See “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Project Fund or the Collateral Fund, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Rating Based on Eligible Investments

The rating on the Bonds is based on the amounts in the Project Fund (excluding the Subordinate Account of the Project Fund), Bond Fund and the Collateral Fund being invested in Eligible Investments. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

Subordination to Mortgage Loan Documents

The Indenture, the Loan Agreement, the Note, and the Tax Regulatory Agreement contain provisions regarding subordination of such documents to the Mortgage Loan Documents. No assurance can be given that such provisions will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes.

Future Legislation; IRS Examination

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations may not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the trust estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (“IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

Potential Impact of Pandemics

There can be no assurances that the spread of a pandemic, including a strain of coronavirus and resulting disease known as COVID-19, will not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the construction and/or rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project, increase in the time necessary to conduct lease-up at the Project, and increased delinquencies and/or vacancies, all of which could impact the Borrower’s ability to make payments on the loans and result in an acceleration thereof. A significant delay in construction completion may adversely impact the Borrower’s ability to comply with certain tax code requirements. See the caption “Future Determination of Taxability of the Bonds” above.

Risks of Casualty or Condemnation

BOCC Approval

The Issuer has partially waived Article IV, Section F of the Housing Finance Authority's Policies and Procedures for Multi-Family Housing Bond Program pertaining to mailing preliminary official statements to permit the posting of this Preliminary Official Statement prior to receipt of bond issuance approval from the Broward County Board of County Commissioners (the "BOCC"). The BOCC has scheduled its approval of the Bond issue for its regular meeting on August [22], 2023. Such approval is required for issuance of the Bonds. While there is no assurance that such approval will occur, it is believed that such approval will be obtained.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

TAX MATTERS

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Nabors, Giblin, & Nickerson, P.A., Tampa, Florida, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Preliminary Official Statement as Appendix F.

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer or the Borrower's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Borrower have covenanted in the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Borrower with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds

is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes. Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer and the Borrower in the Indenture, the Loan Agreement and the Land Use Restriction Agreement, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Bonds and of the property refinanced thereby), without undertaking to verify the same by independent investigation.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences. For example, ownership of the Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry Bonds, (2) the branch profits tax and (3) the inclusion of interest on the Bonds in passive income for certain S corporations. In addition, the interest on the Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Bonds should consult their tax advisors as to the income tax status of interest on the Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. For example, proposals have been discussed in connection with deficit spending reduction, job creation and other tax reform efforts, that could significantly reduce the benefit of, or otherwise effect the exclusion from gross income of, interest on obligations such as the Bonds. The further introduction or enactment of one or more of such proposals could affect the market price or marketability of the Bonds. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Bonds.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest

rate compounded semi-annually. A purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bonds and will increase its adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

Certain of the Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

UNDERWRITING

Raymond James & Associates, Inc., and RBC Capital Markets, LLC (collectively, the "Underwriter"), are offering the Bonds at the price set forth on the cover hereof. The initial offering price may be changed from time to time and concessions from the offering price may be allowed to dealers, banks and others. The Underwriter has agreed to purchase the Bonds at a price equal to the principal amount thereof. For its services as such, the Underwriter is to be paid a fee equal to \$ _____, inclusive of certain fees and expenses, but not including the fees and expenses of its counsel. From its fees, the Underwriter will pay certain of its expenses relating to the offering. The Bond Purchase Agreement provides that the obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions and the approval of certain legal matters by counsel. The Borrower has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Bonds.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or Borrower. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or Borrower.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

In addition to serving as Underwriter, RBC Capital Markets, LLC has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with any remarketing of the Bonds on the Initial Mandatory Tender Date.

ESCROW VERIFICATION REPORT

[Robert Thomas CPA] (the “Verifier”), concurrently with the issuance of the Bonds, will deliver to the Underwriter its verification report indicating that it has verified the arithmetical accuracy of certain computations provided by the Underwriter relating to the (a) computation of forecasted receipts of principal and interest on the obligations and certain cash deposited as security for the Bonds, and the forecasted payments of principal and interest to pay the Bonds at their redemption, mandatory tender or maturity dates. All such computations have been based solely upon assumptions and information supplied by the Underwriter. The Verifier restricted its procedures to verifying the arithmetical accuracy of the computations described above and has not made any study or evaluation of the assumptions and information on which the computations are based, and the Verifier has not expressed any opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcomes.

RATING

The Bonds have been assigned a rating of “Aaa/VMIG 1” by Moody’s Investors Service, Inc. (“Moody’s,” and in its capacity as rating agency for the Bonds, the “Rating Agency”).

The rating assigned to the Bonds described above reflects only the view of the Rating Agency, and an explanation of the significance of such rating may be obtained from the Rating Agency at 7 World Trade Center, 250 Greenwich Street, 16th Floor, New York, New York 10007. Certain information and materials not included in this Official Statement were furnished to the Rating Agency. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agency. See “CERTAIN BONDHOLDERS’ RISKS – Rating Based on Permitted Investments” herein.

The rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered, suspended or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Any such change in, suspension or withdrawal of such rating could have an adverse effect on the market price of the Bonds if a registered owner attempts to sell the same.

The Issuer has not assumed any responsibility either to notify the owners of any proposed change in, suspension or withdrawal of such rating subsequent to the date of this Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision, suspension or withdrawal.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Prior to the issuance of the Bonds, the Borrower will execute and deliver a Continuing Disclosure Agreement pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). Financial statements and other operating data will be provided at least annually to the Municipal Securities Rulemaking Board (the “MSRB”) and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access (“EMMA”) system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as APPENDIX E.

A failure by the Borrower to comply with the Continuing Disclosure Agreement will not constitute an Event of Default under the Loan Agreement. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker or dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price and the ability of the Issuer to issue and sell bonds in the future.

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to an approving opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel, Shutts & Bowen LLP, Miami, Florida, and for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

ABSENCE OF LITIGATION

The Issuer

To the actual knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Issuer in any way: (i) affecting the organization of the Issuer, or the legal or corporate existence of the Issuer, or the title of the members of the Issuer to their respective offices, or any powers of the Issuer under the laws of the State pursuant to which the Issuer was created; (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues from the Borrower derived from payments under the Loan Agreement, or the pledge thereof; (iii) contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents; (iv) contesting the power of the Issuer to enter into, execute and deliver the Issuer Documents or to consummate the transactions contemplated by such documents and this Preliminary Official Statement; (v) contesting in any way the completeness or accuracy of this Preliminary Official Statement or any amendment or supplement hereto (nor to the actual knowledge of the Issuer, is there any basis therefor); or (vi) wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Issuer Documents, the financial position or condition of the Issuer or the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

The Borrower

As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of this Preliminary Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower's financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

ADDITIONAL INFORMATION

The summaries and explanation of, or references to, the Act, the Indenture and the Bonds included in this Preliminary Official Statement do not purport to be comprehensive or definitive. Such summaries, references and descriptions are qualified in their entirety by reference to each such document, copies of which are on file with the Trustee.

The information contained in this Preliminary Official Statement is subject to change without notice and no implication shall be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the Issuer from the date hereof.

This Preliminary Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in the Preliminary Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Preliminary Official Statement is not to be construed as a contract or agreement between the Issuer and the owners of any of the Bonds.

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IN WITNESS WHEREOF, the foregoing Preliminary Official Statement has been executed by the undersigned as of the date first written above.

BORROWER:

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized Member

By: _____
David O. Deutch, President

[Signatures continue on next page]

[Issuer Signature Page to Preliminary Official Statement]

**HOUSING FINANCE AUTHORITY OF BROWARD
COUNTY, FLORIDA**

(SEAL)

By: _____
Scott Ehrlich, Chair

ATTEST:

By: _____
Milette Manos, Secretary

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

Certain capitalized terms used in this Preliminary Official Statement are defined below. The following is subject to all the terms and provisions of the Indenture, to which reference is hereby made and copies of which are available from the Issuer or the Trustee.

“**Act**” means the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended.

“**Actual Project Loan Amount**” has the meaning set forth in the Citi Forward Commitment.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agreement**” or “**Loan Agreement**” means the Loan Agreement dated as of the same date as the Indenture, between the Issuer and the Borrower and any and all Supplements thereto.

“**Authorized Denomination**” means \$5,000, or any integral multiple of \$1,000 in excess thereof.

“**Authorized Member**” means PC 441 Phase 2, LLC, a Florida limited liability company.

“**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy,” as in effect now and in the future, or any successor statute.

“**Bond Counsel**” means Nabors, Giblin & Nickerson, P.A. or other counsel selected by the Issuer and nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes.

“**Bond Fund**” means the Bond Fund created in the Indenture.

“**Bond Purchase Agreement**” means the Bond Purchase Agreement, dated [____], 2023, among the Issuer, the Borrower and Underwriter.

“**Bond Service Charges**” means, pursuant to the Loan Agreement, payments made by the Borrower to the Issuer in amount sufficient to pay the principal of and interest on the Bonds when due to the extent that amounts otherwise available for such payment are insufficient therefor.

“**Bond Year**” has the meaning as set forth in the Tax Certificate.

“**Bondholder**” or “**Holder of the Bonds**” or “**Holder**” or “**Owner of the Bonds**” or “**Owner**” when used with respect to any Bond, means the person or persons in whose name such Bond is registered as the owner thereof on the books of the Issuer maintained at the Trust Office for that purpose.

“**Bonds**” means the Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) of the Issuer issued, authenticated and delivered under the Indenture.

“**Book-Entry Form**” or “**Book-Entry System**” means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Securities Depository.

“**Borrower**” means Pinnacle 441 Phase 2, LLC, a Florida limited liability company, and its successors and assigns.

“**Borrower Documents**” means the Loan Agreement, the Note, the Tax Certificate, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Proceeds Certificate, the Operating Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement, the Guarantor Documents and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Loan Agreement, but excluding the Mortgage Loan Documents.

“**Borrower Representative**” means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

“**Borrower’s Obligations**” means the obligations of the Borrower under the Loan Agreement, the Note, and the other Borrower Documents to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Loan Agreement, the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Loan Agreement, the Note, the Tax Regulatory Agreement, and any of the other Borrower Documents, to perform or observe.

“**Business Day**” or “**business day**” means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, or in the city in which the Designated Office of the Trustee or the Underwriter is located, are not required or authorized by law or executive order to close for business, and (b) the New York Stock Exchange is not closed.

“**Cash Flow Projection**” means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Underwriter, and the Rating Agency, establishing, to the satisfaction of the Underwriter, and the Rating Agency, the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges due on the Bonds, the Issuer Fees, and Trustee Fees and Expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in the Indenture, (iii) the release of Eligible Funds from the Negative Arbitrage Account of the Bond Fund, as provided in the Indenture, and (iv) the sale or other disposition by the Trustee of Eligible Investments prior to maturity at a price below par as permitted under the Indenture.

“**Certificate of Occupancy**” means the temporary or final certificate of occupancy, as the case may be, issued by the City of Hollywood for the multifamily units in the Project, or if certificates of occupancy are not required or provided for multifamily units, then evidence of all final inspection approvals needed to occupy the multifamily units.

“**Citi**” means Citibank, N.A., a national banking association, and its successors and assigns.

“**Citi Forward Commitment**” means the commitment from Citi to the Borrower pursuant to which Citi has agreed to purchase the Governmental Lender Note on the Conversion Date, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

“**Citi Purchase Price**” means an amount equal to the [Actual Project Loan Amount] to be funded by Citi on the Conversion Date.

“**City of Hollywood**” means the City of Hollywood, Florida, a municipal corporation organized and existing under the laws of the State of Florida, as lender of the City of Hollywood Loan.

“**City of Hollywood Loan**” means the loan made to Borrower by the City of Hollywood in the principal amount of \$1,000,000* pursuant to the City of Hollywood Loan Documents.

“**City of Hollywood Loan Documents**” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the City of Hollywood Loan is funded or secured.

“**Closing Date**” means the date of delivery of the Bonds in exchange for the purchase price thereof.

“**Closing Memorandum**” means the closing memorandum attached to the initial Requisition delivered on the Closing Date.

“**Code**” means the Internal Revenue Code of 1986, including applicable final temporary and proposed regulations and revenue rulings applicable thereto.

“**Collateral Fund**” means the Collateral Fund created in the Indenture.

“**Completion Certificate**” means a certificate submitted by the Borrower Representative to the Issuer and the Trustee as provided in the Loan Agreement, which shall be in form and substance acceptable to the Issuer and the Trustee.

“**Completion Date**” means the date upon which the Completion Certificate and the Certificate of Occupancy are delivered by the Borrower to the Issuer and the Trustee.

“**Conditions to Conversion**” shall have the meaning given to such term in the Citi Forward Commitment.

“**Confirmation of Rating**” means a written confirmation, obtained prior to the event or action under scrutiny, from the Rating Agency to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating of the Rating Agency with respect to all Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, qualified or withdrawn as a result of such action or event.

“**Construction Draw Schedule**” means the schedule of the disbursement of the proceeds of the Bonds as provided in an exhibit attached to the Loan Agreement, as the same may be amended from time to time with the consent of the Issuer.

“**Construction Phase**” means the construction phase of the Loan, which time period shall commence on the Closing Date and remain in effect to, but not including, the Conversion Date.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement dated as of August 1, 2023 among the Borrower, the Trustee and the Dissemination Agent, as the same may be amended, restated, supplemented or modified from time to time.

“**Conversion**” means the conversion of the Loan from the Construction Phase to the Permanent Phase on the Conversion Date pursuant to the provisions of the Citi Forward Commitment.

“**Conversion Date**” means the date Citi purchases the Governmental Lender Note upon the satisfaction of the Conditions to Conversion, as such Conversion Date is specified by Citi in the Notice of Conversion; provided, however, the Conversion Date shall occur under the Indenture no earlier than [____ 1, 20__]*.

* Preliminary; subject to change.

“**Costs**” with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

“**Costs of Issuance**” means all fees, costs and expenses payable or reimbursable directly or indirectly by the Issuer or the Borrower and related to the authorization, issuance and sale of the Bonds.

“**Costs of Issuance Deposit**” means the deposit set forth in the Closing Memorandum.

“**Costs of Issuance Fund**” means the Costs of Issuance Fund created pursuant to the Indenture.

“**County**” means Broward County, Florida.

“**County Credit Underwriter**” means Seltzer Management Group, Inc., a Florida corporation, as credit underwriter of the County in connection with the County Loan.

“**County Loan**” means the loan made to the Borrower by the County, in its capacity as maker of the County Loan, in the principal amount of \$10,000,000* pursuant to the County Loan Documents

“**County Loan Documents**” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the County Loan is funded and/or secured.

“**Default**” means any Default under the Loan Agreement as specified in and defined by the Indenture.

“**Designated Office**” of the Trustee or the Underwriter means, respectively, the office of the Trustee or the Underwriter at the respective Notice Address set forth in the Indenture or at such other address as may be specified in writing by the Trustee or the Underwriter, as applicable, as provided in the Indenture.

“**Determination of Taxability**” means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of a Holder of the Bonds for Federal income tax purposes (other than an Holder who is a “substantial user” or “related person” to a “substantial user” within the meaning of Section 147(a) of the Code); provided, that no such decree, judgment, or action will be considered final for this purpose unless the Borrower has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Holder of a Bond, and until the conclusion of any appellate review, if sought.

“**Dissemination Agent**” means initially The Bank of New York Mellon Trust Company, N.A., or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

“**Documents**” means and shall include (without limitation), with respect to the Bonds, the Indenture, the Loan Agreement, the Note, the Tax Regulatory Agreement, the Tax Certificate, the Guarantor Documents and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may hereafter execute and deliver, to evidence or secure the Issuer’s Obligations or the Borrower’s Obligations, or any part thereof, or in connection therewith, and any and all Supplements thereto, but excluding the Mortgage Loan Documents and the Subordinate Loan Documents.

“**ELI Loan**” means the loan made to Borrower by Florida Housing in the principal amount of \$750,000* pursuant to the ELI Loan Documents.

“**ELI Loan Documents**” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the ELI Loan is funded or secured.

* Preliminary; subject to change.

“Eligible Funds” means, as of any date of determination, any of:

- (a) the proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase price thereof by the Underwriter);
- (b) moneys drawn on a letter of credit;
- (c) moneys received by the Trustee representing advances to the Borrower (or an Affiliate) of funds from other third parties representing loans of money earmarked for the Project including: proceeds of the Mortgage Loan;
- (d) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase and or remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, any Affiliate of either the Borrower or the Issuer);
- (e) any other amounts, including the proceeds of any refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, *provided* that no Act of Bankruptcy has occurred during such period;
- (g) proceeds of Citi Purchase Price received from Citi in connection with Citi’s purchase of the Governmental Lender Note on the Conversion Date; and
- (h) investment income derived from the investment of the money described in subsections (a) through (g) hereof.

“Eligible Investments” means, subject to the provisions of the Indenture, any of the following investments that mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture, to the extent the same are at the time legal for investment of the Issuer’s funds (written direction of the Issuer or the Borrower to invest funds shall be conclusive evidence that the directed investment is at the time a legal investment of the Issuer’s funds):

- (a) Governmental Obligations; and
- (b) To the extent permitted in the Indenture, shares or units in any money market mutual fund (i) which is then rated “Aaa-mf” by Moody’s (or if no fund is available at that rating category, the highest rating category then available for that category of fund by Moody’s, or if Moody’s is not the Rating Agency or a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

“Event of Default” or **“Default”** means any of the events described as an Event of Default in the Indenture or the Loan Agreement.

“Excess Earnings Account” means the Excess Earnings Account of the Project Fund created in the Indenture.

“Extension Payment” means the amount due, if any, in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Eligible Funds.

“Florida Housing” means the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, as lender of the SAIL Loan, the ELI Loan and the NHTF Loan.

“Forward Commitment Maturity Date” means [March 1, 2026]*, subject to extension by Citi as provided in the Citi Forward Commitment.

“Funding Loan Agreement” means the Funding Loan Agreement attached as an exhibit to the Indenture, which Funding Loan Agreement shall be executed, delivered and become effective on the Conversion Date.

“Governmental Authority” means any federal, State or local governmental or quasi-governmental entity, including, without limitation, any agency, department, commission, board, bureau, administration, service, or other instrumentality of any governmental entity.

“Governmental Lender Note” means the Governmental Lender Note attached as an exhibit to the Funding Loan Agreement, which Governmental Lender Note shall be executed, delivered and become effective on the Conversion Date.

“Governmental Obligations” means (a) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Governmental Requirements” means all laws, ordinances, orders, rules or regulations of any Governmental Authority applicable to the Project, the Issuer, the Borrower or any of the Borrower’s assets or other properties, including without limitation, laws, ordinances, orders, rules and regulations relating to securities or other public disclosures, zoning, licenses, permits, subdivision, building, safety, health, and fire protection and all environmental laws

“Guarantor” and **“Guarantors”** means, individually and collectively, the Borrower, the Authorized Member, Pinnacle Communities, LLC, a Florida limited liability company, Louis Wolfson III, individually, David O. Deutch, individually, and The Estate of Mitchell M. Friedman.

“Guarantor Documents” means, collectively, the Absolute and Unconditional Guaranty of Completion, the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, the Absolute and Unconditional Guaranty of Operating Deficits and the Environmental Indemnity Agreement, each made by the Guarantors for the benefit of the Issuer and the Trustee.

“Hazardous Materials” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or

* Preliminary; subject to change.

containing any substance; radon; Mold; toxic or mycotoxin spores; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance (whether or not naturally occurring) now or in the future that (i) is defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “solid waste,” “pesticide,” “contaminant,” or “pollutant”, or otherwise classified as hazardous or toxic by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

“**Hazardous Materials Laws**” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, rule of common law (including, without limitation, nuisance and trespass), consent order, administrative rulings and court judgments and decrees or other government directive in effect now or in the future and including all amendments, that relate to Hazardous Materials or to the protection or conservation of the environment or human health and apply to Borrower or to the Mortgaged Property, including, without limitation, those relating to industrial hygiene, or the use, analysis, generation, manufacture, storage, discharge, release, disposal, transportation, treatment, investigation, or remediation of Hazardous Materials. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Superfund Amendments and Reauthorization Act, the Solid Waste Disposal Act, the Clean Air Act, the Occupational Safety and Health Act, and their state analogs.

“**Indenture**” means this Trust Indenture, dated as of August 1, 2023, by and between the Issuer and the Trustee, and any and all Supplements thereto.

“**Independent**” means any person not an employee or officer of the Borrower or its affiliates.

“**Initial Deposit**” means Eligible Funds in the amount of \$ _____.

“**Initial Interest Rate**” means _____%.

“**Initial Mandatory Tender Date**” means the earlier of (i) the Conversion Date, and (ii) [September 1, 2026]*.

“**Initial Remarketing Date**” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Bonds on such date as provided in the Indenture are satisfied.

“**Interest Payment Date**” means (a) March 1* and September 1* of each year beginning March 1, 2024*, and (b) each Mandatory Tender Date.

“**Interest Period**” means, initially, the period from the Closing Date to but not including first Interest Payment Date, and thereafter, the period commencing on each succeeding Interest Payment Date and ending on the last day of the month preceding the next Interest Payment Date.

“**Interest Rate**” means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, as applicable, and thereafter the applicable Remarketing Rate; provided, however, commencing on the Conversion Date the Interest Rate shall be as set forth in the Funding Loan Agreement.

“**Investor Member**” means Bank of America, N.A., a national banking association, in its capacity as investor member in Borrower, its permitted successors and assigns.

* Preliminary; subject to change.

“**Issuer**” means the Housing Finance Authority of Broward County, Florida, a public body corporate and politic duly organized and existing under the laws of the State of Florida, and any successor to its powers and duties under the Act.

“**Issuer Closing Fee**” means the (i) Issuer’s one (1) time initial issuance fee in the amount equal to fifty basis points (0.50%) of the original aggregate principal amount of the Loan, as evidenced by the Note, for a total of \$110,000*, (ii) Issuer’s indemnification fee of \$20,000, and (iii) Issuer’s counsel fee of \$5,000, all of which shall be payable to the Issuer by the Trustee on the Closing Date from amounts on deposit in the Costs of Issuance Fund pursuant to the Indenture.

“**Issuer Documents**” means the Loan Agreement, the Indenture, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Tax Certificate and any and all documents, agreements or instruments executed by the Issuer in connection with the Loan.

“**Issuer Fee**” means, collectively, (i) the Issuer Closing Fee, (ii) the Ongoing Issuer Fee and (iii) Late Reporting Fees and/or Issuer’s Compliance Fees, as applicable, pursuant to the Tax Regulatory Agreement.

“**Issuer’s Obligations**” means the obligations of the Issuer under the Bonds, the Indenture, and the other Documents to (a) pay the principal of and interest on the Bonds (including supplemental interest), when and as the same shall become due and payable (whether at the stated maturity thereof, or by acceleration of maturity or after notice of prepayment or otherwise) and, (b) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Issuer is required, by the Bonds, the Indenture, or any of the other Documents, to perform and observe.

“**Loan**” means the loan by the Issuer to the Borrower in the principal amount of \$22,000,000* made by the Issuer to the Borrower evidenced by the Note, described in the Loan Agreement and made in connection with the issuance of the Bonds.

“**Loan Agreement**” means the Loan Agreement dated as of August 1, 2023, between the Issuer and the Borrower and any and all Supplements thereto.

“**Loan Payments**” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and the Loan Agreement.

“**Local Time**” means Eastern time (daylight or standard, as applicable) in the State.

“**Mandatory Tender Date**” means each date on which all Outstanding Bonds are subject to mandatory tender as set forth in the Indenture.

“**Maturity Date**” means [September 1, 2041]*.

“**Maximum Interest Rate**” means the interest rate equal to the lesser of: (a) 12% per annum, or (b) the maximum interest rate per annum permitted by applicable law.

“**Moody’s**” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, acceptable to the Remarketing Agent, that assigns credit ratings.

“**Mortgage Lender**” means Bank of America, N.A., and any successors or assigns.

“**Mortgage Loan**” means the mortgage loan to be made by the Mortgage Lender to the Borrower in the principal amount of \$22,000,000* with respect to the Project, as described and provided for in the Mortgage Loan Documents.

* Preliminary; subject to change.

“**Mortgage Loan Documents**” means the Mortgage Loan Security Instrument, the mortgage note, and all other documents required by the Mortgage Lender in connection with the Mortgage Loan.

“**Mortgage Loan Prepayment Amount**” means an amount necessary to prepay in full the outstanding principal amount of the Mortgage Loan, together with accrued interest to, but not including, the Conversion Date, as set forth in a payoff statement submitted by the Mortgage Lender to the Trustee on or prior to the Conversion Date.

“**Mortgage Loan Prepayment Fund**” means the Mortgage Loan Prepayment Fund created under the Indenture.

“**Mortgage Loan Security Instrument**” means the [Mortgage, Assignment of Rents, Security Agreement and Fixture Filing] which will secure the Mortgage Loan, as the same may be amended, supplemented or restated.

“**Negative Arbitrage Account**” means the Negative Arbitrage Account of the Bond Fund created under the Indenture.

“**NHTF Loan**” means the loan made to Borrower by Florida Housing in the principal amount of \$1,850,000* pursuant to the NHTF Loan Documents.

“**NHTF Loan Documents**” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the NHTF Loan is funded or secured.

“**Note**” means the Promissory Note dated the Closing Date from the Borrower to the Issuer in substantially the form attached as Exhibit B to the Loan Agreement, and any amendments, Supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee.

“**Notice of Conversion**” means a written notice to be delivered not less than ten (10) days (or such shorter period as agreed to in writing by all the notice parties) prior to the Conversion Date by Citi to the Issuer, the Trustee, the Borrower and the Mortgage Lender (i) stating that the Conditions to Conversion have been satisfied on or before the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied on or before the Forward Commitment Maturity Date, stating that such Condition to Conversion has been waived in writing by Citi (if a waiver is permitted and is granted by Citi, in its sole and absolute discretion) on or before the Forward Commitment Maturity Date and (ii) confirming the Conversion Date.

“**Official Statement**” means the Official Statement dated _____, 2023, relating to the Bonds.

“**Ongoing Issuer Fee**” means the annual program administration fee of the Issuer, payable in advance by the Borrower to the Trustee for payment to the Issuer in the amount of eighteen basis points (0.18%) per annum of the outstanding principal amount of the Loan (calculated on the Business Day prior to any principal reduction of the Loan). The first payment of the Ongoing Issuer Fee shall be payable on the Closing Date for the period beginning on the Closing Date and ending on August 31, 2024*. Thereafter, the Ongoing Issuer Fee shall be payable in semi-annual installments on each March 1* and September 1*, with the first semi-annual payment due and payable on September 1, 2024*; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Issuer, the Trustee, Bond Counsel, the Issuer’s counsel, or the Trustee’s counsel to be paid by the Borrower pursuant to the Loan Agreement.

“**Operating Agreement**” means the [Amended and Restated Operating Agreement] of the Borrower, dated August __, 2023, as it may be amended in accordance with the Borrower Documents and the Mortgage Loan Documents.

“**Opinion of Counsel**” means an opinion from an attorney or firm of attorneys, acceptable to the Trustee, with experience in the matters to be covered in the opinion.

* Preliminary; subject to change.

“Outstanding,” “outstanding” or “Bonds Outstanding” when used with respect to the Bonds means any Bonds theretofore authenticated and delivered under the Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or theretofore delivered to the Trustee for cancellation;
- (b) Bonds for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee in accordance with the Indenture; or
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture.

“Permanent Phase” means the permanent phase of the Loan, which time period shall commence on the Conversion Date and remain in effect through the Maturity Date.

“Person” shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

“Project” means the multifamily rental housing project located in Hollywood, Florida, to be known as Pinnacle 441 Phase 2, which, upon completion, will contain approximately 100 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses.

“Project Fund” means the Project Fund created under the Indenture.

“Qualified Project Costs” means any expenditures which (a) are incurred not more than 60 days prior to the date on which the Issuer first declared its “official intent” (within the meaning of Treasury Regulation Section 1.150-2) with respect to the Project (other than preliminary expenditures with respect to the Project in an amount not exceeding 20% of the aggregate principal amount of the Bonds); (b) are made exclusively to provide facilities and improvements that constitute part of a “qualified residential rental project” within the meaning of Section 142(d) of the Code; and (c) are properly chargeable to the Project’s capital account under general federal income tax principles or that would be so chargeable with a proper election or but for a proper election by the Borrower to deduct such expenditure. However, “Qualified Project Costs” do not include (i) issuance costs of the Bonds (within the meaning of Section 147(g) of the Code) or (ii) any fee, charge or profit payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code) of the Borrower. As used herein, the term “preliminary expenditures” includes architectural, engineering, surveying, soil testing and similar costs that were incurred prior to the commencement of construction of the Project, but does not include land acquisition, site preparation and similar costs incident to commencement of construction of the Project.

“Rating Agency” means any national rating agency then maintaining a rating on the Bonds, and initially means Moody’s.

“Rating Category” means one of the generic rating categories of the Rating Agency.

“Rebate Amount” means the amount, if any, which is to be paid to the United States of America pursuant to the Section 148(f) of the Code and the Indenture.

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Issuer at the expense of the Borrower to calculate the Rebate Amount or, in the event that the Issuer fails to so select a Rebate Analyst and the Borrower fails to pay such fee one month prior to any date on which calculations are required to be made, any qualified person retained by the Trustee to calculate the Rebate Amount. The initial Rebate Analyst will be Dufresne CPA Services, P.A.

“Rebate Fund” means the Rebate Fund created under the Indenture.

“Record Date” means the 15th day of the month preceding any Interest Payment Date or 45 days prior to any Mandatory Tender Date.

“Remarketing Agent” means RBC Capital Markets, LLC or any successor as Remarketing Agent designated in accordance with the Indenture.

“Remarketing Agent's Fee” means the fee of the Remarketing Agent for its remarketing services.

“Remarketing Agreement” means the Remarketing Agreement, dated as of August 1, 2023 by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the Initial Remarketing Date and, if the Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Investor Member, the Issuer, the Trustee, the Remarketing Agent, the Authorized Member and the Mortgage Lender.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the earlier of (i) the last day of the term for which Bonds are remarketed pursuant to the Indenture, (ii) the Conversion Date or (iii) the final Maturity Date of the Bonds.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund created under the Indenture.

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

“Requisition” means the written request to make a disbursement from (i) the Project Fund in substantially the form attached to the Indenture submitted in the manner provided pursuant to the Indenture, or (ii) the Costs of Issuance Fund in substantially the form attached to the Indenture submitted in the manner provided pursuant to the Indenture.

“Reserved Rights of the Issuer” shall mean (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under the Indenture, the Loan Agreement and the Tax Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information under the Indenture, under the Loan Agreement and under the Tax Regulatory Agreement; (c) the right of the Issuer to receive its fees and expenses; (d) the Issuer's approval rights; (e) the rights of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and enforcement rights of the Issuer in the Loan Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are

set forth in any of the Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of the Indenture and the Loan Agreement, or the Tax Regulatory Agreement insofar as any such amendment or modification would affect the Reserved Rights of the Issuer; (k) all approval rights of the Issuer relating to rent increases as provided in the Tax Regulatory Agreement;; and (l) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under the Indenture, the Tax Regulatory Agreement and the Loan Agreement are reserved to the Issuer, as none of these rights under the Indenture, the Tax Regulatory Agreement or the Loan Agreement are being assigned by the Issuer to the Trustee, the Mortgage Lender or Citi.

“Revenues” means (a) the Loan Payments, (b) the Eligible Funds received by the Trustee for deposit into the Collateral Fund, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Special Funds, and (e) all income and profit from the investment of the foregoing moneys. The term **“Revenues”** does not include any money or investments in the Rebate Fund and the Costs of Issuance Fund (but only to the extent such moneys are not proceeds of the Bonds), amounts paid as fees, reimbursement for expenses or for indemnification of the Issuer and the Trustee, or amounts paid to or collected by the Issuer in connection with any Reserved Rights of the Issuer.

“SAIL Loan” means the loan made to Borrower by Florida Housing in the principal amount of \$4,000,000* pursuant to the SAIL Loan Documents.

“SAIL Loan Documents” means any loan agreement, financing agreement, security agreement and all other documents pursuant to which the SAIL Loan is funded or secured.

“Securities Depository” means the Depository Trust Company, its successors and assigns, or any other securities depository for the Bonds designated by the Issuer or the Borrower to the Trustee in writing.

“Special Funds” means, collectively, the Bond Fund, the Collateral Fund and the Project Fund, and any accounts therein, all as created in the Indenture.

“State” means the State of Florida.

“Subordinate Lenders” means, collectively, the City of Hollywood, the County and Florida Housing.

“Subordinate Loan Documents” means, collectively, the City of Hollywood Loan Documents, the County Loan Documents, the ELI Loan Documents, the NHTF Loan Documents and the SAIL Loan Documents.

“Subordinate Loans” means, collectively, the City of Hollywood Loan, the County Loan, the ELI Loan, the NHTF Loan and the SAIL Loan.

“Subordinate Loan Account” shall mean the Subordinate Loan Account within the Project Fund established pursuant to the Indenture.

“Supplement” or **“Supplements”** means any and all extensions, renewals, modifications, amendments, supplements and substitutions.

“Tax Certificate” means, collectively, (i) the Certificate as to Arbitrage and Certain Other Tax Matters dated the Closing Date and executed by the Issuer, and (ii) the Borrower Tax Certificate dated the Closing Date and executed and delivered by the Borrower, and (iii) the Arbitrage Rebate Agreement by and among the Issuer, the Borrower and the Trustee, in each case including all exhibits and other attachments thereto and in each case as may be amended from time to time.

* Preliminary; subject to change.

“Tax Regulatory Agreement” means the Land Use Restriction Agreement dated as of the same date as the Indenture by and among the Issuer, the Trustee and the Borrower relating to the Bonds, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

“Term of Agreement” means the term of the Loan Agreement as specified in the Loan Agreement.

“Title Company” means Old Republic National Title Insurance Company.

“Trust Estate” has the meaning given such term in the Granting Clauses of the Indenture.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, organized and existing under the laws of the United States and authorized to conduct business in the State, and its successor or successors in the trust created by the Indenture.

“Trustee’s Fee” means the Trustee’s initial acceptance fee and expenses of \$2,500.00 plus fees, costs and expenses of its counsel in conjunction with the delivery of the Bonds and the ongoing compensation and expenses payable to the Trustee as follows:

(a) the annual administration fees of the Trustee, for the ordinary services of the Trustee rendered under the Indenture during each twelve-month period and shall be \$3,750.00 per annum, payable in advance in semiannual installments of \$1,875.00 on the Closing Date and each March 1* and September 1* thereafter; beginning March 1, 2024*;

(b) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under the Indenture as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including fees prior to litigation, at trial or for appellate proceedings); provided, however, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and

(c) for purposes of the Loan Agreement, indemnification of the Trustee by the Borrower; and

(d) 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.

“Trust Office” means the trust office of the Trustee located at the address set forth in the Indenture or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

“Undelivered Bond” means any Bond that is required under the Indenture to be delivered to the Remarketing Agent or the Trustee for purchase on a Mandatory Tender Date but that has not been received on the date such Bond is required to be so delivered.

“Underwriter” means, collectively, RBC Capital Markets, LLC and Raymond James & Associates, Inc.

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* Preliminary; subject to change.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a brief summary of certain provisions of the Indenture. The following summary does not purport to be complete or definitive and is subject to all the terms and provisions of the Indenture, to which reference is hereby made and copies of which are available from the Issuer or the Trustee.

Creation of Funds

The following trust funds are created by the Issuer and ordered established with the Trustee, to be maintained in the custody of the Trustee each as a separate bank account, to be used for the purposes as provided in the Indenture:

(a) Bond Fund. The Bond Fund and within the Bond Fund, the “Negative Arbitrage Account” and the “Remarketing Proceeds Account”.

(b) Project Fund. The Project Fund and within the Project Fund an “Excess Earnings Account” and a “Subordinate Loan Account.” Moneys held in the Subordinate Loan Account of the Project Fund are not held for the benefit of the Owners and are not part of the Trust Estate.

(c) Rebate Fund. The Rebate Fund, which Fund shall be administered in accordance with the provisions of the Indenture. Moneys held in the Rebate Fund are not held for the benefit of the Owners and are not part of the Trust Estate.

(d) Costs of Issuance Fund. Moneys held in the Costs of Issuance Fund that are not proceeds of the Bonds are not held for the benefit of the Owners and are not part of the Trust Estate. Any moneys held in the Costs of Issuance Fund that are proceeds of the Bonds are held for the benefit of the Owners and are part of the Trust Estate.

(e) Collateral Fund.

(f) Mortgage Loan Prepayment Fund. The Mortgage Loan Prepayment Fund shall not be pledged to the payment of the Bonds and shall not be part of the Trust Estate.

The Trustee may create one or more accounts or subaccounts within any fund authorized by the Indenture for the purpose of accounting for funds deposited into or held in each fund or for carrying out any of the requirements of the Indenture. The Trustee may transfer funds between accounts and subaccounts within any fund.

In the event certain moneys are deposited with the Trustee prior to the Closing Date, whether or not pursuant to one or more letters of instruction from the provider or providers of such moneys, such moneys shall be held by the Trustee subject to the terms and conditions of the Indenture, in addition to the terms of any such letter(s) of instruction. For such purpose, the standards of care, any provisions governing the responsibilities and indemnification and other provisions relating to the Trustee contained in the Indenture and in the Loan Agreement (the “Effective Provisions”) shall be effective as of the first date of receipt by the Trustee of such moneys. The Effective Provisions shall be deemed incorporated into any such letter(s) of instructions.

Deposits into and Use of Moneys in the Bond Fund

On the Closing Date, the Trustee shall deposit the Initial Deposit, if any, in the Negative Arbitrage Account of the Bond Fund; the Bond Fund and amounts on deposit in the Bond Fund are to be invested pursuant to the Indenture. Any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to the Indenture shall also be deposited into the Negative Arbitrage Account. The Trustee is authorized to release funds in the Negative Arbitrage Account to the Borrower upon receipt of updated Cash Flow Projections and a Rating Agency Confirmation.

On each Interest Payment Date, any available interest earnings in the Project Fund, up to an amount equal to the interest due on the Bonds on such Interest Payment Date, shall be transferred to the Bond Fund to make a payment of interest on the Bonds on such Interest Payment Date. Further, to the extent that available interest earnings on the Project Fund transferred to the Bond Fund in accordance with the preceding sentence are insufficient to make necessary interest payments on each Interest Payment Date, interest on the Bonds, when due and payable, shall be paid (a) in the first instance from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account therein), (b) next from money on deposit in the Negative Arbitrage Account of the Bond Fund, (c) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (d) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Principal on the Bonds, when due and payable, shall be paid (a) in the first instance from the money on deposit in the Bond Fund, (b) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (c) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Except as provided in the Indenture, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds when due.

Rebate Fund; Rebate Amount

The Trustee shall deposit into the Rebate Fund amounts paid by the Borrower pursuant to the Tax Certificate.

(a) The determination of the Rebate Amount shall be made in accordance with the Tax Certificate and the Rebate Amount shall be paid at such times and in such installments as provided therein. As further provided in the Tax Certificate, the Borrower shall be responsible for calculating or causing to be calculated and paying the Rebate Amount.

(b) Neither the Issuer nor the Trustee shall be obligated to pay any portion of the Rebate Amount (except from funds on deposit in the Rebate Fund). In addition, neither the Issuer nor the Trustee shall have any responsibility with respect to the calculation of the Rebate Amount, provided that the rebate calculations are subject to the Issuer's approval.

(c) Any moneys held as part of the Rebate Fund and not immediately required to be paid to the United States pursuant to the Tax Certificate shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative [and approved by the Issuer], in Governmental Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Governmental Obligations, including any such fund maintained by the Trustee or an affiliate thereof, having maturities consonant with the need for moneys as reasonably estimated by the Borrower. In connection with the investment of moneys held as part of the Rebate Fund (as provided in the Indenture), interest and other income received on the investment of moneys held as part of the Rebate Fund shall be credited to the Rebate Fund.

(d) As provided in the Tax Certificate, the Borrower is required to (i) obtain a rebate calculation with respect to the Rebate Amount upon the redemption or final maturity of the Bonds and either (ii) (a) pay to the Trustee for deposit into the Rebate Fund an amount of money as determined by such calculation within thirty (30) days of such calculation or (b) provide the Trustee with written notice (signed by the Borrower Representative and the Rebate Analyst) that (1) no deposit is required or (2) the amount in the Rebate Fund is in excess of the amount required to be on deposit as determined by the most recent rebate calculation, in which case the Trustee shall, with the prior written consent of the Issuer, pay such excess over to the Borrower. If the Trustee does not receive either of the items required in (ii)(a) or (ii)(b) above within 30 days after the completion of construction of the Project, the Trustee shall notify the Issuer; provided, however, that the Trustee shall not incur any liability if it should fail to provide such notice.

Costs of Issuance Fund

On the Closing Date, the Trustee shall deposit the Costs of Issuance Deposit in the Costs of Issuance Fund to pay the Costs of Issuance from amounts available therein, which Costs of Issuance shall not exceed the amounts set forth in a certificate of the Issuer. The Trustee shall disburse funds on deposit in the Costs of Issuance Fund upon receipt by the Trustee of Requisitions substantially in the form attached as an exhibit to the Indenture. Any funds remaining in the Costs of Issuance Fund more than one hundred eighty (180) days after the Closing Date, and not specifically committed to the payment of Costs of Issuance, shall be returned to the Borrower, to the extent such funds are not Bond proceeds or otherwise restricted funds. If such remaining funds are Bond proceeds or otherwise restricted, such funds shall be deposited by the Trustee into the Bond Fund.

Collateral Fund; Project Fund

All or any of the Subordinate Lenders shall, from time to time, deposit or cause to be deposited with the Trustee proceeds of the Subordinate Loans into the Subordinate Loan Account of the Project Fund.

To the extent moneys are not otherwise provided to the Trustee to make the necessary interest and principal payments on each Interest Payment Date, including moneys deposited into the Bond Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund (other than from the Subordinate Loan Account of the Project Fund) to the Bond Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date. Other than in connection with the disbursement of moneys from the Subordinate Loan Account of the Project Fund, upon the receipt of requests for disbursement from the Project Fund pursuant to the Indenture and the receipt of Eligible Funds in amounts equal to or greater than such requests, the Trustee shall concurrently take the following steps:

- (i) deposit such Eligible Funds into the Collateral Fund; and
- (ii) disburse Bond proceeds from the Project Fund in an amount equal to the Eligible Funds received and deposited pursuant to subparagraph (i) above, in accordance with the Indenture: provided to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee shall not sell or otherwise terminate such Eligible Investments prior to their stated maturity date and instead the Trustee is instructed to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Costs of the Project: (a) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund, and (b) transfer to the Project Fund a like amount of Eligible Funds on deposit in the Collateral Fund to be disbursed in accordance with this subparagraph (ii).

Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions of the Indenture.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If requested by the Issuer or the Borrower, after the Project has been completed and a certificate of payment of all costs is filed as provided in the Indenture, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer and the Borrower.

When the aggregate principal amount on deposit in the Collateral Fund, together with the scheduled investment earnings thereon, equals the expected Bond Service Charges to be paid on the Bonds to and including the Initial Mandatory Tender Date, and the tender price on the Mandatory Tender Date, the excess amounts shall be transferred upon receipt to the Project Fund and used to pay Project Costs in accordance with the Loan Agreement or to the Mortgage Loan Prepayment Fund, as directed by the Mortgage Lender.

The Borrower expects that the Project will proceed substantially in accordance with the Construction Draw Schedule. Each Requisition submitted to the Trustee shall evidence and request disbursements from the Project Fund and/or the Costs of Issuance Fund.

Notwithstanding any other provision of the Indenture to the contrary, after the Closing Date the Trustee shall not disburse moneys from the Project Fund (other than the disbursement of moneys from the Subordinate Loan Account of the Project Fund), other than to pay Bond Service Charges on the Bonds, unless and until the Trustee receives satisfactory evidence that Eligible Funds in an amount equal to or greater than the requested disbursement amount (the "Collateral Deposit") has been deposited in the Collateral Fund. Notwithstanding the immediately preceding sentence, after the Closing Date, the Trustee shall not be required to receive satisfactory evidence that the Collateral Deposit has been deposited in the Collateral Fund prior to disbursing any moneys from the Subordinate Loan Account of the Project Fund. Prior to making any disbursement from the Project Fund, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund and (ii) the Project Fund (less amounts on deposit in the Subordinate Loan Account of the Project Fund), together with projected investment earnings thereon, will be sufficient to pay Bond Service Charges on the outstanding Bonds as and when they become due. In the event that, following receipt of the Collateral Deposit, the Trustee determines that it cannot correspondingly disburse Bond proceeds to or at the direction of the Borrower, the Mortgage Lender or other collateral providers, if any, the Trustee shall immediately notify the Borrower and the Mortgage Lender, or other collateral providers, as applicable, of the reason for such determination and shall, immediately upon the request of the Borrower, the Mortgage Lender, or other collateral provider return the subject Collateral Deposit to the party that deposited such Collateral Deposit with the Trustee.

The proceeds of the Bonds shall be allocated exclusively to pay costs that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 142(d) of the Code; and (ii) shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located, so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its members and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any person, including without limitation, the Borrower, the members of the Borrower, any other affiliate of the Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or Event of Default under the Indenture.

Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount for the Bonds has been declared to be due and immediately payable under the Indenture, any moneys remaining in the Project Fund (other than proceeds of the Subordinate Loans in the Subordinate Loan Account) shall be promptly transferred by the Trustee to the Bond Fund for payment of Bond Service Charges. Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount for the Bonds has been declared to be due and immediately payable under the Indenture, any moneys remaining in the Subordinate Loan Account of the Project Fund shall be promptly transferred by the Trustee to the applicable Subordinate Lenders.

Procedure for Making Disbursements from Project Fund

Upon the deposit of Eligible Funds into the Collateral Fund, as provided in the Indenture, the Trustee shall disburse the Bond proceeds and/or the proceeds of the Subordinate Loans, as applicable, on deposit in the Project Fund on such date solely to pay the Costs of the Project and only upon the receipt by the Trustee of (1) Requisitions in substantially the form attached as an exhibit to the Indenture (which Requisitions for disbursements of County Loan proceeds from the Subordinate Loan Account of the Project Fund shall evidence the approval of the County Credit Underwriter), and (2) certification by a Borrower Representative that such costs are qualified costs pursuant to Section 142 of the Code. The Trustee shall not disburse money from the Project Fund, other than to pay interest and principal on the Bonds, unless and until Collateral Payments or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Collateral Fund; provided, however, that the Trustee shall transfer funds from the Project Fund to the Collateral Fund upon receipt of an opinion of Bond Counsel to the effect that such transfer shall not cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. To the extent money on deposit in the Project Fund is invested in Eligible Investments and the Borrower has requested that the Trustee not sell or otherwise terminate such Eligible Investments prior to their stated maturity date, the Trustee is authorized by the Indenture to make the following allocations and exchanges in accordance with the Indenture, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Costs of the Project: (i) allocate all or a portion of the

Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and(ii) transfer to the Project Fund a like amount of Eligible Funds on deposit in the Collateral Fund.

Each Requisition submitted to the Trustee shall evidence and request disbursements from the (i) Project Fund, and/or (ii) the Costs of Issuance Fund.

The Trustee shall not disburse money from the Project Fund (other than the disbursement of moneys from the Subordinate Loan Account of the Project Fund), other than to pay interest and principal on the Bonds as otherwise permitted under the Indenture, unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Collateral Fund in accordance with the Indenture. Notwithstanding the immediately preceding sentence, no corresponding deposit to the Collateral Fund shall be required with respect to any disbursement of proceeds of the Subordinate Loans from the Subordinate Loan Account of the Project Fund. In accordance with the Loan Agreement, and prior to making any disbursement from the Project Fund (except to make necessary interest and principal payments on the Bonds as otherwise permitted under the Indenture), the Trustee shall determine that the aggregate account balance in (a) the Collateral Fund and (b) the Project Fund (less the requested disbursement amount and less amounts on deposit in the Subordinate Loan Account of the Project Fund) is at least equal to the then-Outstanding principal amount of the Bonds.

Money in the Project Fund shall be disbursed in accordance with the provisions of the Loan Agreement and the Indenture. To the extent moneys are not otherwise provided to the Trustee to make the necessary interest and principal payments on each Interest Payment Date, including moneys deposited into the Bond Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund (other than from moneys on deposit in the Subordinate Loan Account of the Project Fund) to the Bond Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date.

Notwithstanding anything contained in the Indenture or any of the Borrower Documents to the contrary: (a) with respect to Eligible Funds funded by the Mortgage Lender for deposit into the Collateral Fund, the Trustee shall be irrevocably and unconditionally obligated to disburse an equal amount of funds from the Project Fund (other than from moneys on deposit in the Subordinate Loan Account of the Project Fund) to either the Mortgage Lender, the Borrower or the Title Company pursuant to a Requisition as directed by the Mortgage Lender; and (b) with respect to Eligible Funds funded by other collateral providers (if any) for deposit into the Collateral Fund, the Trustee shall be irrevocably and unconditionally obligated to disburse an equal amount of funds from the Project Fund (other than from moneys on deposit in the Subordinate Loan Account of the Project Fund) to either the Borrower or the Title Company as directed by the collateral provider pursuant to a Requisition. Such disbursements shall be made pursuant to a Requisition and shall not be made more frequently than once per month, unless approved by the Issuer, in its sole discretion.

Subject to the Trustee's obligation to return the Eligible Funds to the Mortgage Lender or other collateral providers (if any) as set forth above, the Trustee and the Issuer shall not, in any event, be responsible or liable to any person (other than the Borrower, but only in the case of the Trustee, and only in the event of a failure by the Trustee to make disbursements following request for disbursements in accordance with the Documents, when such failure is within the Trustee's sole control, and after receipt of written notice of such failure and a 3-day opportunity to cure such failure) for the disbursement of, or failure to disburse, moneys from the Project Fund or any part thereof, and no contractor, subcontractor or material or equipment supplier or their respective successors and assigns shall have any right or claim against the Trustee or the Issuer under the Indenture.

Notwithstanding anything contained in the Indenture or any of the Borrower Documents to the contrary, if for any reason the Trustee is not able to disburse a corresponding amount of Bond proceeds from the Project Fund to or at the direction of the Mortgage Lender or other collateral providers, as applicable, immediately following receipt of Eligible Funds from the Mortgage Lender or other collateral providers, as applicable, for deposit into the Collateral Fund, the Trustee shall promptly wire transfer such funds back to the Mortgage Lender or other collateral providers, as applicable, and not deposit same into the Collateral Fund.

Notwithstanding anything in the Indenture, the Loan Agreement or any of the other Documents to the contrary, (i) moneys held in the Subordinate Loan Account of the Project Fund are not held for the benefit of the Owners and are not part of the Trust Estate, (ii) moneys disbursed by the Trustee from the Subordinate Loan Account

of the Project Fund shall be used only for the purposes set forth in the Subordinate Loan Documents, and (iii) the Trustee shall not disburse any County Loan proceeds from the Subordinate Loan Account of the Project Fund without the prior written approval of the County Credit Underwriter, which approval may be evidenced by receipt of a Requisition executed by the County Credit Underwriter.

Investment of Bond Fund, Project Fund and Collateral Fund

Money in all funds or accounts including the Bond Fund, Project Fund, and Collateral Fund shall be invested and reinvested by the Trustee, and at all times held in Eligible Investments at the written direction of the Borrower. In the absence of written direction of the Borrower, any moneys held under the Indenture shall be invested in: (i) the following money market funds in the following order, so long as such funds invest solely in direct obligations issued by the U.S. Treasury or repurchase agreements backed by those obligations: [First American U.S. Treasury Money Market Fund; Wells Fargo Advantage 100% Treasury Money Market Funds; Federated U.S. Treasury Cash Reserves (Fund 125); and Federated Treasury Obligations Fund (Fund 68)]; and (ii) if none of such funds are available, then in the absence of investment directions from the Borrower shall be held uninvested. If none of the money market funds identified in (i) of the preceding sentence are available, the Trustee will notify the Borrower accordingly. At no time shall the Borrower direct that (a) any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code or (b) any funds be held other than in Eligible Investments.

Investments of money in the Bond Fund, Project Fund, and the Collateral Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide money to pay any amounts due on the Bonds as they become due on each Interest Payment Date or at stated maturity or on a Mandatory Tender Date. In addition, investments of money in the Project Fund shall be allocated and exchanged in accordance with the Indenture at the times and in the amounts as may be necessary to make anticipated payments from the Project Fund.

The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable under the Indenture to and at times required for the purposes of paying any amounts due on the Bonds, and shall do so without necessity for any order on behalf of the Issuer or the Borrower and without restriction by reason of any order. An investment made from money credited to an applicable fund or account shall constitute part of that respective fund or account. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. Notwithstanding anything in the Indenture to the contrary, earnings received by the Trustee with respect to Governmental Obligations purchased for the purpose of paying Bond Service Charges shall be held uninvested.

Any investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association which is an affiliate or subsidiary of the Trustee; provided that all such investments must be Eligible Investments.

The Trustee shall not be liable for losses on investments made in compliance with the provisions of the Indenture.

If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity at a price below par in connection with a mandatory tender prior to the Initial Mandatory Tender Date, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any.

Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Issuer and the Borrower agrees that confirmations of Eligible 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. The Trustee may conclusively rely upon the Borrower's and Issuer's written instructions as to both the suitability and legality of the directed investments.

Investment of Rebate Fund

Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Governmental Obligations or in any money market or short-term investment fund investing in or consisting solely of and secured by Governmental Obligations, including any such fund maintained by the Trustee or an affiliate thereof having maturities consonant with the need for funds as estimated by the Borrower. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein.

Discharge of Lien

If and when the Bonds secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon written request of the Issuer and subject to the provisions of the Indenture, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Bond Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Issuer all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Issuer.

If and when the Trustee shall hold sufficient moneys under the Indenture, as verified to the Trustee in writing by an independent public accounting firm of national reputation or other firm similarly experienced in performing such computations, to provide for payment of the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all the Bonds, together with all other amounts (exclusive of amounts in the Rebate Fund) payable or which may thereafter become payable under the Indenture by the Issuer, notwithstanding that all the Bonds have not yet become due and payable and that consequently the right, title and interest of the Trustee in and to the Trust Estate shall not have ceased, terminated and become void pursuant to the foregoing provisions of this heading, the Trustee, on demand of the Issuer but subject to the provisions of the Indenture, shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, or to such person, body or authority as may be entitled to receive the same, any surplus in the Bond Fund in excess of the amount sufficient to pay the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable under the Indenture by the Issuer.

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an independent public accounting firm of national reputation or other firm similarly experienced in performing such computations) either (i) moneys in an amount which shall be sufficient, or (ii) Governmental Obligations which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the maturity date thereof, and (b) the Issuer shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by subclause (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this heading and stating such maturity upon which moneys are to be available for the payment of the principal of and interest on such Bonds.

Neither the securities nor moneys deposited with the Trustee pursuant to this heading nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on such Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested, as directed by the Borrower, in Governmental Obligations (including any short-term

investment fund rated Aaa or VMIG-1 by the Rating Agency and secured by and investing solely in Governmental Obligations) maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Borrower, as received by the Trustee, free and clear of any trust, lien or pledge.

The release of the obligations of the Issuer under this heading shall be without prejudice to the right of the Trustee provided in the Indenture to be paid reasonable compensation for all services rendered by it under the Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on behalf of the Trustee in connection with the trust created by the Indenture and the performance of its powers and duties under the Indenture, and shall not affect the obligations of the Borrower to make the payments required by the Loan Agreement or the Note.

Events of Default and Acceleration

If any of the following events occur, it is defined as and declared to be and to constitute an “Event of Default” under the Indenture:

- (a) any interest on any Bond is not paid on the date on which the same becomes due; or
- (b) any principal of any Bond is not paid on the date on which the same becomes due, whether at the stated maturity thereof, by acceleration or otherwise; or
- (c) an Event of Default occurs under the Loan Agreement; or
- (d) the Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as specified in (a) or (b) of this section) contained in the Bonds or in the Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer, and the Borrower and the Investor Member by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within ninety (90) days, it shall not be an Event of Default if the Issuer, the Borrower or the Investor Member is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

If any Loan payment required under the Loan Agreement to avoid a default under (a) or (b) of this section shall not have been received at the close of business on the last Business Day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Investor Member, which telephonic notice shall be confirmed by written notice to the Borrower. If any other default shall occur under the provisions of this section, the Trustee shall, within five (5) days after having actual knowledge of such default, use its best efforts to give written notice of such default to the Issuer, the Borrower, the Investor Member and the Holders of the Bonds. A default or an Event of Default specified in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

If an Event of Default specified in (a) or (b) of this section shall occur and be continuing, the Trustee shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Investor Member and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

If an Event of Default specified in (c) or (d) of this section shall occur and be continuing, the Trustee, upon written request of the Holders of a majority in principal amount of the Bonds then Outstanding shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered

to the Issuer, the Investor Member and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

The Investor Member shall be entitled to cure any Event of Default under the Indenture within the time frame provided to the Borrower. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Remedies in Addition to Acceleration

Upon the occurrence of, and during the continuance of, any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of not less than 51% in principal amount of the Bonds then Outstanding and receipt of satisfactory indemnity shall (in addition to its right or duty to accelerate as provided in the Indenture):

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents;
- (b) bring suit upon the Bonds; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Termination of Proceedings

In case any proceeding taken by the Trustee on account of any default or Event of Default shall have been discontinued or abandoned for any reason, the default or Event of Default has been cured, or shall have been determined adversely to the Trustee, then and in every such case, the Issuer, the Trustee, the Bondholders, and the Borrower shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Right of Bondholders to Direct Proceedings

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Indenture, or any other remedy under the Indenture or on the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Indenture and unless also the Holders of not less than 51% in principal amount of the Bonds then outstanding shall have made written request of the Trustee to do so, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Indenture, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Indenture or for any other remedy under the Indenture; it being understood and intended that no one or more Holders of the Bonds secured by the Indenture shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Indenture or under the Bonds, except in the manner provided in the Indenture and for the equal benefit of all Holders of Outstanding Bonds. For purposes of the foregoing sentence, the Trustee shall be deemed to have failed to act within a reasonable time if it fails to take action within sixty (60) days after receipt of notice and compliance with the foregoing terms and conditions, whereupon, the Holders of 51% aggregate principal amount of the Bonds may take such action in the place of the Trustee. Nothing contained in the Indenture shall, however, affect or impair the right of any Holder of Bonds to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and

interest, on each of the Bonds issued under the Indenture to the respective Holders of the Bonds at the time, place, from the source and in the manner in the Indenture and in such Bonds expressed.

Remedies Vested in Trustee

All rights of action under the Indenture or under any of the Bonds secured by the Indenture which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of the Indenture.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the accrued fees, expenses and advances incurred or made by the Trustee, and then to the accrued fees and expenses and advances made by the Issuer, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund during the continuance of an Event of Default (other than moneys for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default, which moneys shall continue to be held for such payments) shall be applied as follows:

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

First — To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the direct order of the maturity of the installments of such interest and, if the amounts available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second — To the payment to the persons entitled thereto of the unpaid principal, on any of the Bonds, which shall have become due (other than Bonds which have matured or otherwise become payable prior to such Event of Default and moneys for the payment of which are held in the Bond Fund or otherwise held by the Trustee), and if the amount available shall not be sufficient to pay in full the amount of principal, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege;

Third — To the payment to the persons entitled thereto of all other of the Issuer's Obligations and the Borrower's Obligations, and, if the amount available shall not be sufficient to pay such Obligations in full, then to the payment ratably, according to the amounts then due, to the persons entitled thereto without discrimination or privilege; and

Fourth — The remainder, if any, shall be paid over to the Borrower, its successors or assigns, or whomever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal of and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest to the persons entitled thereto without any discrimination or privilege. Any remaining funds shall be applied in accordance with the paragraphs designated "Third" and "Fourth" of subsection (a) above.

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

Amendments to Indenture and Loan Agreement Not Requiring Consent of Bondholders

The Issuer and the Trustee may, from time to time and at any time, without the consent of Bondholders, enter into agreements supplemental to the Indenture and the Loan Agreement as follows:

- (i) to specify and determine any matters and things relative to Bonds which shall not materially adversely affect the interest of the Bondholders;
- (ii) to cure any formal defect, omission or ambiguity in the Indenture or the Loan Agreement if such action does not materially adversely affect the rights of the Bondholders;
- (iii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (iv) to add to the covenants and agreements of the Issuer in the Indenture or the Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Loan Agreement as theretofore in effect;
- (v) to add to the limitations and restrictions in the Indenture or the Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Loan Agreement as theretofore in effect;
- (vi) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, the Indenture, of the Revenues or of any other moneys, securities or funds; or
- (vii) to modify, amend or supplement the Indenture or the Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds.

Before the Issuer shall enter into any agreement supplemental to the Indenture pursuant to this section, there shall have been filed with the Trustee an opinion of Bond Counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall send written notice to the Borrower, the Investor Member and the Rating Agency of any amendment to the Indenture or the Loan Agreement and, if requested, copies of any such amendments.

Amendments to Indenture Requiring Consent of Bondholders

Subject to the terms and provisions contained in this section and not otherwise, the Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering,

amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in the Indenture, including (without limitation) that required for consent to such supplemental indentures. This section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to the Indenture without the consent of the Bondholders pursuant to the Indenture.

If at any time the Issuer and the Trustee shall determine to enter into any supplemental indenture for any of the purposes of this section, the Trustee shall cause written notice of the proposed supplemental indenture to be given to all Holders of the Bonds; provided, however, that failure to give such notice or any defect therein, shall not affect the validity of any proceedings pursuant to the Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the Trust Office for inspection by all Bondholders.

Within one hundred twenty (120) days after the date of giving such notice, the Issuer and the Trustee may enter into such supplemental indenture in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding (or 100% if required under the Indenture) and (ii) an opinion of counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income taxes.

If the Holders of not less than the percentage of Bonds required by this section shall have consented to and approved the supplemental indenture as provided in the Indenture, no Holder of any Bond shall have any right to object to such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Issuer or the Trustee from entering into the same or from taking any action pursuant to the provisions thereof.

Upon the effectiveness of any supplemental indenture entered into pursuant to the provisions of this section, the Indenture shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modifications and amendments.

The Trustee shall send written notice to the Rating Agency of any amendment to the Indenture.

Supplemental Indentures Part of Indenture

Any supplemental indenture entered into in accordance with the provisions of the Indenture shall thereafter form a part of the Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and shall be deemed to be a part of the terms and conditions of the Indenture for any and all such purposes.

Amendments to Documents Requiring Consent of Bondholders

Except as provided in the Indenture, the Issuer and the Trustee shall not consent to any amendment, change or modification of the Documents without the giving of written notice and the written approval or consent of the Holders of the Bonds at the time Outstanding given and procured as provided in the Indenture; provided, however, no such separate approval or consent shall be required in connection with the issuance of refunding bonds if any required

consent of the required number of Holders to the issuance thereof shall have been previously obtained. If at any time the Issuer and the Borrower shall request in writing the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by the Indenture with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Trust Office for inspection by all Bondholders.

Conversion Date

On the Conversion Date and upon the execution and delivery of the Funding Loan Agreement, the Governmental Lender Note and the Project Loan Agreement, the Indenture, the Loan Agreement and the Bonds shall be deemed amended, restated and superseded in full by the terms thereof. The requirements of the Indenture shall not apply to such amendment and restatement.

Severability

In case any one or more of the provisions of the Indenture or of the Bonds for any reason, is held to be illegal or invalid such illegality or invalidity shall not affect any other provisions of the Indenture or the Bonds, and the Indenture and the Bonds shall be construed and enforced to the end that the transactions contemplated by the Indenture be effected and the obligations contemplated by the Indenture be enforced as if such illegal or invalid provisions had not been contained therein.

Mortgage Loan Documents Independent

Enforcement of the covenants in the Indenture will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Borrower, the Project, the Mortgage Loan proceeds, any reserves or deposits required by the Mortgage Lender in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project.

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in the Indenture or any of the Borrower Documents will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

Notwithstanding anything in the Indenture, the Loan Agreement, the Note or the Bond Purchase Agreement to the contrary, (i) the Mortgaged Property (as defined in the Mortgage Loan Security Instrument) shall not include any portion of the Trust Estate and the Mortgage Lender shall not have any claim to or lien upon the Trust Estate under the Indenture and funds held by the Trustee under the Indenture and pledged to secure the repayment of the Bonds, except for Eligible Funds that may be returned to the party that deposited said funds with the Trustee as may be required under the Indenture and (ii) the Trust Estate shall not include any portion of the Mortgaged Property (as defined in the Mortgage Loan Security Instrument).

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Loan Agreement, a copy of which is on file with the Trustee.

Loan of Proceeds

The Issuer agrees, upon the terms and conditions of the Loan Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in the Loan Agreement.

Disbursements from the Project Fund

In the Indenture, the Issuer has authorized and directed the Trustee to make disbursements from the Project Fund to pay Costs of the Project upon satisfaction of the requirements of the Indenture. The Trustee is directed in the Indenture to make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture as an exhibit.

The Borrower's right to request disbursements from the Project Fund is limited to the principal amount of the Loan and conditioned upon the deposit of Eligible Funds into the Collateral Fund as set forth in the Indenture.

Borrower Required to Pay in the Event Project Fund Is Insufficient

In the event the moneys in the Project Fund are not sufficient to pay the Costs of the Project in full, the Borrower agrees to complete the Project and to pay that portion of the Costs of the Project in excess of the moneys available therefore in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Project will be sufficient to pay all of the Costs of the Project. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower shall pay any portion of the Costs of the Project pursuant to the provisions of this section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under the Loan Agreement.

Mortgage Loan to Borrower

Contemporaneously with the issuance of the Bonds, it is expected that the Borrower shall proceed with obtaining the Mortgage Loan from the Mortgage Lender. In particular, the Borrower will promptly take all necessary actions on its part to close the Mortgage Loan.

The Mortgage Lender will, from time to time, deliver Eligible Funds to the Trustee for deposit into the Collateral Fund to enable the Trustee to disburse an equal amount of Bond proceeds from the Project Fund as approved by the Mortgage Lender in connection with a completed and fully executed Requisition, in substantially the form attached to the Indenture as an exhibit.

Borrower's Obligations Upon Tender of Bonds

If any tendered Bond is not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Collateral Fund, the Negative Arbitrage Account of the Bond Fund, or the Project Fund as provided in the Indenture for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee by the applicable times provided in the Indenture, an amount equal to the amount by which the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to the Indenture.

Option to Terminate

The Borrower shall have the option to cancel or terminate the Loan Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee or the Issuer, or both, to meet all Loan Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed and (c) the Mortgage Loan shall be repaid in full. Such option shall be exercised by the Borrower, with approval of the Investor Member, giving the Issuer and the Trustee five (5) days' notice in writing of such cancellation or termination and such cancellation or termination shall become effective at the end of such notice period. The provisions of this section shall not be deemed to permit a prepayment of the Note other than in accordance with its terms.

Defaults Defined

The following shall be "Defaults" under the Loan Agreement and the term "Default" shall mean, whenever it is used in the Loan Agreement, any one or more of the following events:

- (a) Failure by the Borrower to pay any amount required to be paid under the Loan Agreement.
- (b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Loan Agreement other than as referred to in subsection (a) of this section or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Borrower Tax Certificate, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower and the Investor Member by the Issuer or the Trustee; provided, with respect to any such failure covered by this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60-day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby.
- (c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Project, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.
- (d) The occurrence of an Event of Default under the Indenture (other than under clause (d) under the heading "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE — Events of Default and Acceleration").

The provisions of subsection (b) of this section are subject to the following limitation: if by reason of force majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained in the Loan Agreement (other than its obligations contained in the Loan Agreement), the Borrower shall not be deemed in Default during the continuance of such inability. Such force majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The term "force majeure" as used in the Loan Agreement shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; terrorism; landslides; earthquakes; fires; storms; droughts; floods; explosions; and events not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement. The settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Remedies on Default

Whenever any Default referred to under the section “Defaults Defined” above shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the Bonds immediately due and payable pursuant to the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Loan Agreement, the Note, the Tax Regulatory Agreement or any other Document in the event of default thereunder.

Any amounts collected pursuant to action taken under this section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

No Remedy Exclusive

Except as otherwise indicated in the Indenture, no remedy conferred upon or reserved to the Issuer or the Trustee by the Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Loan Agreement, the Tax Regulatory Agreement or the Note, 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 Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in the Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be required in the Loan Agreement. Such rights and remedies as are given the Issuer under the Loan Agreement shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Reserved Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements contained in the Loan Agreement.

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement.

Mortgage Loan Documents Independent

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in the Loan Agreement, the Indenture or the other Borrower Documents will not serve as a basis for default on the Mortgage Loan, the underlying Mortgage, or any of the other Mortgage Loan Documents.

To the extent not otherwise set forth above in this section, the provisions of the Indenture are incorporated in the Loan Agreement by reference to the same extent as if set forth in the Loan Agreement in full.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT

The following is a brief summary of the Land Use Restriction Agreement (the "Tax Regulatory Agreement"). The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Tax Regulatory Agreement, a copy of which is on file with the Trustee.

The Issuer, the Trustee and the Borrower will enter into a Land Use Restriction Agreement (the "Tax Regulatory Agreement") in order to set forth certain terms and conditions relating to the acquisition and operation of the Project. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture and the Tax Regulatory Agreement.

Residential Rental Property

The Borrower represents, covenants, warrants and agrees in the Tax Regulatory Agreement that:

(a) The Borrower will acquire, construct, equip, own and operate the Project for the purpose of providing a "qualified residential rental project" as such phrase is used in Sections 142(a)(7) and 142(d)(1) of the Internal Revenue Code of 1986, as amended, and except as otherwise provided in the Tax Regulatory Agreement or required by the context hereof, including interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations or temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions (the "Code"), (2) the Borrower shall own the entire Project for federal tax purposes, and (3) the Project shall be owned, managed and operated as multifamily residential rental property, comprised of a building or structure or several buildings or structures containing similarly constructed units, together with any functionally related and subordinate facilities and no other facilities, in accordance with Section 142(d) of the Code and Sections 1.103-8(b)(4) and 1.103-8(a)(3) of the Income Tax Regulations issued under the Code, as applicable (including applicable final regulations or temporary regulations) (the "Regulations"), and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) Each residential unit in the Project shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished and constructed (except as to number of bedrooms), each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range or microwave oven, refrigerator and sink, all of which are separate and distinct from the other units.

(c) None of the units in the Project will at any time be (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer court or park, or (3) rented for initial lease periods of less than six (6) months. No part of the Project will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.

(d) All of the units will be rented or available for rent on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), and the Borrower will not give preference to any particular class or group of persons in renting the units in the Project, except to the extent that units are required to be leased or rented to (1) Lower-Income Persons or (2) Eligible Persons. Lower-Income Persons and Eligible Persons who are residents of the Project will have equal access to and enjoyment of all common facilities of the Project at all times. Except as permitted by law or regulation, the Borrower will not discriminate against children of any age when renting the units in the Project.

(e) The Land primarily consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Project primarily comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance or security personnel) are functionally related and subordinate to the Project and are commensurate with its size and intended use.

(f) The Borrower or an Affiliated Party of the Borrower shall not occupy any of the units in the Project; provided, however, that the Borrower or an Affiliated Party of the Borrower may occupy a unit in a building or structure in the Project that contains five or more units if the Borrower or an Affiliated Party of the Borrower is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.

(g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

(h) On (i) the Closing Date for an acquisition/rehabilitation in which at least fifty percent (50%) of the residential units in the Project are occupied on such Closing Date, or (ii) the first day on which fifty percent (50%) of the residential units in the Project are first occupied for (a) new construction, and/or (b) an acquisition/rehabilitation in which less than fifty percent (50%) of the residential units in the Project are occupied on the Closing Date, the Borrower shall submit to the Issuer and the Trustee a signed certificate for purposes of the calculation of the commencement and termination of the Qualified Project Period. Such certificate shall set forth the dates on which the Project achieved ten percent (10%) occupancy and fifty percent (50%) occupancy. In the event Borrower does not submit the above-described certificate as required in this section, Issuer shall utilize information provided to it by or on behalf of the Borrower in satisfaction of the monthly data reporting requirements for purposes of calculating the commencement and termination of the Qualified Project Period;

The requirements of this section shall remain in effect during the term of the Tax Regulatory Agreement (as defined in the section captioned "Term" below).

Lower-Income Persons and Eligible Persons

The Borrower represents, warrants and covenants in the Tax Regulatory Agreement as follows:

(a) At all times during the Qualified Project Period, not less than forty percent (40%) of the residential units in the Project shall be occupied (or held available for occupancy) on a continuous basis by persons or families who at the time of their initial occupancy of such units are Lower-Income Persons. This occupancy requirement is referred to in the Tax Regulatory Agreement as the "Lower-Income Requirement."

(b) At all times during the term of the Tax Regulatory Agreement (as defined in the section captioned "Term" below), at least sixty percent (60%) of the completed units in the Project shall be rented to or be available for rent by Eligible Persons.

(c) For purposes of paragraphs (a) and (b) of this section, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person (or Eligible Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person) during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Person (or Eligible Person). However, a Lower-Income Person whose income as of the most recent Income Certification (as described in the Tax Regulatory Agreement) exceeds one hundred forty percent (140%) of the Applicable Income Limit shall not continue to be treated as a Lower-Income Person if after delivery of

such Income Certification, but before the delivery of the next Income Certification, any residential unit in the Project of comparable or smaller size is occupied by a new resident who is not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person (or Eligible Person) shall be counted as occupied by a Lower-Income Person (or Eligible Person) until it is reoccupied other than for a temporary period of not more than thirty-one (31) days, at which time the unit shall be considered to be occupied by a Lower-Income Person (or Eligible Person) only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person (or Eligible Person).

Fair Housing Laws

The Borrower will comply with all fair housing laws, rules, regulations or orders applicable to the Project and shall not discriminate on the basis of race, creed, color, sex, age or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. All advertising and promotional material used in connection with the Project shall contain the phrase "Equal Housing Opportunity."

Sale, Assignment, Conveyance or other Disposition of Project or Interest in Borrower

Except with respect to transfer of interests within the Borrower, as permitted under the terms and conditions of the Borrower's [Amended and Restated Operating Agreement], dated as of August __, 2023 (as may be further amended, the "Operating Agreement"), the Borrower shall not sell, assign, convey or transfer any material portion of the Land, fixtures or improvements constituting a part of the Land or Project, or any material portion of the personal property constituting a portion of the Project during the term of the Tax Regulatory Agreement without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes, and (iii) upon receipt by the Issuer of a fee from the Borrower upon transfer of ownership in excess of fifty percent (50%) interest in the Project or the Borrower (which fee shall be refunded by the Issuer to the Borrower in the event the Issuer does not approve the transfer of the Project to the proposed purchaser or assignee thereof, or in the event such transfer is not consummated) in the amount of (a) ten percent (10%) of the amount of the Bonds outstanding on the date of the written transfer request if up to ten percent (10%) of the units in the Project are rented; (b) two percent (2%) of the amount of the Bonds outstanding on the date of the written transfer if eleven percent (11%) to sixty percent (60%) of the units in the Project are rented; (c) one percent (1%) of the amount of the Bonds outstanding on the date of the written transfer if over sixty percent (60%) of the units in the Project are rented; or (d) one-half percent (.05%) of the amount of the Bonds outstanding on the date of the written transfer after one (1) year from the date of completion of construction of the Project, regardless of occupancy (the "Transfer Fee"). Provided that the above conditions have been satisfied, the Issuer will provide to the Borrower and the purchaser or transferee on request its written consent to any transfer in accordance with this section an estoppel certificate. It is expressly stipulated and agreed in the Tax Regulatory Agreement that any sale, transfer or other disposition of the Project in violation of this section shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under the Tax Regulatory Agreement. Nothing contained in this section shall affect any provision of the Mortgage or any other document or instrument to which the Borrower is a party which requires the Borrower to obtain the consent of the holder of the Note or any other person as a precondition to sale, transfer or other disposition of the Project. The Transfer Fee will apply if a material portion of the Project financed with proceeds from the Loan is sold during the term of the Tax Regulatory Agreement and such material portion of such Project consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Borrower to purchase property of similar function to be used in connection with the Project, otherwise, the proceeds from such sale shall be applied in accordance with the Mortgage. If such material portion of such Project consists of real property and improvements, the purchaser thereof must execute and deliver to the Borrower and the Trustee a document in form and substance reasonably satisfactory to the Issuer pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of the Tax Regulatory Agreement. Notwithstanding the foregoing, ownership of the Project may be transferred in connection with a foreclosure thereof under the Mortgage, or the acceptance of the Project by the mortgagee or its designee in lieu of foreclosure under the Mortgage, without complying with this section; provided, however, that this sentence shall cease to apply if, at any time during that part of the Qualified Project Period subsequent to such transfer,

the Borrower or an Affiliated Party with respect to any of such parties obtains an ownership interest in the Project for federal tax purposes.

Except as permitted under the terms and conditions of the Operating Agreement, the Borrower shall not sell or otherwise transfer the Project in whole, nor shall there be substituted a new manager of the Borrower or a change in the controlling ownership of the manager of the Borrower, or other merger, transfer or consolidation of the Borrower, unless (a) the Borrower has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Issuer and its professionals have been paid, including the Transfer Fee, (c) the Borrower shall not be in default under the Tax Regulatory Agreement, (d) it is reasonably expected that continued operation of the Project will comply with the requirements of the Tax Regulatory Agreement, (e) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer with respect to assuming the obligations of the Borrower under the Tax Regulatory Agreement, (f) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (g) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (h) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of the Tax Regulatory Agreement, the Loan Agreement and the other Loan Documents, (i) the Trustee and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under the Tax Regulatory Agreement, the Loan Agreement and other Loan Documents relating to the Bonds are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Trustee and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes.

It is expressly stipulated and agreed in the Tax Regulatory Agreement that any sale, transfer or other disposition of the Project in violation of this section shall be ineffective to relieve the Borrower of its obligations under the Tax Regulatory Agreement or the Loan Agreement. In the event that the purchaser or assignee shall assume the obligations of the Borrower under the Loan, the Loan Agreement and the Tax Regulatory Agreement, the Borrower shall be released from its obligations thereunder, other than its obligations under the Tax Regulatory Agreement and under the Loan Agreement arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

Notwithstanding the foregoing, ownership of the Project may be transferred in connection with a foreclosure thereof under the Mortgage, or the acceptance of the Project by the mortgagee or its designee in lieu of foreclosure under the Mortgage, without complying with this section; provided, however, that this sentence shall cease to apply if, at any time during that part of the Qualified Project Period subsequent to such transfer, the Borrower or an Affiliated Party with respect to any of such parties obtains an ownership interest in the Project for federal tax purposes.

Notwithstanding anything in this section to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Project or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units as contemplated by the Tax Regulatory Agreement, (ii) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Project, providing same are granted in connection with the operation of the Project as contemplated by the Tax Regulatory Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (iv) the placing of a subordinate mortgage lien, assignment of leases and/or rents or security interest on or pertaining to the Project which is made expressly subject and subordinate hereto and, to the extent still outstanding, to the Mortgage, or (v) subject to the provisions of the Mortgage, any transfer of membership interests in the Borrower or in the entities which are members in the Borrower.

Covenants to Run with the Land

The Tax Regulatory Agreement and the covenants, reservations and restrictions set forth therein shall be deemed covenants running with the Land and, except as provided in the section captioned “Term” below, shall pass to and be binding upon the Borrower’s assigns and successors and all subsequent owners of the Land (whether fee simple or leasehold) or the Project or any interest therein; provided, however, that upon the termination of the Tax Regulatory Agreement in accordance with the terms thereof said covenants, reservations and restrictions shall expire. Except as provided in the section captioned “Term” below, each and every contract, deed or other instrument executed after the execution of the Tax Regulatory Agreement covering or conveying the Land or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Project.

Term

The Tax Regulatory Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that the Tax Regulatory Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of the Tax Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions of the Regulatory Agreement, or condemnation or a similar event (as determined by Bond Counsel), but only if within a reasonable period thereafter (i) the Bonds are retired in full or (ii) the proceeds received as a result of such event are used to finance a project that complies with the provisions thereof and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Borrower or an Affiliated Party to the Borrower, obtains an ownership interest in the Project for federal tax purposes.

Upon the termination of the Qualified Project Period, and the satisfaction by the Borrower of all obligations under the Tax Regulatory Agreement, the Issuer, the Trustee and the Borrower shall, upon the written request of the Borrower, and at Borrower’s sole expense, execute and record a Notice of Termination of Land Use Restriction Agreement, the form of which is attached as an exhibit to the Tax Regulatory Agreement (the “Notice of Termination”). Pursuant to Resolution No. 2023-[], adopted by the Issuer on June 21, 2023, the Chair and Vice Chair of the Issuer have each been authorized to execute and deliver the Notice of Termination.

Correction of Noncompliance

The failure of the Borrower to comply with any of the provisions of the Tax Regulatory Agreement shall not be deemed a default under the Tax Regulatory Agreement unless such failure has not been corrected within a period of 60 days following the date that the Borrower, or with respect to the requirements of the sections captioned “Residential Rental Property” or “Lower-Income Persons and Eligible Persons” above, any of the parties to the Tax Regulatory Agreement, learned of such failure or should have learned of such failure by the exercise of reasonable diligence (which 60-day period may be extended if (i) such failure cannot reasonably be corrected within such 60-day period, (ii) diligent action to correct such failure commences within such 60-day period, (iii) such action is diligently pursued until such failure is corrected, and (iv) with respect to a failure to comply with any of the requirements of the sections captioned “Residential Rental Property” or “Lower-Income Persons and Eligible Persons” above, the Borrower delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes). After the Trustee learns of such failure, the Trustee shall attempt with reasonable diligence to notify the Borrower and the Issuer of such failure by telephonic and written communication. Notwithstanding anything to the contrary in the Tax Regulatory Agreement, the Investor Member shall have the right, but not the obligation, to cure a default under the Tax Regulatory Agreement within the applicable cure period.

Modification of Tax Covenants

Notwithstanding the provisions of the section captioned “Amendments” below, to the extent any amendments, modifications or changes to the Regulations or the Code shall, in the written opinion of Bond Counsel addressed to the Issuer, the Borrower and the Trustee, impose requirements upon the ownership, occupancy or operation of the Project different than those imposed by the Regulations or the Code and stated in the Tax Regulatory Agreement, and the Borrower’s failure to comply with such different requirements would produce a material and substantial risk that interest on the Bonds will become subject to federal income taxation, then the Tax Regulatory Agreement shall be amended and modified in accordance with such requirements. The parties to the Tax Regulatory Agreement have agreed to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Bond Counsel to effectuate the intent of this section.

Remedies; Enforceability

The benefits of the Tax Regulatory Agreement shall inure to, and may be enforced by, respectively, the Issuer and the Trustee and its successors, the holder of the Bonds and their successors and assigns to the extent permitted by the Indenture, and solely as to the sections captioned “Residential Rental Property,” “Lower-Income Persons and Eligible Persons” and “Fair Housing Laws” above, the Lower-Income Persons and Eligible Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to the section captioned “Lower-Income Persons and Eligible Persons” above for the period set forth in the section captioned “Term” above, whether or not the Loan may be paid in full, and whether or not the Bonds are outstanding. If a material violation of any of the provisions of the Tax Regulatory Agreement occurs and is not cured within the period provided by the section captioned “Correction of Noncompliance” above, any or all of such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to compel specific performance under the Tax Regulatory Agreement, it being recognized that the beneficiaries of the Borrower’s obligations thereunder cannot be adequately compensated by monetary damages in the event of the Borrower’s default. The remedies of the beneficiaries of the Tax Regulatory Agreement other than the Issuer and the Trustee shall be limited to those described in the preceding sentence. In addition to such other remedies as may be provided for therein, if a violation of any of the provisions of the Tax Regulatory Agreement occurs which is not corrected during the period provided in the section captioned “Correction of Noncompliance” above, the Issuer shall have the right (but not the obligation), and is specifically authorized by the Borrower, to terminate the manager and appoint a new manager of the Project to operate the Project in accordance with the Tax Regulatory Agreement and the Loan Agreement and take all actions necessary, in the reasonable judgment of the Issuer, to cure any default by the Borrower thereunder, and such new manager assuming such management thereunder shall be paid by or on behalf of the Borrower, from the rents, revenues, profits and income from the Project, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of Broward County, Florida. Subject to the section captioned “Term” above, the provisions of the Tax Regulatory Agreement are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Borrower or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions of the Tax Regulatory Agreement as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions of the Tax Regulatory Agreement or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times. All rights and remedies provided in the Tax Regulatory Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the parties and beneficiaries thereof may otherwise have.

The Borrower agrees that the appointment of a new manager may be necessary to serve the public purpose for which the Bonds were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds following a violation of the provisions of the Tax Regulatory Agreement which is not cured within the period provided in the section captioned “Correction of Noncompliance” above. The Borrower expressly consents to, and agrees not to contest, the appointment of a new manager to operate the Project following a violation by the Borrower of the provisions of the Tax Regulatory Agreement which is not cured as provided in the section captioned Correction of Noncompliance above and waives any and all defenses and objections that might otherwise be raised to any such appointment of a new manager in accordance with the terms of the Tax Regulatory Agreement. The Borrower further agrees that the Issuer shall have the right to require the Borrower to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Borrower in the Tax Regulatory Agreement, including, without limitation, a material risk of an adverse impact on the excludability

from gross income for federal income tax purposes of interest on the Bonds and which action or inaction is not being corrected as provided in the section captioned "Correction of Noncompliance" above, upon such manager or managing agent being given thirty (30) days' written notice of any violation thereof, and such right shall be expressly acknowledged in any contract between the Borrower and any such manager or managing agent.

Amendments

The Borrower shall not assign its interest under the Tax Regulatory Agreement, except by writing and in accordance with the provisions of the section captioned "Sale, Assignment, Conveyance or other Disposition of Project or Interest in Borrower" above.

The Tax Regulatory Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties thereto (or their successors in title), and duly recorded in the official public records for Broward County, Florida. Anything to the contrary notwithstanding, the parties agreed to amend the Tax Regulatory Agreement to the extent required in the opinion of Bond Counsel, in order for interest on the Bonds to remain exempt from federal income taxation under Section 103 of the Code. The Borrower has agreed to, from time to time, take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and amendments to the Tax Regulatory Agreement to the extent required by federal law, by any amendment to the Code or by any Regulation promulgated thereunder, in each case so that interest on the Bonds remains exempt from federal income taxes. Any such amendment, revision or termination shall be effected only in accordance with the Indenture.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$22,000,000*

**Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)**

This Continuing Disclosure Agreement dated as of August 1, 2023 (this “Continuing Disclosure Agreement”) is executed and delivered by Pinnacle 441 Phase 2, LLC, a Florida limited liability company (the “Borrower”), and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the “Dissemination Agent”) in connection with the above-captioned Bonds. The Bonds are being issued pursuant to a Trust Indenture, dated as of August 1, 2023 (the “Indenture”), between the Housing Finance Authority of Broward County, Florida (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Pursuant to the Indenture and the Loan Agreement, dated as of August 1, 2023, between the Issuer and the Borrower (the “Loan Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule. The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“*Audited Financial Statements*” means, in the case of the Borrower, the annual audited financial statements prepared in accordance with generally accepted accounting principles, if any.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB

* Preliminary; subject to change.

pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“*Participating Underwriter*” means, collectively, Raymond James & Associates, Inc., and RBC Capital Markets LLC, and their successors and assigns.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower's fiscal year, commencing with the fiscal year ending on December 31, 2023, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower's Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower's Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items described in Exhibit A may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;

- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;
- (xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Borrower or obligated person, any of which reflect financial difficulties.

For purposes of clauses (xv) and (xvi) of this Section 5(a), “financial obligation” is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the “Adopting Release”).

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by facsimile transmission confirmed by telephone or by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and

(xiv) above without the Dissemination Agent having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xiv) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsections (d) below.

(d) If the Borrower has determined that a Listed Event is required to be disclosed then the Borrower shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Listed Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an “Obligated Person” (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(f) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Provided the Trustee is acting as Dissemination Agent, Article X of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Trustee and Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section 10 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 11. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including

electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

If to the Borrower: Pinnacle 441 Phase 2, LLC
c/o Pinnacle 441 Phase 2, LLC
9400 South Dadeland Boulevard, Suite 100
Miami, FL 33156
Attention: David O. Deutch
Email: david@pinnaclehousing.com

With copies to: Shutts & Bowen LLP
200 S. Biscayne Boulevard, Suite 4100
Miami, FL 33131
Attention: Gary Cohen
Email: gcohen@shutts.com

If to the Dissemination Agent: The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, FL 32256
Attention: Broward HFA Relationship Manager
Facsimile: (904) 645-1930

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, FL 32256
Attention: Broward HFA Relationship Manager
Facsimile: (904) 645-1930

Section 12. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Florida.

Section 13. Termination of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement may be terminated by any party to this Continuing Disclosure Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Continuing Disclosure Agreement; provided the termination of this Continuing Disclosure Agreement is not effective until (i) the Borrower, or its successor, enters into a new continuing disclosure agreement with a dissemination agent who agrees to continue to provide, to the MSRB and the Beneficial Owners of the Bonds, all information required to be communicated pursuant to the rules promulgated by the Securities and Exchange Commission or the MSRB, (ii) a nationally recognized bond counsel or counsel expert in federal securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all applicable state and federal securities laws, and (iii) notice of the termination of this Continuing Disclosure Agreement is provided to the MSRB.

The Dissemination Agent shall be fully discharged at the time any such termination is effective. Also, this Continuing Disclosure Agreement shall terminate automatically upon (i) payment or provisions for payment of the Bonds, or (ii) when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

Section 15. Counterparts. This Continuing Disclosure Agreement 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.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

BORROWER:

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized Member

By: _____
David O. Deutch, President

[Signatures continue on following page]

[Dissemination Agent's Signature Page to Continuing Disclosure Agreement]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Dissemination Agent**

By: _____
Authorized Officer

EXHIBIT A
ANNUAL REPORT

\$22,000,000*
Housing Finance Authority of Broward County, Florida
Multifamily Housing Revenue Bonds, Series 2023
(Pinnacle 441 Phase 2)

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Pinnacle 441 Phase 2
Address:	6028 Johnson Street, Hollywood, FL 33024
Number of Units:	100

INFORMATION ON THE BONDS

Original principal amount of bonds:	
Outstanding principal amount of bonds:	

OPERATING HISTORY OF THE PROJECT

The following table sets forth a summary of the operating results of the Project for fiscal year ended December 31, 20__, as derived from the Borrower's audited financial statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending December 31,	
Revenues	
Operating Expenses ¹	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

¹ Excludes depreciation and other non-cash expenses, includes management fee.

Occupancy Results for Fiscal Year Ending December 31,	
Physical Occupancy	%
Economic Occupancy ¹	%

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

* Preliminary; subject to change.

AUDITED FINANCIAL STATEMENTS

____ Attached

____ Audited financial statements of the Borrower for the period ending December 31, 20____ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

____ No audited financial statements of the Borrower were prepared for the period ending December 31, 20____; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

EXHIBIT B

**NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: Housing Finance Authority of Broward County, Florida
Name of Issue: Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2)
Name of Borrower: Pinnacle 441 Phase 2, LLC
CUSIP: _____
Date of Issuance: August __, 2023

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “Borrower”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by _____.

DATED: _____

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.**, as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
PROJECT PLACED IN SERVICE**

Name of Issuer: Housing Finance Authority of Broward County, Florida
Name of Bond Issue: Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2)
Name of Borrower: Pinnacle 441 Phase 2, LLC
Name of Project: Pinnacle 441 Phase 2
Address of Project: 6028 Johnson Street, Hollywood, FL 33024
Date of Issuance: August __, 2023

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of August 1, 2023, between the above-referenced borrower (the “Borrower”) and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent, that the Borrower has certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Dissemination Agent**

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$22,000,000*

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2023
(PINNACLE 441 PHASE 2)**

The undersigned hereby provides notice to The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Pinnacle 441 Phase 2 (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of August 1, 2023, between Housing Finance Authority of Broward County, Florida (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

BORROWER:

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability
company, its Authorized Member

By: _____
David O. Deutch, President

* Preliminary; subject to change.

ATTACHMENT

Certificate of Occupancy

APPENDIX F

FORM OF BOND COUNSEL OPINION

August __, 2023

Housing Finance Authority of Broward County, Florida
Ft. Lauderdale, Florida

Ladies and Gentlemen:

In our capacity as Bond Counsel, we have examined a record of proceedings relating to the issuance by the Housing Finance Authority of Broward County, Florida (the "Issuer") of its \$22,000,000* Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) (the "Bonds").

The Bonds are issued under and pursuant to the Laws of the State of Florida, including the Florida Industrial Development Financing Act, Chapter 159, Part II, Florida Statutes, as amended, the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, and other applicable provisions of law (the "Act"), pursuant to a Resolution of the Issuer adopted on June 21, 2023 and a Resolution of the Board adopted on August 22, 2023 (collectively, the "Resolution"), and pursuant to a Trust Indenture, dated as of August 1, 2023 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are being issued for the principal purpose of acquiring, constructing and equipping a 100-unit multifamily residential housing project to be known as Pinnacle 441 Phase 2, and to be located in Broward County, Florida, as more particularly described in the Indenture.

The Bonds are payable from and secured solely by a pledge of and lien upon the Trust Estate (as defined in the Indenture), including loan repayments made by Pinnacle 441 Phase 2, LLC (the "Borrower") to the Issuer pursuant to that certain Loan Agreement, dated as of August 1, 2023, by and between the Issuer and the Borrower (the "Loan Agreement"). Pursuant to the Loan Agreement, the Borrower (i) agrees to make loan payments sufficient to pay, among other obligations, the principal of and interest on the Bonds, when due, and to make any required deposits into certain funds established by the Indenture and (ii) expressly assumes the performance of all of the Issuer's obligations to repay the Bonds under the Indenture. In order to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Borrower, the Issuer and the Trustee will enter into a Land Use Restriction Agreement, dated as of August 1, 2023 (the "Regulatory Agreement").

None of the Issuer, the State of Florida (the "State") nor any political subdivision or agency of the State shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Issuer, except to the extent of the Trust Estate created under the Indenture. No owner of the Bonds has the right to compel any exercise of the taxing power of the State or any political subdivision or agency thereof to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Issuer has no taxing power.

The Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Indenture. The Bonds will mature on the dates and in the principal amounts, and will bear interest at the rates per annum, as provided in the Indenture. The Bonds are subject to prepayment prior to maturity in accordance with the terms of the Indenture. The Bonds are issued initially in the form of fully registered Bonds in Authorized Denominations of \$5,000, or any integral multiples of \$1,000 in excess thereof.

Reference is made to the opinion of even date of Shutts & Bowen, LLP, Miami, Florida, counsel to the Borrower, with respect to various matters, including, (i) the power of the Borrower to enter into and perform its obligations under the Loan Agreement, the Regulatory Agreement and the Note (as defined in the Indenture), and (ii)

* Preliminary; subject to change.

the authorization, execution and delivery of the Note, the Regulatory Agreement and the Loan Agreement, by the Borrower. In rendering the opinions set forth herein we have relied on said opinion.

As to questions of fact material to our opinion we have relied upon representations of the Issuer, the Borrower and the certified proceedings and other certifications of appropriate officials of the Issuer and the Borrower furnished to us (including certifications as to the use of the proceeds of the Bonds), without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The Issuer is a public body corporate and politic, a public instrumentality and a local agency organized and existing under the laws of the State, including, particularly, the Act, and has full power and authority to enter into, execute and deliver the Indenture and the Loan Agreement, to sell and deliver the Bonds, and to perform its obligations under the terms and conditions of the Indenture and the Loan Agreement.

2. The Resolution has been duly adopted by the Issuer, and no further action of the Issuer is required for its continued validity.

3. The Indenture and the Loan Agreement have each been duly authorized and approved by the Issuer, have each been duly executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery of such documents by the other parties thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

4. The Bonds have been duly authorized by the Issuer, duly executed by authorized representatives of the Issuer and validly delivered by the Issuer and constitute the legal, valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms, and are entitled to the benefit and security of the Trust Estate created under the Indenture.

5. The Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

6. Under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excluded from gross income for federal income tax purposes, except that such exclusion shall not apply to interest on the Bonds for any period which such Bonds are held by a person who is a "substantial user" of the project or a "related person" within the meaning of Section 147(a) of the Code. Such interest is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer and the Borrower have covenanted to comply with all such requirements. Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers, and we express no opinion regarding such collateral federal tax consequences.

Except as may expressly be set forth in an opinion delivered by us to the purchaser of the Bonds on the date hereof (upon which only the purchaser may rely), we have not been engaged or undertaken to review the compliance with federal or state law with respect to the sale or distribution of the Bonds, and we express no opinion relating thereto.

The opinions expressed in paragraphs 3 and 4 hereof are qualified to the extent that the enforceability of the Bonds, the Loan Agreement and the Indenture, respectively, may be limited by any applicable bankruptcy, insolvency,

moratorium, reorganization, or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Bonds and, in our opinion, the form of the Bonds is regular and proper.

Respectfully submitted,

TRUSTEE FEE AGREEMENT

Between

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

DATED AS OF AUGUST 1, 2023

PROVIDING FOR

A FEE SCHEDULE FOR SERVICES RENDERED BY THE TRUSTEE FOR

[\$22,000,000]

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2023
(PINNACLE 441 PHASE 2)

TRUSTEE FEE AGREEMENT

This TRUSTEE FEE AGREEMENT (the “Agreement”) dated as of August 1, 2023, by and between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Issuer"), a public body corporate and politic created under the laws of the State of Florida, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, having a corporate trust office in Jacksonville, Florida and duly qualified to exercise trust powers under the laws of the State of Florida, as trustee or fiscal agent (the “Trustee”).

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, the Issuer and the Trustee agree as follows:

ARTICLE I PREAMBLE

1.1 The Trustee submitted certain proposals to serve as trustee or in a similar capacity for all financings of the Issuer during calendar year 2023, including the Issuer's \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, Series 2023 (Pinnacle 441 Phase 2) and, upon Conversion, the Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Note, Series 2023 (Pinnacle 441 Phase 2) (collectively, the "Bonds"). All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Indenture (as hereinafter defined).

1.2 Said proposals contain a description of the types of services to be provided, a schedule of fees for the various services to be provided and a brief discussion of the Trustee’s corporate qualifications and capabilities.

1.3 The Trustee is willing to provide the services described in its proposals and in the loan documents pertaining to the Bonds at the rates set forth in said proposals, and the Issuer is willing to accept the services of the Trustee set forth in the Trustee’s proposals at the rates provided therein. The Issuer and the Trustee desire to enter into this Agreement to establish the terms of said proposals for the services of the Trustee with respect to the Bonds.

ARTICLE II SCOPE OF SERVICES AND FEES

The Trustee hereby accepts all of the duties, responsibilities and obligations imposed on it as “Trustee” under the terms of the Trust Indenture dated as of August 1, 2023, between the Issuer and the Trustee (the "Indenture"), and as “Fiscal Agent” under the terms of the Funding Loan Agreement to be entered into among Citibank, N.A., the Issuer and the Trustee upon Conversion (the “Funding Loan Agreement”), and hereby confirms the accuracy of all of the representations and warranties, if any, of the Trustee contained in the Indenture and the Funding Loan Agreement. The terms of this Agreement attached hereto as Exhibit “A” are accepted and adopted by reference by the parties to this Agreement. Such terms include the services to be provided by the Trustee and the fees and costs to be charged by the Trustee for such services. The fees and charges set forth in

Exhibit "A" include all expenses incurred by the Trustee in connection with the execution, delivery, closing and administration of the Bonds. Exhibit "A" comprises one (1) page.

**ARTICLE III
OTHER PROVISIONS**

This Agreement shall continue in full force and effect and be binding on both the Issuer and the Trustee for so long as the Indenture and/or the Funding Loan Agreement are in effect.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE TO
TRUSTEE FEE AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

ISSUER:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

By: _____
Scott Ehrlich, Chair

ATTEST:

By: _____
Milette Manos, Secretary

**COUNTERPART SIGNATURE PAGE TO
TRUSTEE FEE AGREEMENT**

(Pinnacle 441 Phase 2)

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

TRUSTEE:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT “A”

Services to be provided by Trustee:

The Trustee shall provide all services required of the Trustee as set forth in (i) the Indenture, (ii) the Funding Loan Agreement, and (iii) all other documents executed in connection with the Bonds to which the Trustee is a party.

Fees and Expenses of Trustee:

The fees and expenses of the Trustee shall be all such fees and expenses of the Trustee set forth in the Indenture, the Funding Loan Agreement and all other documents executed in connection with the Bonds, and shall be paid by the Borrower (as defined in the Indenture and the Funding Loan Agreement) at the times and in the manner set forth in the Indenture, the Loan Agreement (as defined in the Indenture), the Funding Loan Agreement, and the Borrower Loan Agreement (as defined in the Funding Loan Agreement).

COLLATERAL FUNDS AGREEMENT

THIS COLLATERAL FUNDS AGREEMENT (this “Agreement”) is made as of [____], 2023 (the “Effective Date”), by and among **PINNACLE 441 PHASE 2, LLC**, a Florida limited liability company (the “Borrower”), **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “Issuer”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, duly organized and existing under the laws of the United States and authorized to conduct business in the State of Florida, with its designated corporate office located in Jacksonville, Florida (the “Trustee”), and **BANK OF AMERICA, N.A.**, a national banking association, and its successors, participants, and assigns (the “Construction Lender”). All of the foregoing parties are each referred to as a “Party” and collectively referred to herein as the “Parties”.

RECITALS

A. Borrower is the owner of the fee interest in land located at 6028 Johnson Street, Hollywood, Florida 33024, as further described on Exhibit A of the Construction Loan Security Instrument (defined below) (the “Property”). Borrower proposes to construct a one hundred (100)-unit multifamily rental housing development on the Property to be known as “Pinnacle 441 Phase 2,” all in accordance with the plans and specifications and the construction contract approved by the Parties.

B. In order to finance the costs of constructing and equipping the Project and certain other costs related solely thereto:

(i) Pursuant to the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended, as amended, the Issuer has issued its Multifamily Housing Revenue Bonds, Series 2023, in the principal amount of Twenty Two Million and No/100 Dollars (\$22,000,000) (the “Bonds”) pursuant to a Trust Indenture dated as of [____], 2023 (as amended, restated, supplemented or otherwise modified, the “Indenture”), by and between the Issuer and the Trustee. On or about the date of this Agreement, the Bonds will be sold to one or more third party investors. Subject to the terms and conditions of the Indenture and that certain Loan Agreement dated as of [____], 2023, by and between the Issuer and the Borrower (as amended, restated, supplemented or otherwise modified, the “Bond Loan Agreement”), the Bond proceeds will be used to make a loan (the “Bond Loan”) to Borrower to assist in financing the construction and equipping of the Project. The sale proceeds of the Bonds (the “Bond Proceeds”) will be deposited with and held by the Trustee in the Project Fund (as defined in the Indenture). As used herein, the term “Bond Documents” means collectively, the Indenture, the Bond Loan Agreement and any and all other agreements, documents and/or instruments which evidence, secure, guaranty or otherwise govern any or all of the Bonds, as amended, restated, supplemented or otherwise modified. For purposes of this Agreement, the term “Bond Loan” means the disbursement of Bond Proceeds to or for the Borrower’s account pursuant to the Bond Loan Agreement.

(ii) The Bonds are tax-exempt obligations of the Issuer and will result in an automatic allocation of federal low-income housing tax credits for the Project (the “Tax Credits”). Borrower has syndicated the federal low-income housing tax credits allocated to the Project and has issued a 99.99% membership interest in Borrower to Bank of America, N.A., a national banking association (in such capacity, the “Investor Member”), for a total capital contribution by Investor Member of approximately [____] and No/100 Dollars (\$[____]) (the “Tax Credit Proceeds”). The Tax Credit Proceeds are to be made available to Borrower in accordance with the terms and conditions of that certain [Amended and Restated Operating Agreement] of Borrower (including the documents executed and delivered in connection therewith) dated as of [____], 2023 (as the same may from time to time be amended, restated, supplemented or otherwise modified, the “Operating Agreement”), by and among the Investor Member, PC 441 Phase 2, LLC, a Florida limited liability company, as Authorized Member, and Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, as Special Member. Investor Member has agreed to fund the Tax Credit Proceeds subject to the terms of, and in the amounts and at times set forth in, the Operating Agreement, which provides, in part, that approximately [____] and No/100 Dollars (\$[____]) of the Tax Credit Proceeds (the “Initial Capital Contribution”) shall be paid by Investor

Member to Borrower concurrently with the closing of the Bonds and the “Construction Loan” (as hereinafter defined).

(iii) [NTD: To be updated with Citi forward commitment agreement] Upon achievement of the Conditions to Conversion as defined and set forth in that certain [Forward Commitment Agreement] (the “Forward Commitment Agreement”) by and among Citibank, N.A. (“Permanent Lender”), Borrower and Construction Lender, Permanent Lender, has agreed to purchase the Governmental Note (as hereinafter defined) with the proceeds of a certain funding loan in a principal amount up to Four Million Five-Hundred Thousand and No/100 Dollars (\$4,500,000) (the “Funding Loan”) to Issuer on the Conversion Date (as such term is defined in the Indenture).

(iv) Upon the closing and funding of the Funding Loan, (i) the Bonds will be subject to mandatory tender in accordance with the Indenture, (ii) the purchase price of the Bonds will be paid with amounts on deposit under the Indenture, (iii) a portion of the principal amount of the Bonds will be cancelled such that the principal amount outstanding equals the principal balance of Funding Loan, (iv) the Bonds will be removed from the Book-Entry System (as defined in the Indenture) and converted to a physical Governmental Note (the “Governmental Note”) to be executed as of the Conversion Date by the Issuer, in its capacity as Governmental Lender, which will be purchased by the Permanent Lender. Prior to closing of the Funding Loan, repayment of the Bonds is secured by cash proceeds on deposit with the Trustee in the Collateral Fund (as defined in the Indenture and referred to herein as the “Collateral Fund”).

(v) Because the Funding Loan will not close until after completion of construction of the Project and satisfaction of certain conditions required by the Permanent Lender as set forth in the Forward Commitment Agreement (the “Conversion Conditions”) and because not all of the Capital Contributions will be available, as needed, to fund Project costs during construction, the Borrower has requested that the Construction Lender make a taxable construction loan in the principal amount of up to [_____] and No/100 Dollars (\$[_____] (the “Construction Loan”). The proceeds of the Construction Loan are to be disbursed to or for the account of Borrower in accordance with the terms and conditions of that certain Construction Loan Agreement executed by Borrower and Construction Lender and dated as of [_____] 2023 (as the same may from time to time be amended, supplemented, restated or otherwise modified, the “Construction Loan Agreement”). Borrower’s obligations under the Construction Loan are evidenced by a certain Promissory Note executed by Borrower payable to the order of the Construction Lender and dated of even date herewith (as the same may from time to time be amended, supplemented, restated or otherwise modified, the “Construction Loan Note”) and such obligations are secured by a first-priority Mortgage, Assignment of Rents, Security Agreement and Fixture Filing from Borrower to Construction Lender encumbering the Project (as the same may from time to time be amended, supplemented, restated or otherwise modified, the “Construction Loan Security Instrument”) and such other documents as Construction Lender deems necessary to secure the Construction Loan. The Construction Loan Agreement, the Construction Loan Note, the Construction Loan Security Instrument, and all other documents evidencing or securing the Construction Loan, as the same may from time to time be amended, supplemented, restated or otherwise modified, are collectively referred to herein as the “Construction Loan Documents.”

(vi) Upon approval of draw requests in accordance with this Agreement and the Construction Loan Documents, Construction Lender shall transfer or cause to be transferred the applicable portion of Construction Loan proceeds to Trustee to be deposited by Trustee into the Collateral Fund. Upon the Trustee’s receipt of Construction Loan proceeds and subject to the terms and conditions of the Indenture and the Bond Loan Agreement, the Trustee will promptly release a like amount of funds on deposit in the Project Fund to the Borrower to fund Project costs approved by the Construction Lender.

(vii) Following completion of the Project and upon satisfaction of the Conversion Conditions, the Permanent Lender will close and fund the Funding Loan, subject to the terms and conditions of the Forward Commitment Agreement and all other agreements, documents and instruments which evidence, secure, guaranty or otherwise govern the Funding Loan (collectively, as amended, restated, supplemented or otherwise modified, the “Funding Loan Documents”). The proceeds of the Funding Loan will be fully advanced, in a single disbursement, to the Trustee, for the Borrower’s account. Upon the

Trustee's receipt of the Funding Loan proceeds, the Trustee will use the Funding Loan proceeds, the Collateral Fund and/or Capital Contributions to repay the Construction Loan in full.

C. Issuer, Trustee, Construction Lender and Borrower desire to set forth the manner and method of disbursing proceeds on deposit in the Collateral Fund and the Project Fund, as the case may be.

D. The Issuer (with respect to the Bond Loan) and the Construction Lender (with respect to the Construction Loan) are sometimes hereinafter collectively referred to as the "Creditors" and individually as "Creditor"; the Bond Loan and the Construction Loan are sometimes hereinafter collectively referred to as the "Loans" and individually as a "Loan"; the Bond Documents and the Construction Loan Documents are sometimes hereinafter collectively referred to as the "Loan Documents."

AGREEMENTS

In receipt of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals. The recitals set forth above are incorporated by reference, and each Party represents that, with respect to the recitals relating to the loan to be provided to or by that Party, the recitals are true and accurate in every material respect.

2. Representations. Each Party represents that, with respect to itself (but not the other Parties):

(a) It is duly organized, validly existing, and in good standing under the laws of the applicable state of formation.

(b) It has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of such Party enforceable in accordance with its terms and conditions.

(c) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will: (1) violate any applicable law to which it is subject or any provision of its organizational or governing documents; or (2) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which it a party or by which it is bound or to which any of its assets is subject, except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, or failure to give notice would not have a material adverse effect on the business, financial condition, operations, or results of operations of such Party or on the ability of the parties hereto to consummate the transactions contemplated by this Agreement.

3. Loan Administration. The Construction Lender and its successors and assigns shall have the sole right to administer and monitor the Construction Loan and its Construction Loan Documents in accordance with its agreements with Borrower.

4. Disbursement of Proceeds.

(a) Total Construction Costs and Sources of Funds. The Parties acknowledge that the total construction costs of the Project, including site construction, the Construction Contract (as defined in the Construction Loan Agreement), and the construction contingency, is approximately [_____] and No/100 Dollars (\$[_____] (the "Total Construction Cost"), as more particularly set forth in the draw schedule attached hereto as **Exhibit A** (the "Draw Schedule") and the budget attached hereto as **Exhibit B** (the "Budget"). The Total Construction Cost shall be funded at the times and in the approximate amounts

set forth in the Draw Schedule and consistent with the Budget, as modified from time to time with the prior written consent of the Creditors, if and to the extent such consent may be required under the Loan Documents, and which consent, if required, shall not be unreasonably withheld, delayed or conditioned. Disbursements of the Loans and Tax Credit Proceeds shall be made in accordance with the Draw Schedule, the Budget and the Loan Documents, except as the Loan Documents may be superseded or modified by the terms of this Agreement.

(b) Specific Uses of Loans.

(i) The proceeds of the Bond Loan shall be used to finance the Project in accordance with the Bond Documents. It is understood and agreed by the Parties that an aggregate of Twenty Two Million and No/100 Dollars (\$22,000,000) of the proceeds of the Bond Loan shall be deposited by Trustee in the Project Fund in accordance with the terms of the Bond Documents and this Agreement. Upon the Trustee's receipt of Construction Loan proceeds for deposit into the Collateral Fund, as set forth below, the Trustee will promptly release a like amount of funds on deposit in the Project Fund to the Borrower to fund Project costs approved by the Construction Lender.

(ii) The proceeds of the Construction Loan shall be used to finance the Project in accordance with the terms and conditions of the Construction Loan Documents. In particular, it is understood and agreed by the Parties that the proceeds of the Construction Loan (the "BOA Collateral Funds"), as advanced by the Construction Lender in accordance with the terms and conditions of the Construction Loan Documents, shall be deposited by the Construction Lender with Trustee in the Collateral Fund and that Trustee shall thereafter release to the Borrower a like amount of funds on deposit in the Project Fund in accordance with the terms of the Bond Documents and this Agreement to fund Project costs pursuant to Draw Requests approved in accordance with the terms and conditions of the Construction Loan Documents.

(c) Funding by Investor Member. Borrower shall cause Investor Member to contribute Tax Credit Proceeds in such amounts and at such times as shall be required under the Partnership Agreement. All capital contributions of Tax Credit Proceeds by Investor Member may be disbursed to Construction Lender for deposit into the "Borrower's Deposit Account" (as defined in the Construction Loan Agreement) and disbursed in accordance with the terms and conditions of the Construction Loan Agreement.

(d) Manner of Disbursement of Loans.

(i) Borrower shall submit each request for a disbursement of Bond Loan proceeds, Construction Loan proceeds and/or Tax Credit Proceeds, together with all supporting invoices and other documentation (each a "Draw Request"), to the applicable Creditor in accordance with the terms of the Draw Schedule and such Creditor's Loan Documents. Concurrently with the submission of a Draw Request to the applicable Creditor, Borrower shall provide a copy to the Issuer and Trustee for their concurrent review. Each Draw Request for draws on the Construction Loan shall be in the form attached hereto as **Exhibit C** (which is the same form attached to the Construction Loan Agreement as Schedule 2). If a Draw Request is approved by Construction Lender, Construction Lender will within three (3) business days wire the applicable Construction Loan proceeds to Trustee. If the applicable Construction Loan proceeds are wired to Trustee, upon receipt, Trustee shall disburse a like amount of funds on deposit in the Project Fund for the purposes set forth in the Draw Request approved by the Construction Lender.

(ii) Each Creditor shall promptly determine for itself whether all conditions precedent to any disbursement pursuant to a Draw Request, as set forth under its Loan Documents, have been satisfied, and whether the requested disbursement shall be made. Subject to any retainage requirements contained in its Loan Documents, upon determining that all applicable conditions precedent have been satisfied, such Creditor shall then disburse the amount of the approved Draw Request, as applicable, in the manner provided in its Loan Documents.

(iii) The Issuer agrees that if the Issuer has not objected in writing to any disbursement from the Project Fund within five (5) business days of receipt by the Issuer with a copy to the Trustee of a request for approval of such disbursement, the Issuer shall be deemed to have approved such disbursement. Furthermore, if the Issuer and a Creditor disagree as to whether a particular disbursement from the Project Fund shall be approved or disapproved, they shall meet and confer in good faith, upon the request of either of them in an effort to resolve the matter, which meeting may be by telephonic or electronic means, or may be at a personal meeting. If they fail to agree upon the approval or disapproval of such a disbursement following such good faith efforts, and the Trustee is provided written notice from a Creditor of such failure to agree, such Creditor can approve the disbursement and the Trustee shall pay it from the Project Fund.

5. Borrower's Deposit Account. Notwithstanding any provision in the Construction Loan Documents or the Bond Documents to the contrary and until such time as the Construction Loan has been paid in full, the Parties acknowledge and agree that the determination as to whether Borrower is obligated to make deposits to the Borrower's Deposit Account shall be made by the Construction Lender in accordance with the terms and conditions of the Construction Loan Agreement.

6. Addresses for Notice. Any notices to any Creditor, Trustee, or Borrower under this Agreement shall be in writing and shall be deemed to be delivered when hand delivered (receipt acknowledged), the next business day when delivered by overnight courier, the third business day when delivered by certified mail, postage prepaid, return receipt requested (or when delivery is refused) as follows, unless an address is changed by written notice hereunder:

If to the Issuer: Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300
Ft. Lauderdale, Florida 33301
Attention: Executive Director

With a copy to: Broward County Attorney's Office
115 South Andrews Avenue, Room 423
Fort Lauderdale, Florida 33301
Attention: Annika Ashton, Esq.

If to Trustee: The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Broward HFA Relationship Manager

With a copy to: Akerman, LLP
50 North Laura Street, Suite 3100
Jacksonville, Florida 32202
Attention: Peter L. Dame, Esq.

If to Construction Lender: Bank of America, N.A.
101 East Kennedy Blvd., 6th Floor
P.O. Box 31590
Tampa, FL 33602
Mail Stop: FL1-400-06-13
Attention: CREB Loan Administration

With copies to: Buchalter, PC
1000 Wilshire Blvd #1500
Los Angeles, California 90017
Attention: Mercedes O. Martin, Esq.

If to Borrower: Pinnacle 441 Phase 2, LLC
c/o Pinnacle Communities, LLC
9400 S. Dadeland Blvd., Suite 100
Miami, FL 33156
Attention: David O. Deutch

With copies to: Shutts & Bowen LLP
200 S. Biscayne Blvd. Ste. 4100
Miami, FL 33131
Attention: Robert Cheng, Esq.

7. Conflicts with Other Agreements. If there is any conflict or inconsistency between the provisions of this Agreement and the provisions contained in any other existing agreement relating to the Project among any of the Parties, or between any of the Creditors and Borrower, the provisions of this Agreement shall prevail.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without choice of law provisions thereof.

9. Captions. Section headings are inserted in the Agreement for convenience and reference only and shall be disregarded in interpreting any of its provisions.

10. Counterparts. This Agreement may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which taken together shall constitute one instrument.

11. Illegality. If any provision or remedy set forth in this Agreement for any reason is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision or remedy of this Agreement, which shall be construed as if the invalid, illegal, or unenforceable provision or remedy had never been set forth in this Agreement, but only to the extent of the invalidity, illegality, or unenforceability.

12. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, personal representatives, successors, and assigns.

13. No Third-Party Beneficiary. No person not a Party hereto shall have any rights hereunder.

14. Servicing, Administration and Monitoring of Agreements. Except as otherwise expressly provided herein, the Issuer and Construction Lender shall have the sole and exclusive right to service, administer and monitor their respective Loans in accordance with its customary credit and servicing standards and their respective Loan Documents with the Borrower.

15. Termination. This Agreement shall terminate automatically upon the closing and funding of the Funding Loan and repayment of the Construction Loan in full; provided that Construction Lender has no further obligation or commitment to make any advance under the Construction Loan.

[Execution Occurs on Following Page]

IN WITNESS WHEREOF, the Assignor has duly executed this Assignment, as of the day and year first written above.

BORROWER:

PINNACLE 441 PHASE 2, LLC,
a Florida limited liability company

By: PC 441 Phase 2, LLC,
a Florida limited liability company,
its Authorized Member

By: _____
Name: David O. Deutch
Title: President

[Signatures Continue on Following Page]

[Signatures Continued from Previous Page]

ISSUER:

**HOUSING FINANCE AUTHORITY OF BROWARD
COUNTY, FLORIDA,**

a public body corporate and politic duly organized and
existing under the laws of the State of Florida

By: _____
Name: Scott Ehrlich
Title: Chair

[Signatures Continue on Following Page]

[Signatures Continued from Previous Page]

TRUSTEE:

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
a national banking association

By: _____(SEAL)
Name: Shanna Cooke
Title: Vice President

[Signatures Continue on Following Page]

[Signatures Continued from Previous Page]

CONSTRUCTION LENDER:

BANK OF AMERICA, N.A.,
a national banking association

By: _____(SEAL)
Name: Thomas Cleveland
Title: Vice President

[Signatures Continue on Following Page]

EXHIBIT A

DRAW SCHEDULE

[To be attached]

EXHIBIT B

BUDGET

[To be attached]

EXHIBIT C

FORM OF DRAW REQUEST

[BORROWER'S LETTERHEAD]

TO: Bank of America, N.A. ("Lender")
DATE _____
PROJECT NAME: Pinnacle 441 Phase 2
LOCATION 6028 Johnson Street, Hollywood, Florida 33024
BORROWER Pinnacle 441 Phase 2, LLC

FOR PERIOD ENDING _____

In accordance with the Construction Loan Agreement in the amount of \$[_____] dated [_____] 2023, between Borrower and Lender:

- A. Borrower requests that \$_____ be advanced from Loan proceeds. The proceeds should be credited as set forth in Borrower Detail Form. In particular, the proceeds shall be disbursed to [Trustee][Borrower] for deposit in the [Collateral Fund][Borrower's Checking Account].

 - B. [Borrower requests Lender's consent to withdraw funds from the Borrower's Deposit Account held as [Borrower's Deposit, Up-Front Equity or Deferred Equity] in the amount of \$_____].
- | | | |
|----|-------------------------------------|----------|
| 1. | CURRENT DRAW REQUEST FOR HARD COSTS | \$ _____ |
| 2. | CURRENT DRAW REQUEST FOR SOFT COSTS | \$ _____ |
| 3. | TOTAL DRAW REQUEST | \$ _____ |

AUTHORIZED PERSON/SIGNER:

Dated: _____

ITEM 6

Housing Finance HFA of Broward County
June 21, 2023 – Board Meeting

Multifamily Bonds - Action Item

Motion to Adopt an Inducement Resolution for a multifamily development known as Lauderhill Point Apartments, declaring the HFA's official intent to issue multifamily housing revenue bonds and/or notes (the "Bonds") not to exceed \$40,000,000, approving the issuance of the Bonds subject to certain further finding and conditions, provide authorization to hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (the "TEFRA Hearing"), subject to HFA's receipt of applicable fees; and providing an effective date.

Background

1. On May 11, 2023, the HFA received a multifamily bond application from Fairstead Aff. Development ("Applicant") pertaining to a 176-unit, acquisition and rehabilitation development, known as Lauderhill Point Apartments ("Development"). The Development is located at 3146 NW 19th St., Ft. Lauderdale, FL. The Applicant requested that the HFA issue Bonds to support the Development in an amount of \$40,000,000. (Attachment I)
2. The HFA's available multifamily carryforward allocation is sufficient to fund all multifamily transactions anticipated to close in 2023.

Present Situation

1. Lauderhill Developer LLC (the "Developer") requested inducement of the Bonds.
2. The HFA received payment of the \$1,500 Inducement Fee and \$500 Application Fee.
3. Bond Counsel, Bond Underwriter and Credit Underwriter have been assigned to the transaction.
4. The Inducement Resolution (incorporating authorization to publish notice of and hold the TEFRA Hearing) authorizing the issuance of Bonds in an amount not to exceed \$40,000,000 is attached. (Attachment II)
5. As the Bond Inducement is administrative, the Inducement will not require Broward County Board of County Commissioners ("BOCC") action.
6. The TEFRA Hearing and approval of the Development will require ratification by the BOCC.
7. The Developer expects the transaction to close third or fourth third quarter of 2023.

Recommendation

Move to Adopt the Inducement Resolution:

1. Declaring the HFA's official intent to issue the Bonds,
2. Providing authorization for HFA staff and professionals to:
 - a. Publish all appropriate notices for the TEFRA Hearing,
 - b. Hold a TEFRA Hearing for a multifamily development known as Lauderhill Point Apartments (subject to receipt of applicable fees), and
3. Providing an effective date.

Attachments

- I. Multifamily Bond Application
- II. HFA Inducement Resolution

ATTACHMENT 1

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTI-FAMILY HOUSING BOND PROGRAM**

APPLICATION FOR PROPOSED PROJECT

1. DEVELOPER INFORMATION

- A. Developer's Name: Lauderhill Developer LLC
- B. Developer's Mailing Address: 250 West 55th Street, 35th Floor, NY, NY 10019
- C. Developer's Telephone/Fax #: (202) 774-8569 and fax: 212-765-3112
- D. Contact Person(s): Noah Hale
- E. Contact Persons E-Mail Address: noah.hale@fairstead.com
- F. (i) Name of Entity Owning Project (for inclusion in Inducement Resolution):
~~Lauderhill Preservation LP~~ Lauderhill Preservation LP
- (ii) Type of Entity, with applicable State of formation (e.g. Florida Limited Partnership,
New York Corporation): Florida Limited Partnership
- (iii) Attach copy of Entity's Certificate in Good Standing from State.

2. PROJECT INFORMATION

- A. Project Name: Lauderhill Point Apartments
- B. Project Address: 3146 NW 19th St., Fort Lauderdale FL 33311
- C. Description of Location: See Legal attached
- D. Type of Project: New Construction Rehabilitation
- E. Number of Acres: 7.93
- F. Type of Building: Detached Semi-detached Town home
 Walk-up Elevator
- G. Number of Stories: 2 Units per Building: 8
- H. Number of Units: 176 Total Number: 23 & 1 comm. building
of Studio: 0 # of 2 Bedroom: 80
of 1 Bedroom: 0 # of 3 Bedroom: 80
Other: Sixteen (16) 4-bedroom units
- I. Describe Planned Amenities: playground, community building
- J. Est. Total Construction Cost: \$ 13,041,600 Cost per Unit: \$ 74,100
- K. Est. Construction Start Date: 02/01/2024 Completion Date: 2/1/2025

3. STATUS INFORMATION

- A. Status of Site Control/Acquisition: Letter of Intent.
- B. What is current zoning? Multi-Family Dwelling RM-25
- C. Status of Site Plan Approval: N/A
- D. Status of Platting: N/A

4. FINANCING INFORMATION

- A. Amount of Bond Financing Requested \$ ~~XXXXXX~~ \$40,000,000
Taxable Amount \$ 0
Tax-Exempt Amount \$ ~~XXXXXX~~ \$40,000,000
- B. Credit Enhancement Information, if applicable:
 - (i) Lender's Name Berkadia
 - (ii) Address 6555 Longshore Street Suite 280 Dublin, OH 43017
 - (iii) Phone Number (614) 468-5805
 - (iv) Contact Person Matthew Napoleon
 - (v) Has it been finalized?(give status) In underwriting.
 - (vi) Fixed Rate or Variable Rate(describe) Fixed

5. OTHER INFORMATION (optional) _____

6. UNDERSTANDING OF BOND POLICIES

I, Noah Hale, representing Fairstead Aff. Development have read and understand the Policies and Procedures for the Multi-Family Housing Bond Program of the Housing Finance Authority of Broward County, Florida (the "HFA").

Kendall Noah Hale
Signature

May 11, 2023
Date

UPDATED: 6-13-2023

State of Florida

Department of State

I certify from the records of this office that LAUDERHILL PRESERVATION LP is a limited partnership organized under the laws of the State of Florida, filed on May 12, 2023.


The document number of this limited partnership is A23000000245.

I further certify that said limited partnership has paid all fees due this office through December 31, 2023 and that its status is active.

I further certify that said limited partnership has not filed a Certificate of Withdrawal.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this
the Eighteenth day of May, 2023*




Secretary of State

Tracking Number: 4573728432CU

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

ALTA LOAN POLICY

Order No.: 145464

Policy No.: M-9923-186932

EXHIBIT "A"

LEGAL DESCRIPTION:

A PARCEL OF LAND IN THE NORTHEAST ONE-QUARTER OF SECTION 31, TOWNSHIP 49 SOUTH, RANGE 42 EAST, SITUATED IN FORT LAUDERDALE, THE COUNTY OF BROWARD AND STATE OF FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF THE NORTHEAST ONE-QUARTER OF SECTION 31, TOWNSHIP 49 SOUTH, RANGE 42 EAST, THENCE ON AN ASSUMED BEARING OF SOUTH 00 DEGREES 34 MINUTES 44 SECONDS EAST ALONG THE EAST LINE OF THE SAID NORTHEAST ONE-QUARTER OF A DISTANCE OF 35.00 FEET; THENCE DUE WEST ALONG A LINE 35.00 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF THE SAID NORTHEAST ONE-QUARTER A DISTANCE OF 35.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE DUE WEST ALONG A LINE 35.00 FEET SOUTH OF AND PARALLEL TO SAID NORTH LINE A DISTANCE OF 616.67 FEET TO THE WEST LINE OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF THE SAID NORTHEAST ONE-QUARTER; THENCE SOUTH 00 DEGREES 27 MINUTES 58 SECONDS EAST ALONG THE SAID WEST LINE A DISTANCE OF 506.51 FEET; THENCE NORTH 89 DEGREES 53 MINUTES 20 SECONDS EAST ALONG A LINE 125.00 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF THE SAID NORTHEAST ONE-QUARTER A DISTANCE OF 326.40 FEET TO THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF THE SAID NORTHEAST ONE-QUARTER; THENCE SOUTH 00 DEGREES 31 MINUTES 21 SECONDS EAST ALONG THE WEST LINE OF THE SAID EAST ONE-HALF A DISTANCE OF 125.01 FEET TO THE SAID SOUTH LINE; THENCE NORTH 89 DEGREES 53 MINUTES 20 SECONDS EAST ALONG THE SAID SOUTH LINE A DISTANCE OF 291.52 FEET; THENCE NORTH 00 DEGREES 34 MINUTES 44 SECONDS WEST ALONG A LINE 35.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE SAID NORTHEAST ONE-QUARTER A DISTANCE OF 630.37 FEET TO THE POINT OF BEGINNING, BEING THE SAME DESCRIPTION AS CONTAINED IN THAT CERTAIN DEED RECORDED IN OFFICIAL RECORDS VOLUME 16718, PAGE 367.

LESS AND EXCEPT A PARCEL OF LAND DESCRIBED IN EXHIBIT "A" OF THAT CERTAIN WARRANTY DEED DATED 02/11/81 BETWEEN TUSKEGEE CLUB HOUSING INC. AND BROWARD COUNTY, RECORDED IN OFFICIAL RECORDS BOOK 9477, PAGE 203.

A PORTION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 49 SOUTH, RANGE 42 EAST, BROWARD COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF THE SAID EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, AND A LINE 35.00 FEET WEST OF, AND PARALLEL WITH THE EAST LINE OF SAID SECTION 31;

THENCE SOUTH 88°54'31" WEST, ALONG THE SOUTH LINE OF THE SAID EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, A DISTANCE OF 5.00 FEET;

ALTA LOAN POLICY

Order No.: 145464

Policy No.: M-9923-186932

THENCE NORTH 01°34'22" WEST, ALONG A LINE 40.00 WEST OF, AND PARALLEL WITH, THE EAST LINE OF SAID SECTION 31, A DISTANCE OF 585.83 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 1,854.86 FEET, AND A CENTRAL ANGLE OF 00°18'55", AN ARC DISTANCE OF 10.20 FEET;

THENCE NORTH 46°26'33" WEST, A DISTANCE OF 49.11 FEET, TO A POINT 35.00 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 31;

THENCE NORTH 89°00'11" EAST, ALONG A LINE 35.00 SOUTH OF, AND PARALLEL WITH THE NORTH LINE OF SAID SECTION 31, A DISTANCE OF 39.68 FEET, TO A POINT 35.00 FEET WEST OF, THE EAST LINE OF SAID SECTION 31;

THENCE SOUTH 01°34'22" EAST, ALONG A LINE 35.00 FEET WEST OF, AND PARALLEL WITH, THE EAST LINE OF SAID SECTION 31, A DISTANCE OF 630.49 FEET, TO THE POINT OF BEGINNING.

SAID LAND SITUATE, LYING AND BEING IN BROWARD COUNTY, FLORIDA.

BEING THE SAME PROPERTY AS SHOWN ON THAT CERTAIN SURVEY PREPARED BY STONER AND ASSOCIATES INC., DATED JUNE 11, 2007, AND REVISED FEBRUARY 5, 2008, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PARCEL OF LAND IN THE NORTHEAST ONE-QUARTER OF SECTION 31, TOWNSHIP 49 SOUTH, RANGE 42 EAST, SITUATED WITHIN THE CITY OF LAUDERHILL, BROWARD COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF THE NORTHEAST ONE-QUARTER OF SECTION 31, TOWNSHIP 49 SOUTH, RANGE 42 EAST, THENCE SOUTH 01 DEGREES 35 MINUTES 06 SECONDS EAST ALONG THE EAST LINE OF SAID NORTHEAST ONE-QUARTER, A DISTANCE OF 35.00 FEET TO A POINT ON A LINE 35.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHEAST ONE-QUARTER; THENCE SOUTH 88 DEGREES 59 MINUTES 38 SECONDS WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 74.68 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 88 DEGREES 59 MINUTES 38 SECONDS WEST ALONG SAID PARALLEL LINE AND ALONG THE SOUTH RIGHT-OF-WAY LINE OF N.W. 19th STREET, A DISTANCE OF 577.13 FEET TO THE WEST LINE OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID NORTHEAST ONE-QUARTER; THENCE SOUTH 01 DEGREES 28 MINUTES 20 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 506.51 FEET; THENCE NORTH 88 DEGREES 52 MINUTES 58 SECONDS EAST ALONG A LINE 125.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID NORTHEAST ONE-QUARTER, A DISTANCE OF 326.40 FEET TO THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID NORTHEAST ONE-QUARTER; THENCE SOUTH 01 DEGREES 31 MINUTES 43 SECONDS EAST ALONG THE WEST LINE OF SAID EAST ONE-HALF, A DISTANCE OF 125.01 FEET TO SAID SOUTH LINE; THENCE NORTH 88 DEGREES 52 MINUTES 58 SECONDS EAST ALONG SAID SOUTH LINE, A DISTANCE OF 286.52 FEET TO A POINT ON A LINE 40.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID NORTHEAST ONE-QUARTER AND TO THE WEST RIGHT-OF-WAY LINE OF N.W. 31st AVENUE; THE

ALTA LOAN POLICY

Order No.: 145464

Policy No.: M-9923-186932

FOLLOWING THREE COURSES BEING COINCIDENT WITH SAID WEST RIGHT-OF-WAY LINE; THENCE NORTH 01 DEGREES 35 MINUTES 06 SECONDS WEST, ALONG SAID PARALLEL LINE, A DISTANCE OF 585.83 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 1,854.86 FEET, AND A CENTRAL ANGLE OF 00°18'55", AN ARC DISTANCE OF 10.21 FEET; THENCE NORTH 46 DEGREES 34 MINUTES 50 SECONDS WEST, A DISTANCE OF 49.01 FEET TO THE POINT OF BEGINNING.

SAID LAND SITUATE, LYING AND BEING IN BROWARD COUNTY, FLORIDA.

ATTACHMENT 2

RESOLUTION NO. 2023-____

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on June 21, 2023, 110 Northeast Third Street, Suite 300, Fort Lauderdale, Florida.

Present: _____

Absent: _____

Thereupon, the following resolution was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "AUTHORITY") DECLARING ITS OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS OR NOTES (THE "BONDS") OF THE AUTHORITY TO FINANCE ALL OR A PORTION OF THE COST OF THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF CERTAIN MULTIFAMILY HOUSING FACILITIES (LAUDERHILL POINT APARTMENTS) LOCATED WITHIN BROWARD COUNTY, FLORIDA, AND OTHER RELATED PURPOSES; APPROVING THE ISSUANCE OF THE BONDS, SUBJECT TO CERTAIN FURTHER FINDINGS AND CONDITIONS; AUTHORIZING THE AUTHORITY TO PUBLISH NOTICE OF AND HOLD A PUBLIC HEARING PURSUANT TO THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA); AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "Authority") is empowered under the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the "Act") and Ordinance 79-41 enacted by the Board of County Commissioners of Broward County,

Florida (the "Board") on June 20, 1979 (the "Ordinance"), as amended, to issue multi-family housing revenue bonds;

WHEREAS, the Authority is authorized under the Act to issue its revenue bonds for the purpose of paying the cost of a "qualifying housing development" within the meaning of the Act which includes the construction and equipping of multifamily housing developments;

WHEREAS, the Authority has been requested by Lauderhill Developer LLC., or an entity related to such corporation (the "Developer") to declare its official intent with respect to the issuance of its multifamily housing revenue bonds or notes in one or more series pursuant to the Act, in the expected maximum principal amount of \$40,000,000 (the "Bonds"), to finance the cost of the acquisition, rehabilitation, construction and equipping of a multifamily housing project, known as "Lauderhill Point Apartments," consisting of approximately 176 units located in Fort Lauderdale, Florida and to be owned by Lauderhill Preservation LP, its assigns or a related party (collectively, the "Project"); and

WHEREAS, such declaration is required pursuant to certain federal income tax regulations in order for the Developer to be able to reimburse itself from proceeds of the Bonds for capital expenditures it may make with respect to the Project prior to the issuance of the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:

SECTION 1. Declaration of Findings. The Authority hereby finds, determines and declares the matters hereinabove set forth.

SECTION 2. Intent to Issue. The Authority hereby declares its official intent to issue, pursuant to the Act, multifamily housing revenue bonds or notes, in one or more series, of the Authority in the expected maximum principal amount of \$40,000,000. The Authority retains the right to determine, in its sole discretion, whether sufficient bond allocation is available for the purpose of tax-exempt financing for the Project. The issuance of the Bonds is further subject to the conditions set forth in Section 3, Section 4 and Section 5 below.

SECTION 3. Prior Conditions. Prior to the issuance of the Bonds, the Developer and the Authority must satisfy all requirements of the Act with respect to the issuance of the Bonds, including, but not limited to, the approval of the Project as a “qualifying housing development” under the Act, and all other requirements in order for the interest on the Bonds, when and if issued, to be excluded from the gross income of the owners thereof for federal income tax purposes.

SECTION 4. Public Hearing Authorized. The staff of the Authority is authorized to publish the notice of the Tax Equity and Fiscal Responsibility Act (“TEFRA”) Hearing (as defined below) in *The Sun Sentinel* and to conduct the public hearing required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) prior to the issuance of the Bonds (the “TEFRA Hearing”).

SECTION 5. County Approval. Additionally, prior to the issuance of the Bonds, the Bonds must be approved by the Board, in accordance with and for purposes of Section 147(f) of the Code.

SECTION 6. Declaration of Official Intent. This Resolution constitutes official intent under Treasury Regulations Section 1.150-2 and any amendments thereto, for reimbursement from bond proceeds of temporary advances made by the Developer for purposes of the Project prior to the issuance of the Bonds.

SECTION 7. Scope of Approval. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds, or any portion thereof, for the Project. The Developer shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors and employees harmless from any liability or claim based upon the refusal or failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the processing of the financing for the Project, or the issuance of (or decision not to issue) the Bonds.

SECTION 8. Resolution Effective. This Resolution shall take effect immediately upon its passage.

[Remainder of page intentionally left blank]

Upon motion of _____, seconded by _____,

the foregoing Resolution was adopted by the following votes:

AYES: _____

NAYS: _____

Approved on June ____, 2023 as to form and legal
sufficiency by:

Bryant Miller Olive P.A., Bond Counsel

STATE OF FLORIDA)
)ss:
COUNTY OF BROWARD)

I, Ruth Cyrus, Assistant Secretary of the Housing Finance Authority of Broward County, Florida, DO HEREBY CERTIFY that the foregoing is an accurate copy of the Resolution of the Housing Finance Authority adopted at a meeting held on June 21, 2023, as set forth in the official minutes of the Housing Finance Authority, related to approval of certain actions to be taken in connection with the proposed issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2023 (Lauderhill Point Apartments) of the Housing Finance Authority.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this _____ day of June, 2023.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Ruth Cyrus, Assistant Secretary

(SEAL)

ITEM 7

**Housing Finance HFA of Broward County
June 21, 2023 – Board Meeting**

Multifamily Bonds Provident Place - Action Item

MOTION TO ADOPT a Resolution declaring the Housing Finance Authority's (the "HFA") official intent to issue multifamily housing revenue bonds and/or notes (the "Bonds") not to exceed \$20,000,000, for a multifamily housing development known as Provident Place, approving the issuance of the Bonds, subject to certain further findings and conditions, providing authorization to publish notice of and hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (the "TEFRA Hearing"), and providing an effective date.

Background

1. On April 4, 2023, the HFA received a multifamily bond application from Ambar3, LLC, a Florida limited liability company and HAPB Supporting Housing Opportunities, Inc., a Florida not for profit corporation (collectively, the "Borrower") pertaining to a 100-unit, new construction development, known as Provident Place ("Project"). The Project is located at 1050 NW 18th Drive, Pompano Beach, FL. (Exhibit 1)
2. The multifamily bond application requested that the HFA issue multifamily housing revenue bonds in an amount of \$20,000,000 (the "Bonds") to support the Project
3. The HFA's available multifamily carryforward allocation is sufficient to fund all multifamily transactions anticipated to close in 2023.

Present Situation

1. The Borrower requested inducement of the Bonds.
2. The HFA received payment of the \$1,500 Inducement Fee and \$500 Application Fee.
3. Bond Counsel, Bond Underwriter and a Credit Underwriter have all been assigned to this transaction.
4. The proposed resolution (the "Inducement Resolution") declares the HFA's official intent to issue the Bonds, approves the issuance of the Bonds, and authorizes the publishing of notice of and holding the TEFRA Hearing). (Exhibit 2)
5. As the inducement process for the Bonds is administrative, further Broward County Board of County Commissioners ("BOCC") action is not required for this step in the process.
6. The TEFRA Hearing and approval of the Bonds for the Project will require ratification by the BOCC.
7. The Borrower expects the transaction to close within the third or fourth third quarter of 2023.

Recommendation

Request the following Board action:

1. Approval of the Inducement Resolution:
 - a. Declaring the HFA's official intent to issue the Bonds,
 - b. Approving the issuance of the Bonds, subject to certain further findings and conditions, and
 - c. Providing authorization for HFA staff and professionals to: publish all appropriate notices for the TEFRA Hearing and hold a TEFRA Hearing for a multifamily development known as Provident Place.

Exhibits

1. Multifamily Bond Application
2. HFA Inducement Resolution

ATTACHMENT 1

AMBAR3

Ambar3, LLC
13611 S. Dixie Hwy., Ste. 374
Miami, FL 33156

April 4, 2023

Josie Kotsioris
Broward County HFA
110 NE 3rd St #300
Fort Lauderdale, FL 33301

Re: Provident Place – Multi-family Mortgage Revenue Bond Application

Dear Ms. Kotsioris:

We are excited to submit the attached application for Bonds for the development of Provident Place, a senior community in the City of Pompano Beach. In addition to the application, we're enclosing the \$500 application fee, the equity and debt letters of intent and zoning approval documentation.

Below is a proposed timeline for planning purposes, of course this is all subject to change and some items are not in the Developer's control.

- Application for Bond financing – April 4, 2023.
- Plans submittal for building permit approval – April 15, 2023. – 5 months for approval
- Subsidy Layering Review Submittal to HUD – April 30, 2023. – 12 weeks for approval
- Anticipated Closing Date October 1, 2023.

Please do not hesitate to contact Elena Adames at eadames@ambarco.com, should you have any questions.

Cordially,
Ambar3, LLC



Elena M. Adames
President

/ema

cc: Housing Authority of Pompano Beach

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTI-FAMILY HOUSING BOND PROGRAM**

APPLICATION FOR PROPOSED PROJECT

I. DEVELOPER INFORMATION

A. Developer's Name: Ambar3, LLC & HAPB Supporting Housing Opportunities, Inc.

B. Developer's Mailing Address: 3030 Hartley Rd., Ste. 310, Jacksonville, FL 32257

C. Developer's Telephone/Fax #: 305-216-1894

D. Contact Person(s): Elena M. Adames

E. Contact Persons E-Mail Address: eadames@ambarco.com

F. (i) Name of Entity Owning Project (for inclusion in Inducement Resolution): _____

Golden Acres Senior Apartments, LLLP

(ii) Type of Entity, with applicable State of formation (e.g. Florida Limited Partnership,

New York Corporation): Florida Limited Partnership

(iii) Attach copy of Entity's Certificate in Good Standing from State.

2. PROJECT INFORMATION

A. Project Name: Provident Place

B. Project Address: 1050 NW 18th Drive, Pompano Beach FL 33069

C. Description of Location: Vacant parcel within existing Golden Acres Community.

D. Type of Project: New Construction Rehabilitation

E. Number of Acres: +/-4.36 Acres.

F. Type of Building: Detached Semi-detached Town home
 Walk-up Elevator

G. Number of Stories: 3 Units per Building: 50

H. Number of Units: 100 Total Number: 100

of Studio: _____ # of 2 Bedroom: 50

of 1 Bedroom: 50 # of 3 Bedroom: _____

Other: _____

I. Describe Planned Amenities: Gym, clubhouse, outdoor recreation area w/picnic tables.

J. Est. Total Construction Cost: \$ \$17,250,000 Cost per Unit: \$ 172,500

K. Est. Construction Start Date: October 2023 Completion Date: Dec. 2024

3. STATUS INFORMATION

- A. Status of Site Control/Acquisition: Executed long-term Ground Lease
- B. What is current zoning? RM-12
- C. Status of Site Plan Approval: Site Plan Approval received October 27, 2022
- D. Status of Platting: Attached is the staff report approving the Plat Note Amendment.


4. FINANCING INFORMATION

- A. Amount of Bond Financing Requested \$ 20 million
Taxable Amount \$ _____
Tax-Exempt Amount \$ 20 million
- B. Credit Enhancement Information, if applicable:
 - (i) Lender's Name _____
 - (ii) Address _____
 - (iii) Phone Number _____
 - (iv) Contact Person _____
 - (v) Has it been finalized?(give status) _____
 - (vi) Fixed Rate or Variable Rate(describe) _____

5. OTHER INFORMATION (optional) _____

6. UNDERSTANDING OF BOND POLICIES

I, Elena M. Adames, representing Ambar3, LLC (co-Developer) have read and understand the Policies and Procedures for the Multi-Family Housing Bond Program of the Housing Finance Authority of Broward County, Florida (the "HFA").


Signature

4/4/23
Date

State of Florida

Department of State

I certify from the records of this office that GOLDEN ACRES SENIOR APARTMENTS, LLLP is a limited partnership organized under the laws of the State of Florida, filed on August 6, 2021.


The document number of this limited partnership is A21000000407.

I further certify that said limited partnership has paid all fees due this office through December 31, 2023 and that its status is active.

I further certify that said limited partnership has not filed a Certificate of Withdrawal.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this
the Third day of April, 2023*




Secretary of State

Tracking Number: 4539971001CU

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

CITY OF POMPANO BEACH
BROWARD COUNTY
FLORIDA

DEVELOPMENT ORDER

PLANNING AND ZONING NO. 22-12000021

A DEVELOPMENT ORDER ISSUED BY THE PLANNING AND ZONING BOARD (LOCAL PLANNING AGENCY) OF THE CITY OF POMPANO BEACH, BROWARD COUNTY, FLORIDA, PURSUANT TO CHAPTER 155 OF THE CODE OF ORDINANCES; APPROVING WITH CONDITIONS THE APPLICATION FOR DEVELOPMENT PERMIT FOR HOUSING AUTHORITY OF THE CITY OF POMPANO BEACH.

WHEREAS, Section 155.2407, of the Code of Ordinances, defines the specific application for Development referenced above as a Major Site Plan Review; and

WHEREAS, Section 155.2204, of the Code of Ordinances, authorizes the Planning and Zoning Board (Local Planning Agency) to review and issue a final development order with respect to the Applicant's request to construct two 3-story buildings consisting of 100 senior residential dwelling units. (Project). The Project encompasses the following property: 1050 NW 18th Drive; which is more specifically described as follows:

PORTIONS OF PARCEL 1 AND PARCEL 2, GOLDEN FARMS REDEVELOPMENT, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 131, PAGE 5 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 4, OF SAID GOLDEN FARMS REDEVELOPMENT; THEN ALONG THE SOUTH LINE OF SAID PARCEL 1, ALSO BEING THE NORTH RIGHT OF WAY LINE OF HAMMONDVILLE ROAD, NORTH 55° 01'11" WEST, FOR A DISTANCE OF 113.90 FEET, TO A POINT ON THE EAST RIGHT OF WAY LINE OF N.W. 18TH DRIVE, AS RECORDED IN OFFICIAL RECORDS BOOK 44902, PAGE 701, OF THE

DEVELOPMENT ORDER

Planning and Zoning Board/Local Planning Agency

Planning and Zoning No. 22-12000021

Page 2

PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA; THENCE ALONG SAID EAST RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES: THENCE (1) NORTH 37°06'26" EAST, 220.95 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 300.70 FEET; THENCE (2) NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 37°52'34" AND AN ARC DISTANCE OF 198.78 FEET TO THE POINT OF TANGENCY; THENCE (3) NORTH 00°46'08" WEST, 287.86 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL 2, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG SAID SOUTH LINE (AND THE EASTERLY EXTENSION THEREOF), SOUTH 89°23'37" WEST, 369.04 FEET; THENCE NORTH 00°36'23" WEST, 335.03 FEET; THENCE SOUTH 89°23'12" WEST, 100.00 FEET; THENCE NORTH 00°36'23" WEST, 364.98 FEET; THENCE SOUTH 89°23'37" WEST, 206.17 FEET TO A POINT ON SAID EAST RIGHT OF WAY LINE OF N.W. 18TH DRIVE, THENCE ALONG SAID EAST LINE THE FOLLOWING FIVE (5) COURSES: THENCE (1) SOUTH 00°28'54" EAST, 386.90 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 235.00 FEET; THENCE (2) SOUTHERLY THROUGH A CENTRAL ANGLE OF 21°05'08" AND AN ARC DISTANCE OF 86.48 FEET TO THE POINT OF TANGENCY; THENCE (3) SOUTH 20°36'14" WEST, 106.58 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 115.00 FEET; THENCE (4) SOUTHERLY THROUGH A CENTRAL ANGLE OF 21°22'22" AND AN ARC DISTANCE OF 42.90 FEET TO THE POINT OF TANGENCY; THENCE (5) SOUTH 00°46'08" EAST, 87.30 FEET TO THE POINT OF BEGINNING.

SAID LAND LYING IN THE CITY OF POMPANO BEACH, BROWARD COUNTY, FLORIDA AND CONTAINING 190,122 SQUARE FEET (4.36 ACRES), MORE OR LESS.

WHEREAS, the Development Review Committee has met to review this Project and has provided the Applicant with written comments; and

WHEREAS, the Application for Development Permit is in general compliance with the applicable standards and minimum requirements of this Code, and no building permit will be issued until the Development Services Director finds all conditions issued are met; and

BA

10.26.22

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DEVELOPMENT ORDER

Planning and Zoning Board/Local Planning Agency

Planning and Zoning No. 22-12000021

Page 3

WHEREAS, copies of the survey and final site plan are on file with the Department of Development Services, stamped with the meeting date of October 26, 2022.

IT IS THEREFORE ORDERED by the Board that the requested Major Site Plan Application for the above Project is hereby **GRANTED**, with the following conditions to which the Applicant has agreed to comply with:

1. A Unity of Control or similar instrument must be provided and recorded, prior to building permit
2. Standard conditions of approval and/or specifications required prior to Building Permit/Zoning Compliance Permit issuance:
 - a. Provide a photometric plan illustrating compliance with all applicable Exterior Lightning Standards for residential developments.
 - b. A Plat Note Amendment must be approved and recorded with Broward County, prior to building permit approval.
 - c. Provide evidence that the development achieves at least 12 sustainable development points (TABLE 155.5802, Sustainable Development Options and Points).
 - d. Plans are subject to compliance with all applicable Code requirements, including but not limited to DRC comments issued for this site plan.
 - e. All overhead utilities located on the development site and/or along the public right-of-way fronting the development site must be placed underground, pursuant to Section 155.5509.
 - f. Include a copy of the approved CPTED plan, approved by the Broward Sheriff's Office.
 - g. Landscape and Irrigation Plans must comply with all Zoning Code requirements as verified by the City's Urban Forestry Division.

Be advised that pursuant to Section 155.2308(B)(1) of the Pompano Beach Code of Ordinances, this DEVELOPMENT ORDER shall expire if a Zoning Compliance Permit is not obtained within two years.

BA

10.26.22

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DEVELOPMENT ORDER

Planning and Zoning Board/Local Planning Agency

Planning and Zoning No. 22-12000021

Page 4

Heard before the Planning and Zoning Board/Local Planning Agency and Ordered this
27 day of OCTOBER, 2022.

DocuSigned by:

Fred Stacer

A7300CDEAFBC48B

Fred Stacer

Chairman

Planning and Zoning Board/Local Planning Agency

Filed with the Advisory Board Secretary this 31 day of October, 2022.

DocuSigned by:

Bobby Adkins

77203FE7600B4EE

Bobby Adkins

Planning Aide

BA

10.26.22

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**ARCHITECTURAL APPEARANCE COMMITTEE
CITY OF POMPANO BEACH
BROWARD COUNTY, FLORIDA**

DEVELOPMENT ORDER

PLANNING AND ZONING NO. 22-12000021

AN ORDER ISSUED BY THE ARCHITECTURAL APPEARANCE COMMITTEE OF THE CITY OF POMPANO BEACH, BROWARD COUNTY, FLORIDA, PURSUANT TO ORDINANCE NO. 98-57; APPROVING WITH CONDITIONS THE APPLICATION FOR DEVELOPMENT PERMIT FOR HOUSING AUTHORITY OF CITY OF POMPANO BEACH.

WHEREAS, Ordinance No. 98-57, authorizes the Architectural Appearance Committee (“Committee”) to review plans for this project which consists of the construction of two 3-story buildings consisting of 100 senior residential dwelling units. (“Project”). The Project encompasses the following property: 1050 NW 18th Drive; which is more specifically described as follows:

PORTIONS OF PARCEL 1 AND PARCEL 2, GOLDEN FARMS REDEVELOPMENT, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 131, PAGE 5 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 4, OF SAID GOLDEN FARMS REDEVELOPMENT; THEN ALONG THE SOUTH LINE OF SAID PARCEL 1, ALSO BEING THE NORTH RIGHT OF WAY LINE OF HAMMONDVILLE ROAD, NORTH 55° 01’11” WEST, FOR A DISTANCE OF 113.90 FEET, TO A POINT ON THE EAST RIGHT OF WAY LINE OF N.W. 18TH DRIVE, AS RECORDED IN OFFICIAL RECORDS BOOK 44902, PAGE 701, OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA; THENCE ALONG SAID EAST RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES: THENCE (1) NORTH 37°06’26” EAST, 220.95 FEET TO THE POINT OF CURVATURE

DEVELOPMENT ORDER

Architectural Appearance Committee

Planning and Zoning #22-12000021

Page 2

OF A CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 300.70 FEET; THENCE (2) NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 37°52'34" AND AN ARC DISTANCE OF 198.78 FEET TO THE POINT OF TANGENCY; THENCE (3) NORTH 00°46'08" WEST, 287.86 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL 2, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG SAID SOUTH LINE (AND THE EASTERLY EXTENSION THEREOF), SOUTH 89°23'37" WEST, 369.04 FEET; THENCE NORTH 00°36'23" WEST, 335.03 FEET; THENCE SOUTH 89°23'12" WEST, 100.00 FEET; THENCE NORTH 00°36'23" WEST, 364.98 FEET; THENCE SOUTH 89°23'37" WEST, 206.17 FEET TO A POINT ON SAID EAST RIGHT OF WAY LINE OF N.W. 18TH DRIVE, THENCE ALONG SAID EAST LINE THE FOLLOWING FIVE (5) COURSES: THENCE (1) SOUTH 00°28'54" EAST, 386.90 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 235.00 FEET; THENCE (2) SOUTHERLY THROUGH A CENTRAL ANGLE OF 21°05'08" AND AN ARC DISTANCE OF 86.48 FEET TO THE POINT OF TANGENCY; THENCE (3) SOUTH 20°36'14" WEST, 106.58 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 115.00 FEET; THENCE (4) SOUTHERLY THROUGH A CENTRAL ANGLE OF 21°22'22" AND AN ARC DISTANCE OF 42.90 FEET TO THE POINT OF TANGENCY; THENCE (5) SOUTH 00°46'08" EAST, 87.30 FEET TO THE POINT OF BEGINNING.

SAID LAND LYING IN THE CITY OF POMPANO BEACH, BROWARD COUNTY, FLORIDA AND CONTAINING 190,122 SQUARE FEET (4.36 ACRES), MORE OR LESS.; and

WHEREAS, the Committee has met and reviewed this Project and does not find the plans submitted for review in compliance with the criteria for approval as set forth in Ordinance 98-57 as follows, but the developer has agreed in writing that no building permit will be issued until those conditions the Development Services Director finds reasonably necessary to ensure compliance are met; and

- a) The plan for the proposed structure or project is in conformity with good taste, good design and, in general, contributes to the image of Pompano Beach as a

BA 10/20/22

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DEVELOPMENT ORDER

Architectural Appearance Committee

Planning and Zoning #22-12000021

Page 3

place of beauty, spaciousness, harmony, taste, fitness, broad vistas and high quality;

- b) The proposed structure or project is not, in its exterior design and appearance, of inferior quality such as to cause the nature of the local environment or evolving environment to materially depreciate in appearance and value;
- c) The proposed structure or project is in conformity with the standards of this Code and other applicable ordinances insofar as the location and appearance of the buildings and structures are involved;
- d) The proposed structure or project is in harmony with the proposed developments in the general area, with the Comprehensive Plan for the City and with the criteria set forth in the adopted "Supplemental Criteria of the Architectural Appearance Committee".

Upon further examination and participation of the Development Services Staff, the following conditions were offered to further comply with the City Code and offer further clarification for the building permitting process:

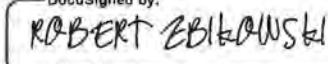
1. *Provide a dashed line on the floor plans and site plan to represent the balcony projections. Verify that there are no conflicts with the proposed balconies and landscaping.*
2. *Provide evidence that the development achieves at least 12 Sustainable Development Points (TABLE 155.5802, Sustainable Development Options and Points).*
3. *Plans are subject to compliance with all applicable Code requirements, including but not limited to DRC comments issued for this site plan.*
4. *Include a copy of the approved CPTED plan, approved by the Broward Sheriff's Office.*
5. *Landscape and Irrigation Plans must comply with all Zoning Code requirements as verified by the City's Urban Forestry Division.*

DEVELOPMENT ORDER
Architectural Appearance Committee
Planning and Zoning #22-12000021
Page 4

After careful consideration of the Project and the recommendations of City staff, the Committee approves the plans, subject to the 5 City staff conditions and additional conditions below:

1. *Applicant shall update plans to reflect the balconies and the balconies shall resemble the balconies as depicted on the color elevation in material board submitted. Balconies shall be sized to be usable and not Juliet balconies.*
2. *Applicant shall provide and construct a 400 sq. ft. aluminum shade structure in the green area between the North and South buildings with concrete walkway access provided from each building with adequate seating*

DONE AND ORDERED this 3 day of November, 2022.

DocuSigned by:

6A8GA3FB1E20445
ROBERT H. ZBIKOWSKI
Chairman
Architectural Appearance Committee

Filed with the Advisory Board Secretary this 3 day of November, 2022.

DocuSigned by:

77203FE7C00C4EE
Bobby Adkins
Planning Aide

BA 10/20/22

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DEVELOPMENT ORDER
Architectural Appearance Committee
Planning and Zoning #22-12000021
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Resilient Environment Department

URBAN PLANNING DIVISION

1 N. University Drive, Box 102, Plantation, FL 33324 T: 954-357-8695 F: 954-357-6521

DEVELOPMENT REVIEW REPORT FOR A PLAT NOTE AMENDMENT

Project Description			
Plat Name:	Golden Farms Redevelopment	Number:	101-MP-86
Application Type:	Note Amendment	Legistar Number:	22- 1441
Applicant:	Housing Authority of the City of Pompano Beach	Commission District:	8
Agent:	KEITH	Section/Twn./Range:	38/48/42
Location:	North side of Martin Luther King Boulevard/Hammondville Road, between Powerline Road and Andrews Avenue Extension	Platted Area:	80.5 Acres
Municipality:	Pompano Beach	Gross Area:	N/A
Previous Plat:	N/A	Replat:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Meeting Date:	November 15, 2022		

A location map of the plat is attached, see **Exhibit 2**.

The Application is attached, see **Exhibit 8**. The Urban Planning Division (UPD) distributed the application to agencies for review, as required by Sec. 5-181 of the Land Development Code.

Platting History and Development Rights			
Plat Board Approval:	March 3, 1987	Plat Book and Page Number:	131-05
Date Recorded:	May 8, 1987	Current Instrument Number:	107574625
Plat Note Restriction			
Current Note:	This plat is restricted to 48 three-bedroom single family units (existing), 48 two bedroom townhouse units (existing), 20 one bedroom townhouse units, 36 two bedroom townhouse units, 36 three bedroom townhouse units, 12 four bedroom townhouse units, a day care center, and 8,136 square feet of health center (3,636 feet proposed, 4,500 square feet existing) and 302 garden apartments consisting of 12 one bedroom very low income units, 27 two bedroom very low income units, 17 three bedroom very low income units, 2 four bedroom very low income units, 38 one bedroom low income units, 115 two bedroom low income units, 81 three bedroom low income units, and 10 four bedroom low income units.		
Proposed Note:	This plat is restricted to 48 single family homes, 152 townhouse units, 402 garden apartments, a day care center, and an 8,136 square feet of health center.		
Extension:	A Waiver of Extension was granted until February 4, 2024.		
Age Restricted/ Affordable Housing	This development project will have an increase of 100 age restricted and affordable garden apartment units.		

1. Land Use

Planning Council has reviewed this application and determined that the City of Pompano Beach Comprehensive Plan is the effective land use plan. The plan designates the area covered by this plat for the uses permitted in the “Low-Medium 5-10 DU/AC” land use category. The day care and health center uses are in compliance with the permitted uses of the effective land use plan. Also, the proposed residential development is in compliance with the permitted uses and densities of the effective land use plan, see **Exhibit 3**.

2. Affordable Housing

Applicant is requesting Affordable Housing waiver approval for the additional 100 residential units. Per Land Development Code Section 5-184(b)(4) the developer as condition of approval, shall record in the public records restrictive covenants upon the property, or shall enter into an agreement with Broward County acceptable to the Office of the County Attorney, to ensure that the affordability will be for persons meeting specified income levels.

3. Access

Staff from the Highway Construction and Engineering Division, Traffic Engineering Division and Transit Division have reviewed this application and have no objection to this note amendment.

4. Municipal Review

The City of Pompano Beach has submitted the Resolution No. 2022-223 adopted September 13, 2022, supporting the application, and the Letter of No Objection dated August 17, 2022, see **Exhibit 4**.

5. Concurrency – Transportation

This plat is located within the Northeast Transportation Concurrency Management Area which is subject to Transportation Concurrency fees, as defined in Section 5-182.1(a)(1)a) of the Land Development Code. The proposed note amendment will be an increase of 60 trips per PM peak hour.

	Existing Use Trips per (PM) Peak Hour	Proposed Use Trips per (PM) Peak Hour
Residential	329	389
Non-Residential	29	29
Difference	418-358 = 60	

This plat was recorded with a note requiring development to occur before five (5) years from date of plat approval. This note is no longer required by the Land Development Code.

6. Concurrency - Water and Wastewater Capacity

This plat receives water and wastewater from the utilities listed below:

	Potable Water	Wastewater
Utility Provider:	City of Pompano Beach	Broward County
Plant name:	Pompano Beach (02/22)	Broward County North Regional (BCN) (06/22)
Design Capacity:	50.00 MGD	95.00 MGD
Annual Average Flow:	1.826 MGD	70.18 MGD
Estimated Project Flow:	0.035 MGD	0.035 MGD

Sufficient capacity exists at this time to serve the proposed development; however, approval of this plat note does not guarantee reservation of future capacity. Plat approval does not infer any approval to connect to any wastewater collection, treatment, or disposal system.

7. Concurrency - Public School

The School Board's review of the application found it will not generate any additional students for Broward County Public Schools and is considered exempt for purposes of public-school concurrency review. The School Board staff provided a School Capacity Availability Determination (SCAD) letter for the addition of 100 units garden apartment, see **Exhibit 5**.

No educational impact fees will be assessed for the proposed residential units, subject to developer placing an age restriction on this property through the execution of a Declaration of Restrictive Covenants, which must be recorded prior to recordation of the note amendment agreement.

8. Impact Fee Payment

The previous note amendment designated the residential components as "Affordable Housing" resulting in the waiver of the transit concurrency, regional park, and administrative fees as recorded in the Broward County Official Records the Declaration of Restrictive Covenants with Instrument No. 107574626. The Applicant is requesting that the additional 100 residential units be classified as Age Restrictive and "Affordable Housing" which requires the execution of a new Declaration of Restrictive Covenant exempting Impact Fees. Prior to plat recordation applicant must obtain an Affordable Housing Certificate from the Broward County Housing Finance Division, obtain from the Broward School Board a determination on the affordable housing waiver and through the Urban Planning Division the execution of a Declaration of Restrictive Covenants for Age Restricted and Affordable Housing.

Transportation Concurrency and administrative fees will be assessed during the review of construction plans submitted for County environmental review approval by the Development and Environmental Review Section of the Urban Planning Division, in accordance with the fee schedule specified in the Land Development Code and must be paid on the date of building permit issuance.

9. Environmental Review

The plat note amendment application has been reviewed by Environmental Permitting Division. The attached document provides recommendations to the developer regarding environmental permitting for the future development, see **Exhibit 6**.

10. Historic Resources

This plat has been reviewed by the Broward County's consulting archaeologist. The review of available information includes archival documents, maps, the Broward County Land Use Plan, and the Florida Master Site File (FMSF). The property is located in the City of Pompano Beach which is outside of the jurisdiction of the Broward County's historic preservation ordinance 2014-32. The property owner or agent is advised to contact the municipality to seek project review for compliance with municipal historic preservation regulations. Attached are the historic and archaeological comments, see **Exhibit 7**.

11. Aviation

The Broward County Aviation Department has no objections to this plat. However, this property may be within 20,000 feet of the Fort Lauderdale Executive Airport and/or Pompano Beach Airpark. Any proposed construction or use of cranes or other high-lift equipment must be reviewed to determine if Federal Aviation Regulation Part 77, Florida Statutes, Chapter 333 and/or the Broward County Airport Zoning Ordinance apply to this development. Based on the location of the proposed project, the FAA may need to conduct a review to determine whether the project is a potential hazard to aviation. To initiate the Federal Aviation Review, access the FAA Web Page at:

<http://oeaaa.faa.gov>. To initiate the local municipality review, please contact the City of Fort Lauderdale and/or City of Pompano Beach directly.

12. Utilities

Florida Power and Light (FPL) and AT&T have been advised of this plat and provided no comments.

13. Notice to Applicant

The applicant is advised that, in accordance with Section 125.022, Florida Statutes, the issuance of a development permit by the County does not in any way create any rights on the part of the applicant to obtain a permit from a state or federal agency and does not create any liability on the part of the County for issuance of the permit if the applicant fails to obtain requisite approvals or fulfill the obligations imposed by a state or federal agency or undertakes actions that result in a violation of state or federal law.

Specific questions regarding any of the above comments may be directed to each review agency contact person. A list of agency contacts is available on the Urban Planning Division's web page at: www.broward.org/Planning/FormsPublications/Documents/ReviewAgencies.pdf

FINDINGS

Staff have reviewed the application and found that it meets the requirement of the Land Development Code and satisfies requirements for Concurrency:

1. This plat is located within the Northeast Transportation Concurrency Management Area. This district meets the regional transportation concurrency standards specified in Section 5-182.1(a)(1)a) of the Land Development Code.
2. This plat satisfies the drainage, water, wastewater, and solid waste disposal concurrency requirement of Section 5-182.6 of the Broward County Land Development Code.
3. This plat satisfied the regional parks and recreation concurrency requirement of Section 5-182.7 of the Broward County Land Development Code.

RECOMMENDATIONS

Based on the review and findings, staff recommends **APPROVAL** of this application, subject to the following conditions which shall assure compliance with the standards and requirements of the Land Development Code:

1. Records a document acceptable to the County Attorney's Office to amend the note on the face of the plat prior to **November 15, 2023**.
2. Records a Declaration of Restrictive Covenants to place an age restriction on the plat prior to recordation of the note amendment agreement.
3. Records a Declaration of Restrictive Covenants to place an affordable housing restriction on the plat prior to recordation of the note amendment agreement.
4. Delete the plat note that references expiration of the Findings of Adequacy.

In addition, staff recommends that the Board authorize the Mayor to sign an order approving this agenda item subject to staff findings, comments and recommendations.

MGA

RAYMOND JAMES®

March 30, 2023

Ms. Elena Adames
Golden Acres Senior Apartments, LLLP
c/o Ambar3, LLC
3030 Hartley Road, Suite 310
Jacksonville, FL 32257

Re: Partnership: Golden Acres Senior Apartments, LLLP
Property Name: Provident Place, fka Golden Acres Senior Apartments
Property Location: Pompano Beach, Broward County, Florida

Dear Ms. Adames:

This letter will confirm our agreement (“Agreement”) whereby Raymond James Affordable Housing Investments, Inc. (“RJAHI”) will attempt to effect a closing (“Closing”) of an investment by a Fund sponsored by RJAHI (the “RJAHI Fund”) in the above named partnership (“Partnership”) on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJAHI and the RJAHI Fund.

CURRENT ASSUMPTIONS:

I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

A. Project:

1. New Construction.
2. Units: 100 units.
3. Estimated Construction Start Date: August 2023.
4. Estimated Construction Completion Date: November 2024.
5. Estimated 100% Occupancy Date: February 2025.
6. Set-aside Requirements:
 - a. Ten (10) units shall be rented to persons at 30% or less of area median income (AMI):
 - b. Ninety (90) units shall be rented to persons at 60% or less of AMI.
7. Rental Assistance:
 - a. Number of Units: up to 70 units.
 - b. Term: Not to expire prior to 15-year LIHTC compliance period.
 - c. Source: Project-Based Vouchers.
8. Management:
 - a. Company: To be determined, subject to reasonable RJAHI approval.
 - b. Management Fee: Up to 6.0% of Effective Gross Income.
9. General Contractor: To be determined, subject to reasonable RJAHI approval

B. Tax Credit Information:

1. Estimated Partnership Annual Credits: \$1,263,940.

Raymond James Affordable Housing Investments, Inc.
A Subsidiary of Raymond James Financial, Inc.

880 Canillon Parkway • St. Petersburg, FL 33718
800-438-8088 Toll Free • 727-567-8455 Fax
Visit our Web Site at www.RJAH.com

2. RJAHI Fund's Share of Partnership Annual Credits: 99.99%
3. Estimated RJAHI Fund Annual Credits: \$1,263,940.
4. Applicable Fraction: 100%.
5. DDA/QCT: DDA.
6. Applicable Percentage: 4.00%.
7. First Credit Year: 2025 (using a 10/31 calendar year-end).

C. Equity Investment:

1. Estimated \$0.92 per dollar of the RJAHI Fund Total Credits ("Credit Price"), subject to market conditions and availability of funds.
2. Estimated RJAHI Fund Total Capital: \$11,627,085.
Note that actual contributions are based on actual credits delivered. If actual RJAHI Fund Total Credits are less than the estimated amount, RJAHI Fund Total Capital will be reduced by the shortfall times the Credit Price. If actual RJAHI Fund Total Credits are greater than the estimated amount ("Excess Credits"), then the RJAHI Fund Total Capital will be increased by an amount equal to the Excess Credits times the Credit Price, but RJAHI Fund Total Capital shall not exceed 105% of the Estimated RJAHI Fund Total Capital except as provided below. The RJAHI Fund will specify the terms, if any, under which it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. If those terms provide for a credit price less than the Credit Price, the General Partner can accept or reject those terms. Any Excess Credits that the RJAHI Fund is unwilling to buy or that the General Partner is unwilling to sell at the price specified by the RJAHI Fund shall be allocated to the General Partner.
3. Installment Payment of Estimated RJAHI Fund Total Capital:
 - a. \$1,744,063 (15%) at Closing, of which \$25,000 shall be paid directly to RJAHI in payment of its due diligence fee.
 - b. \$1,162,709 (10%) at later of August 1, 2024 or 95% Construction Completion.
 - c. \$1,162,709 (10%) at later of November 1, 2024 or 100% Construction Completion.
 - d. \$7,457,604 (64%) at later of May 1, 2025 or Stabilized Operations ("Stabilization Capital Contribution")
 - e. \$100,000 (1%) paid when all required tax filing information and Forms 8609 are received and audited financials for the year of Breakeven Operations are available.

RJAHI shall pledge its interest in the Partnership to secure its obligations to make each Installment Payment.

Conditions for payments are described in Appendix B hereto.

"Stabilized Operations" means the date upon which all of the following events have occurred: (i) final completion of the Project and final closing of all permanent financing, and (ii) for each of three (3) consecutive months (the last of which must end after or concurrently with Final Closing), the lesser of: (a) actual

Net Operating Income, or (b) Net Operating Income determined as if "Rent" equaled 95% of the rent that would be due and payable if the Project attained 100% occupancy based on rental rates then being charged for the Project (each as determined by the Accountants and approved by RJAHI) is at least equal to 120% of the Partnership's Must-pay Debt Service. Achievement of Stabilized Operations shall be subject to the reasonable review and approval of RJAHI.

4. **Timing Adjusters:**

The capital contribution of the RJAHI Fund shall be reduced by 50% of the shortfall between the Credits actually delivered and the Credits estimated to be delivered in 2025 and 2026. Currently, it is estimated that the Partnership will deliver (i) \$1,105,948 of Credits in 2025 and (ii) the maximum credit amount in 2026. The capital contribution of the RJAHI Fund shall be adjusted if and to the extent that the RJAHI Fund is admitted after Credits have begun to run. Credits are being calculated using a 10/31 year end.

Additionally, should the closing date estimates shift, RJAHI will revise the credit delivery to accommodate the revised dates, provide the resulting changes are yield neutral.

In the event that the actual Credits with respect to 2024 are more than the Credits projected for such year, then the capital contribution of the RJAHI Fund to the Partnership shall be increased by an amount (the "Upward Timing Adjustment") equal to 50% of such excess; provided, that any such increase is subject to the overall limitation that RJAHI Fund Total Capital cannot exceed 105% of estimated RJAHI Total Capital without RJAHI Fund consent. The Upward Timing Adjustment shall be made and applied to increase the Stabilization Capital Contribution. It is understood and agreed that the Upward Timing Adjustment is intended to address any acceleration in the delivery of the first and second year of the Credit Period from the projected Credit amounts during such year where the total projected Credits for the entire Credit Period is not affected and that the Upward Timing Adjustment may be decreased if the RJAHI Fund determines in the exercise of its sole and absolute discretion that a smaller Upward Timing Adjustment must be paid in order to maintain the expected return on investment of its investors.

D. Allocation of Distributions:

1. Asset Management Fee: The RJAHI Fund shall receive an annual asset management fee of \$5,000, (\$6,000 if using income averaging) increasing at 3% per year prior to any cash distributions. The Asset Management Fee shall begin January 1 of the year following the date the Project has been placed in service and shall be prorated for the year that the Project is placed in service. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid.
2. Cash From Operations: Cash available to be distributed on an annual basis after paying Partnership expenses, funding the Replacement Reserve, and maintaining working capital reserves. Cash From Operations shall be allocated in the following order:

- a. To the RJAHI Fund to the extent of any amounts owed, including amounts to be paid under Tax Credit Guaranty;
- b. To pay any accrued but unpaid Asset Management Fee;
- c. To pay any accrued but unpaid Housing Authority Asset Management Fee, to be sized in the equivalent of the RJAHI Asset Management Fee;
- d. To the Developer to pay any unpaid Deferred Development Fee;
- e. To replenish the Operating Reserve if the balance therein is less than the original amount on deposit within the Operating Reserve;
- f. To the General Partner or Guarantors to repay any loans due under the Operating Deficit Guaranty;
- g. 89.99% to the General Partner as an incentive management fee,
- h. The balance 0.01% to the General Partner, and 99.99% to the RJAHI Fund.

In all events, the RJAHI Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partner under (g) and (h).

3. Cash From Sale or Refinancing: Proceeds available after paying all debts and liabilities and establishing any required reserves shall be allocated in accordance with capital accounts, in the following order:

- a. To the RJAHI Fund to the extent of any amounts owed, including unpaid amounts under Tax Credit Guaranty;
- b. To pay any accrued but unpaid Asset Management Fee;
- c. To pay any accrued but unpaid Housing Authority Asset Management Fee;
- d. To the Developer to pay any unpaid Deferred Development Fee;
- e. To the General Partner or Guarantors to repay any loans due under the Operating Deficit Guaranty;
- f. The balance, 90% to the General Partner and 10% to the RJAHI Fund

The distribution of Cash From Sale or Refinancing (e) shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

Beginning no sooner than 12 months prior to the close of the compliance period and continuing until the second (2nd) anniversary thereof, the Housing Authority of Pompano Beach (or an acceptable designee), assuming it is a qualified non-profit organization (as defined by the IRS Code) and otherwise qualifies as such under FHFC rules, will have a right of first refusal to purchase the property, for a price which is not less than the principal amount of outstanding indebtedness secured by the building, all Federal, State, and local taxes attributable to such sale and any amounts due to the RJTCF Fund under the Tax Credit Guaranty. The amount of the purchase price attributable to taxes payable on the gain allocated to the RJTCF Fund, if any, shall be distributed to the RJTCF Fund. Notwithstanding anything to the contrary in forthcoming Amended and Restated Limited Partnership Agreement, the General Partner shall have the right to seek one or more third party offers to trigger the right of first refusal pursuant to this Agreement with the sale to be closed on or after the end of the Compliance Period; provided, however, that any sale of the Project to such third party, in the event that General Partner does not elect to exercise its right of first refusal pursuant to Section 42(i)(7) and this right of first refusal

section, shall remain subject to the Consent of the Investor Limited Partner in its sole discretion. Further mechanics will be set forth in the Amended and Restated Limited Partnership Agreement. The exercise of the right of first refusal shall have priority over the exercise of the options described elsewhere herein. The right of first refusal shall be applicable only in the event the Partnership offers the Project for sale and receives a bona fide good faith offer from a third party.

E. Allocations of Profits and Losses:

1. Operating Profits and Losses: 99.99% RJAHI Fund; 0.006% General Partner and 0.004% to the Special Limited Partner.
2. Credits and Depreciation: 99.99% RJAHI Fund; 0.006% General Partner and 0.004% to the Special Limited Partner.
3. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 90% to the General Partner and 10% to the RJAHI Fund, to the greatest extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.
4. Operating Income and Losses Prior to Credit Delivery: At the discretion of the RJAHI Fund, Operating Income and Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partner.

F. Developer and Development Fee:

1. Developer: Ambar3, LLC and HAPB Supporting Housing Opportunities, Inc.
2. Estimated Development Fee: \$4,240,192.
3. Development Fee is currently estimated to be paid as follows:
 - a. 30% of Payable Development Fee at Closing.
 - b. 30% of payable Development Fee at 100% Construction Completion.
 - c. Balance of Development Fee at Stabilization/8609.

If necessary, part of the development fee, not to exceed \$1,500,000, will be deferred beyond the date of the RJAHI Fund's final capital contribution installment, at an interest rate of 6.00%, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing or, if not paid within 15 years after placed-in-service date, from General Partner's capital as described below. Any development fee that cannot be paid by the time of the final capital contribution of the RJAHI Fund or deferred in accordance with the foregoing limitation shall be paid as an excess cost under the Completion Guaranty. It is currently estimated that there will be a deferred development fee in the amount of \$945,540.

G. Reserves:

1. Replacement Reserve: \$30,000 per year (*\$300 per unit*) beginning at the earlier of twelve months after completion of construction or the first month of permanent loan conversion, increased by 3% per year thereafter. In the aggregate, no more than \$30,000 will be withdrawn from the Replacement Reserve in any calendar year without the reasonable approval of the RJAHI Fund, unless costs have been expressly approved by RJAHI in the Annual Budget.

2. Operating Reserve: \$355,808 (approximately three (3) months' of underwritten operating expenses, debt service and replacement reserves), to be funded into the operating reserve account (the "Operating Reserve Account") at the time of and from the funding of the Stabilization Capital Contribution. Such Operating Reserve Account shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow) and shall be used exclusively to pay for Operating Deficits incurred by the Company after the mutually agreed upon due date of the Stabilization Capital Contribution; provided however, that all withdrawals from the Operating Reserve Account that would cause aggregate draws in any one fiscal year to exceed \$20,000 shall be made only with the Consent of the RJAHI Fund, which shall not be unreasonably withheld, delayed or conditioned. Operating Deficits shall be funded first from the Operating Reserve and then under the Operating Deficit Guaranty. Should the balance in the Operating Reserve Account fall below the original Operating Reserve amount referenced above, Net Cash Flow on each Payment Date will be deposited in the Operating Reserve Account to maintain such minimum balance.
3. All reserves shall be established with a lending institution acceptable to the RJAHI Fund and shall be subject to reasonable withdrawal limitations determined by the RJAHI Fund to be appropriate to ensure the proper use of such funds.

H. Obligations of the General Partner and Special Limited Partner:

1. General Partner: HAPB-Golden Acres Senior Apartments GP Corp.
2. Special Limited Partner: To be formed entity, controlled by affiliates of Vestcor.
3. General Partner's Capital: \$0 (estimate).
4. The General Partner agrees that to the extent any deferred development fee has not been repaid from cash flow at the end of fifteen years from the date the property is placed in service (or at the time of removal of the General Partner or SLP), they will contribute sufficient capital so that the Partnership can pay any amount of the deferred fee outstanding at that time.
5. The Special Limited Partner will provide the following guaranties:
 - a. **Completion Guaranty** – The SLP, or an affiliate, will guarantee lien-free completion of the Property and will pay any of the below costs that are in excess of the allowed sources of funds (including any allowed deferred development fee). Such costs include costs to:
 - (1) acquire the Property and complete construction substantially in accordance with plans and specifications and free from any defects;
 - (2) pay all acquisition and construction costs, including any construction period interest, costs, fees, and reserves; and
 - (3) pay all operating expenses, debt service and capital maintenance items that exceed rental and other income through the date the RJAHI Fund makes its final capital contribution.

Any excess costs up to \$250,000 shall be considered a loan payable on par with the priority for payment of operating deficit loans, subject to concurrence with RJAHI tax counsel. Any excess costs beyond that amount shall be considered capital contributions. However, the SLP will

also advance funds as needed during construction if proceeds of financing and/or capital contributions are not yet available to pay such costs. Such advances will be repaid, without interest, once such sources of funds become available.

The SLP will also guarantee that the permanent financing will close and that the debt service on the permanent financing will not exceed an amount that would allow the Partnership to achieve Stabilized Operations within a reasonable time. Any reduction in principal amount of, or interest rate on, the permanent financing necessary to achieve Stabilized Operations will be considered an excess cost to be funded under the Completion Guaranty. RJAHI shall consider a reduction in permanent financing amount in the event cost savings create an opportunity to do so.

In the event that certain events occur, prior to RJAHI's final equity contribution, the RJAHI Fund shall have the right, after any cure periods, to require the SLP to repurchase the RJAHI Fund's interest for a price that returns 100% of its investment to date plus interest at long-term AFR and any tax liability attributable to such payment less the amount of any tax credits received by RJAHI and not otherwise disallowed or subject to recapture. Examples of such events include failure to complete construction, achieve breakeven operations or achieve Stabilized Operations by agreed-upon dates, failure to replace withdrawn commitments for, or close, permanent financing, loss of rental assistance, failure to qualify for at least seventy (70%) of the expected Credits, etc.

- b. **Tax Credit Guaranty** – Guaranty that expected Credits will be available to the RJAHI Fund and Credits taken will not be recaptured. If the actual annual Credits available to the RJAHI Fund in any year are lower than the Credits expected, the General Partner shall reimburse the RJAHI Fund for the shortfall on a dollar for dollar basis. If it is determined that the shortfall in Credits will apply to future years as well, the General Partner will refund an amount equal to the present value of those future credits. If the RJAHI Fund is subject to recapture (including disallowance of credits) of previously claimed credits, the General Partner shall reimburse the RJAHI Fund for its recapture amount. To the extent that payments in respect of the Tax Credit Guaranty are taxable, the payments shall be grossed-up to reimburse the RJAHI Fund for the tax liability.

The General Partner will not be obligated if the reduction in the amount of Credits or recapture is a result of a change in the tax law or the disposition by the RJAHI Fund of its interest.

To the extent that the General Partner has no obligation to compensate the RJAHI Fund for reduced or recaptured Credits or fail to make payments due to the RJAHI Fund under the Tax Credit Guaranty, the amounts necessary to compensate the RJAHI Fund, plus interest at long-term AFR, will be paid as a priority from all available cash, including Cash From Operations or Sale Proceeds. In the case in which the

General Partner is obligated to make payments under the Tax Credit Guaranty but fail to do so, such cash distributions shall not reduce the SLP's obligations except to the extent that cash distributions paid to the RTJCF Fund would have otherwise been paid to the General Partner.

This guaranty shall apply to a period that ends at the end of the LIHTC compliance period.

c. **Operating Deficit Guaranty** – Guaranty that the Partnership will have sufficient funds to remain current in its obligations during a specified period and that the General Partner will make subordinated, interest-bearing loans to the Partnership to the extent necessary to meet obligations, debt service and the funding of reserves, for the period beginning with the Stabilization Capital Contribution and ending on the December 31st which (i) is at least three (3) years following the Stabilization Capital Contribution and on which each of the following is true:

- (1) In the preceding twelve months, the Partnership has achieved a 1.20:1 hard debt service coverage ratio, determined on an annual basis as shown in the audited financial statements for such years;
- (2) The General Partner has not been required to make any payments or loans to the Partnership under the Operating Deficit Guaranty in the preceding twelve months;
- (3) The Partnership is current with regards to all liabilities;
- (4) The Partnership's Replacement Reserve account balance is an amount equal to 60% of the Annual Replacement Reserve times the length of time since completion of construction or rehabilitation; and
- (5) The General Partner has not been obligated to make any payments under the Tax Credit Guaranty within the preceding three calendar years.
- (6) The balance in the Operating Reserve Account must not be less than the original amount on deposit within the Operating Reserve Account.

Notwithstanding any termination of the Operating Deficit Guaranty Period or any limitation on the maximum liability of the General Partners under the Operating Deficit Guaranty, the General Partner shall also be responsible throughout the entire Compliance Period for deficits attributable to the failure to obtain or the loss of any property tax abatement expected to be received by the Project.

Notwithstanding any termination of the Operating Deficit Guaranty Period or any limitation on the maximum liability of the General Partner under the Operating Deficit Guaranty, the General Partner shall also be responsible throughout the entire Compliance Period for deficits attributable to the failure to obtain or the loss of any rental assistance contract or agreement expected to be received by the Project.

Operating deficit loans shall bear interest at a rate of Prime +2% per annum and shall be payable on a subordinated basis from available cash, including Cash from Operations and Sale Proceeds.

The maximum obligations of the General Partner under this Operating Deficit Guaranty will not exceed \$941,220 (approximately nine (9) months' of underwritten operating expenses, debt service and replacement reserves).

6. The General Partner and SLP shall pledge their interests in the Partnership to secure their obligations under the Partnership Agreement.

I. Obligations of the Guarantors:

1. Guarantors:
 - a. Construction Completion: The Special Limited Partner and TVC Development, Inc.
 - b. Operating Deficit: The General Partner and The Housing Authority of Pompano Beach, or an acceptable affiliate thereof, subject to RJAHI approval.
 - c. Tax Credit: The General Partner and The Housing authority of Pompano Beach, or an acceptable affiliate thereof, subject to RJAHI approval.
2. It is anticipated that at some point after the final equity installment, the SLP and TVC Development, Inc. shall withdraw as guarantors and be replaced by the General Partner and The Housing Authority of Pompano Beach, or an acceptable affiliate thereof.
3. Guarantors shall collectively have a minimum net worth of \$5,000,000 (\$1,000,000 liquid). Once the RJAHI Fund's final capital contribution is made, Guarantors shall collectively have a minimum net worth of \$2,000,000 (\$500,000 liquid). Distributions from entity guarantors shall be restricted to the extent that any distribution would reduce the net worth of the Guarantors below the prescribed minimums.
4. Guarantors guarantee that the General Partner will perform certain obligations under the Partnership agreement, including, without limitation, guarantees, adjusters, environmental indemnification, repurchase obligations, the obligation to make a capital contribution as and when required to pay deferred development fee and that the developer will perform all of its obligations under the Development Agreement.
5. Guarantors shall provide such due diligence information as is necessary for RJAHI to ascertain their ability to perform under the guaranty of the General Partner's and Developer's obligations. Such information may include, without limitation, organizational and authority documentation for entity Guarantors, financial and tax return information, industry experience, references, credit inquiries and similar information. By execution of this letter, Guarantors agree to provide this information and authorize RJAHI to make third-party inquiries with respect to such matters.

J. Total Depreciable Basis: Approximately \$24,537,254.

1. Approximately \$21,964,574 (89.52%) - 30 year depreciable property
2. Approximately \$1,929,510 (7.86%) - 15 year depreciable property
3. Approximately \$643,170 (2.62%) - 5 year depreciable property
4. Approximately \$0 (0.00%) - Bonus depreciable property (do not elect)

In the event that the General Partner is a tax exempt entity, allocations shall be structured as qualified allocations, so that the underlying building owned by the Partnership shall be depreciated over 30 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years.

K. Financing:

1. Construction to Perm Financing
 - a. Lender: TD Bank.
 - b. Construction Amount: \$17,750,000 (estimated).
 - c. Rate: Estimated to be a variable rate of 1-month SOFR + 250 bps, with a SOFR floor of 0.50%. Currently estimated to be 7.30%, including a 50bps buffer.
 - d. Terms: To be determined, tax exempt.
 - e. Maturity: 24 months.
2. Permanent Financing - First Mortgage
 - a. Permanent Amount: \$11,800,000.
 - b. Lender: Grandbridge.
 - c. Funds at Stabilization.
 - d. Non recourse.
 - e. Tax-exempt bond financed.
 - f. Term (years): 15 years.
 - g. Amortization period (years): 40 years (estimated).
 - h. Interest rate: 6.50% (estimated).
 - i. Fixed.
 - ii. Annual payment: Not to exceed an annual payment that shall not account for a debt coverage ratio of less than 1.20x. Annual payment currently estimated to be \$878,185.
3. Permanent Financing - Second Mortgage
 - a. Amount: \$3,500,000.
 - b. Lender: Broward County Loan.
 - c. Funds during construction.
 - d. Non recourse.
 - e. Not tax-exempt bond financed.
 - f. Term (years): 30 years.
 - g. Amortization period (years): N/A.
 - h. Interest rate: 1.00%.
 - i. Fixed.
 - ii. Annual payment: Soft debt; interest only. Hard debt payments not required.

L. Other Sources – N/A.

M. Schedules.

The following preliminary schedules have been prepared by RJAHI to reflect its understanding of the transaction. These schedules will be finalized based on due diligence and become a part of the definitive documentation described below:

1. Sources and Uses of Funds schedule (reflecting conditions at completion) is attached as Schedule A.
2. Construction Sources and Uses of Funds is attached as Schedule B.
3. Pro Forma Operating Budget is attached as Schedule C.

N. Definitive Documents

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Limited Partnership Agreement, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJAHI will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

**II. INFORMATION REQUIRED BY THE RJAHI FUND –
DUE DILIGENCE AND REPORTING REQUIREMENTS**

The specific information required by the RJAHI Fund prior to Closing, as a condition of making its capital contribution, and on an ongoing basis throughout the term of the Partnership, are as follows:

- A. Before closing, the RJAHI Fund will require receipt of those items set forth in Appendix A.
- B. Before making its various capital contribution installments, the RJAHI Fund will require receipt of those items set forth in Appendix B.
- C. The RJAHI Fund will require reports from time to time, as described in Appendix C.

III. THE RJAHI FUND EXIT RIGHTS

The General Partner shall have the rights under the ROFR as mentioned above in Section I.D.3.

For a period of 24 months after the expiration of the compliance period, the RJTCF Fund shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to require the Partnership to redeem the Interest of the RJTCF Fund for a redemption price of \$1,000. If the General Partner fails to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partner, to order a sale of the Project.

The General Partner shall have the right to purchase the Project or the interest of RJTCF at fair market value at the end of the compliance period. Fair market value shall be an amount agreed upon by the General Partner and RJTCF or, if the General Partner and RJTCF cannot agree then determined by independent appraiser selected by the General Partner and reasonably acceptable to RJTCF. In determining the fair market value of RJTCF's interest the appraiser may, in its discretion take into

account the fair market value of the Project and the monetary assets and liabilities of the Company (subject to then-existing rent and other use restrictions) and determine the fair market value of the interest based on the assumption that the Company will continue as a going concern.

IV. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the RJAHI Fund and its Limited Partners are willing and able to request and obtain HUD 2530 approval in accordance with the filing requirements promulgated by HUD.
3. RJAHI and the RJAHI Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJAHI Fund and the fund to be necessary - at the Partnership's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partner, other guarantors and their affiliates, verification of background information to be provided by the General Partner and their affiliates, and references to be provided by the General Partner.
4. Satisfactory inspection of the property by RJAHI and the RJAHI Fund investors.
5. Approval by the Investment Committee of RJAHI and the RJAHI Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. Availability of investment funds.
7. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).
8. TD Bank shall provide the construction facility in its entirety.
9. Grandbridge shall provide the first permanent mortgage.

V. TERM

The initial term of this Agreement shall be for a period beginning on the date of this letter and ending on a date no later than September 1, 2023 (the "Termination Date"); provided, that RJAHI may terminate this Agreement by giving at least 10 days written notice if it determines, in the exercise of its sole discretion that the conditions to closing are unlikely to be met. This Agreement shall automatically expire if the closing has not occurred by the Termination Date; however, RJAHI may extend the Termination Date up to 90 days beyond the initial date and both parties may mutually agree in writing to an extension of more than 90 days after the initial date. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

VI. EXCLUSIVITY

You acknowledge that the RJAHI Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You

agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. Furthermore, you agree to pay the RJAHI Fund its \$25,000 due diligence/legal reimbursement fee and to reimburse it for the due diligence expenses described below, up to a maximum of \$25,000, if the Investment does not close, unless such failure to close was due to RJAHI inability to obtain Investment Committee or Investor approval.

At closing, the Partnership must provide at its expense a legal opinion acceptable to RJAHI. If required by an Investor in connection with its admission to the RJAHI Fund subsequent to the Closing of the Investment, such opinion must be updated and reissued at Partnership expense.

VII. DUE DILIGENCE FEES

At the Closing, the Partnership shall pay \$25,000 to the RJAHI Fund as a due diligence/legal reimbursement fee in respect of the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. You will be responsible for payment of the \$25,000 due diligence/legal reimbursement fee whether or not the Investment closes, unless such failure to close was due to RJAHI inability to effect the Closing.

VIII. DUE DILIGENCE EXPENSES

Due diligence expenses for third party reports (described in Appendix A hereto) ordered by RJAHI shall be paid by the Partnership regardless of whether the Partnership has separately obtained such reports, including without limitation: appraisal, environmental reports, subsurface investigation report, preconstruction review and construction inspections. Generally, such expenses shall be paid by the Partnership in connection with the Closing. If and to the extent that these expenses are paid by RJAHI, they shall be reimbursed by the Partnership regardless of whether or not the Investment closes, unless such failure to close was due to RJAHI inability to effect the Closing. In an effort to minimize third party diligence expenses, RJAHI will endeavor to work with lenders and the FHFC underwriter to coordinate third party reports.

IX. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same is required by law.

X. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum. If not accepted by April 11, 2023, this offer shall terminate.

By acceptance of this letter, you authorize Raymond James Affordable Housing Investments, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partner, Guarantors, or any significant business operation of General Partner or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

Since 1987, Raymond James Affordable Housing Investments and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 2,300 properties nationwide. We look forward to working with you.

Sincerely,



Sean Jones
VP - Director of Acquisitions
Raymond James Affordable Housing Investments, Inc.

Accepted:

Golden Acres Senior Apartments, LLLP

By: HAPB-Golden Acres Senior Apartments GP Corp., its General Partner

By: 
Lennard Robinson, Secretary

Schedules:

- Schedule A - Sources and Uses of Funds
- Schedule B - Construction Sources and Uses of Funds
- Schedule C - Pro Forma Operating Budget

Appendices:

- Appendix A - Pre-Closing Due Diligence
- Appendix B - Due Diligence Requirements for Capital Contribution Installments
- Appendix C - Reports

APPENDIX A
PRE-CLOSING DUE DILIGENCE

The closing of the acquisition by the RJAHI Fund of an interest in the Partnership shall be subject to the satisfactory completion of due diligence by the RJAHI Fund. In connection with such due diligence, the General Partner shall provide certain information and closing exhibits at the cost of the Partnership, including but not limited to the following:

I. EVIDENCE OF TAX CREDIT ALLOCATION:

- A. 42(m) letter at Closing.

II. MULTI-PHASE PROJECTS

The project cannot be part of a multi-phase development or be subject to or require any cross use or cross easements without the RJAHI Fund's written approval. If it is intended that the project will be part of a multi-phase development or if the project is being built on part of a larger parcel of land controlled by the developer/general partner or any affiliate, this information must be disclosed to the RJAHI Fund as soon as possible and prior to closing so that issues such as cross use and cross easements can be approved by the RJAHI Fund. No cross default provisions with respect to other projects will be permitted. The RJAHI Fund shall have a right of first refusal to invest in any Section 42 project that is part of a subsequent phase. In the case of a second or later phase of a multi-phase project, Stabilized Operation must be achieved without reducing occupancy with respect to prior phases (*i.e.*, the RJAHI Fund must determine in its sole discretion that Stabilized Operation was not achieved at the expense of earlier phases).

III. LEGAL OPINIONS

The Partnership must provide a legal opinion (form available upon request), in form and substance acceptable to the RJAHI Fund's counsel confirming, among other things:

- A. Valid formation and good standing of the Partnership, the General Partner, the Guarantors, and the Developer;
- B. The RJAHI Fund's admission as the sole Limited Partner of the Partnership;
- C. No material litigation;
- D. Due execution, delivery and enforceability of documents; and
- E. Limited liability of the Limited Partner.

IV. MANAGEMENT AGREEMENT AND LEASE

The Partnership must provide an executed management agreement, including management plan detailing inspection requirements, tenant screening procedures, etc. and a form of the tenant lease to be used with respect to the Project.

V. RENT LIMITATIONS

The Partnership must provide a list of all rent and income limitations to which the project is subject, including any limitations in excess of those imposed by Section 42 of the Code (e.g. restrictions related to HOME or other financing), or restrictions contained in the extended use agreement.

In addition, the Partnership must provide a list of all other commitments made with respect to the Project, including without limitation (i) facilities (such as community center, laundry facilities, playgrounds and pools), (ii) services (such as supportive services for the elderly or special needs tenants, and (iii) tenant populations (such as elderly, handicapped, HIV, etc.).

VI. DOCUMENTATION AND COMMITMENTS FOR ALL CONSTRUCTION AND PERMANENT LOANS.

- A. If the permanent loan documents have not been executed, the General Partner agree that they will provide the RJAHI Fund with drafts of such documents and will not execute such documents until they are in a form acceptable to the RJAHI Fund.
- B. Fixed interest rate. Each permanent loan must bear a fixed interest rate through the end of the 15-year compliance period. Fixed rate does not include "synthetic" fixed rates accomplished through use of swaps or other financial derivatives. The fixed rate shall be locked prior to or at the time of the admission of the RJAHI Fund to the Partnership.
- C. Non-recourse loans.
 - 1. All permanent loans, except as noted above, shall be non-recourse loans.
 - 2. The note for each non-recourse loan shall contain language similar to the following:

"Notwithstanding anything stated herein or elsewhere to the contrary, Borrower and the general and Limited Partners of the Borrower shall have no personal liability hereunder whatsoever and the Lender's sole recourse for payment shall be to the assets that are subject to the Mortgage."
- D. Each permanent loan shall include the following provisions:
 - 1. To notify the General Partner and the RJAHI Fund of any default.
 - 2. To give the General Partner and the RJAHI Fund the right to cure any default.
- E. No construction or permanent loan will require the RJAHI Fund to execute any document to which the lender is a party, including without limitation any acknowledgement or consent.
- F. No permanent loan may require the Partnership to maintain a debt service coverage ratio on an ongoing basis (*i.e.*, at any time after initial sizing of the permanent loan).
- G. If the property is being financed with tax exempt bonds, evidence reasonably satisfactory to the RJAHI Fund that the bonds are tax exempt under Section 103 of the Code and cause Section 42(h)(4) to apply to the project.

VII. MARKET STUDY

An independent market study ordered and paid for by RJAHI within six months of the RJAHI Fund's closing with its equity investor, indicating the demand for units by prospective tenants with tax credit eligible incomes at the proposed rents assuming no rental subsidies are available to the property, and demonstrating that the proposed rents provide at least a 10% rental rate advantage, acceptable to the RJAHI Fund compared to market alternatives.

VIII. APPRAISAL

An independent appraisal of the property, completed at the cost of the Partnership within one year of closing by a qualified independent appraiser acceptable to the RJAHI Fund, which shall include a projected operating budget for the Project prepared by the appraiser.

IX. SOILS REPORT

The Partnership will provide at its cost a subsurface investigation report detailing any unusual soils conditions that must be addressed during construction of the Project. A geotechnical engineer shall be retained by the Partnership for periodic inspections of site preparations and shall provide reports to the Partnership.

X. PHASE I ENVIRONMENTAL REPORT

Environmental reports must be completed within six (6) months of the closing date and must be acceptable to the RJAHI Fund and must meet the following requirements:

- A. Must be a Phase I report performed to ASTM E 1527-05 by a qualified third party environmental firm that is acceptable to the RJAHI Fund and has a minimum of \$1 million in errors and omissions insurance (which limit shall not be effectively reduced by contractual agreement with the Partnership).
- B. The ESA Report shall be completed prior to acquisition of the property, but no more than 180 days prior to the acquisition date. If the property is not acquired within 180 days from the date of the ESA, an update to the ESA must be obtained prior to the property being acquired. If the property is not acquired within the 180 days, but is acquired within one year of the date of the ESA an updated database search including opinion letter should be obtained prior to acquiring the property. If the property will not be acquired within one year from the date of the ESA a full updated or new ESA is required.
- C. The environmental firm must provide a reliance letter allowing the RJAHI Fund to rely on the report and, if the report is addressed to someone other than the Partnership, allowing the Partnership to rely on the report.
- D. If the Project involves the acquisition of existing buildings, the environmental report shall address lead based paint, asbestos, radon, lead in drinking water, etc. The environmental firm must test for the presence of such contaminants, provide the results of the testing and make recommendations for abatement and for an O & M plan addressing, to the extent required, continued monitoring and/or maintenance required to address these environmental conditions.

If the environmental reports disclose environmental conditions, the Partnership must provide a plan acceptable to the RJAHI Fund to abate or remediate such conditions.

Any costs required to provide these reports and address these environmental requirements shall be the responsibility of the Partnership.

XI. CONSTRUCTION CONSULTANT

An independent consulting architect/engineer will be engaged by the RJAHI Fund but paid by the Partnership to undertake the following:

- A. A pre-construction property inspection and a plan and cost review. The independent consulting architect/engineer shall certify that the Project complies with the applicable requirements of the ADA Act.
- B. Periodic work-in-place inspections, as specified by the RJAHI Fund.
- C. After completion, a certification that the project has been built in accordance with the plans and specifications, the recommendations in the soils report, and the applicable requirements of the ADA Act (the RJAHI Fund will pay for the post-completion report).

The following items need to be provided so that the RJAHI Fund can order the report:

- A. Plans/Scope of Work and specifications.
- B. A survey, locating all improvements & matters of public record (easements, rights of way, setback requirements, etc.).
- C. Current Construction Cost Estimate Prepared by the General Contractor.
- D. Construction budget (itemized by trades).
- E. Construction schedule and construction cash flow projections, including construction period interest and loan advances.
- F. Construction general contract and evidence of 100% payment and performance bond or a letter of credit at least equal to 15% of the construction contract amount.
- G. Copies of agreements between the developer and all design professionals – architectural, engineering, landscaping, etc.
- H. Resumes for the general contractor and architect.
- I. If the property is located in a high-risk earthquake/seismic zone, the pre-construction review should include a discussion regarding the plan's conformance with construction standards for the area as set forth under the Uniform Building Code.

XII. OWNER'S TITLE INSURANCE POLICY

An owner's title insurance policy will be obtained by the Partnership in the amount equal to the sum of all permanent financing and projected tax credit equity that meets the RJAHI Fund Title Insurance Requirements (available on request), which will include coverage for loss of tax credits if the Project is a nonconforming use. In situations in which the RJAHI Fund or its counsel must engage in significant negotiations with the title agent or Partnership to obtain an acceptable policy, the Partnership shall reimburse the RJAHI Fund for such costs.

XIII. SURVEY

The Partnership shall obtain An American Land Title Association ("ALTA") or equivalent survey of the property, prepared by a surveyor licensed by the state, and which has been prepared with the

benefit of the owner's title insurance commitment showing the location of all easements, setbacks, and other matters affecting the property. A copy of the RJAHI Fund Survey Requirements is available upon request.

XIV. PERFORMANCE BOND

Evidence that the Partnership has either the benefit of a 100% payment and performance bond from the general contractor, or a Letter of Credit equal to or greater than 15% of the construction contract amount.

XV. INSURANCE

The Partnership shall obtain all insurance policies required by RTJCF Insurance Requirements (available upon request) as set forth in the definitive documents, including but not limited to:

1. Builder's Risk;
2. Special perils (all risk) insurance;
3. Comprehensive general liability insurance;
4. Rental loss insurance;
5. Flood insurance at full replacement cost, if located in Flood zones A or V;
6. Workmen's Compensation Insurance for Management Partnership and General Contractor;
7. General Contractor liability insurance;
8. Seismic/earthquake insurance, if required; and
9. Sinkhole/mine subsidence insurance, if required.

Copies of such policies shall be provided to RJAHI. Numbers 2, 4, 5 and 6 above may be deferred to completion unless the Project involves the acquisition and rehabilitation of existing buildings.

XVI. GENERAL PARTNER AND GUARANTOR BACKGROUND INFORMATION

Information with respect to the General Partner and Guarantors, including without limitation organizational, industry experience, reference and financial and tax return information.

APPENDIX B
DUE DILIGENCE REQUIREMENTS FOR CAPITAL CONTRIBUTION INSTALLMENTS

The RJAHI Fund will release its capital contribution installments according to the following schedule. In order to allow sufficient time for review by the RJAHI Fund and its legal counsel, please allow not less than five business days from our receipt of all items prior to payment (assuming no issues are identified that would require more time to resolve):

I. CONTRIBUTION AT CLOSING

Estimated \$1,744,063 (15%)

The following documentation, without limitation, will be provided prior to the release of any funds:

- A. A certificate from the General Partner confirming construction progress, no defaults, etc.
- B. To the extent not previously delivered to the RJAHI Fund, items described in Appendix A.
- C. Evidence acceptable to the RJAHI Fund that:
 - 1. The RJAHI Fund has been admitted as the sole Limited Partner.
 - 2. Closing of the construction loan has occurred and permits or a permit ready letter has been received.
 - 3. The Partnership has been issued commitments for each Mortgage Loan.
 - 4. The Company has been issued a 42(m) letter, or other type of comfort letter, from the state agency and has continued to comply with all requirements of the state agency allocating the credits, subject to RJAHI counsel's ability to provide its typical tax opinion.

During construction, even if draws of equity are not being made, the General Partner will provide the RJAHI Fund with all copies of AIA draw forms or their equivalent that are submitted to lenders. Such copies should include back-up materials, detail construction progress, costs incurred to date, costs to complete and any change orders.

II. CONTRIBUTIONS PRIOR TO COMPLETION OF CONSTRUCTION

Estimated \$1,162,709 (10%) paid at later of August 1, 2024 or 95% Construction Completion

Funds will be released from time to time to pay the cost of construction or rehabilitation of the Project. Funds will be released upon receipt of documentation of construction progress acceptable to the RJAHI Fund, all as set forth in the definitive documents. Funds will be released subject to receipt of a report from the independent construction consultant, lien waivers from the contractor and all major subcontractors, title updates, and other ordinary and customary draw request information. All funds will be disbursed through an escrow agent, when appropriate.

The following documentation, without limitation, will be provided prior to the release of any funds:

- A. A certificate from the General Partners confirming construction progress, no defaults, and in the form required by the Partnership Agreement.
- B. Any Draw Requests including all supporting materials.

- C. A letter from the architect stating that the building and all other permits necessary to commence construction have been received.
- D. An Affidavit of Non-Foreign Status on behalf of the Partnership.
- E. A conditional payoff letter from the contractor. Such letter shall state that all amounts payable to the contractor have been paid in full and that the Partnership is not in violation of the construction contract.
- F. Copies of all insurance policies required by RTJCF Insurance Requirements (available upon request) as set forth in the definitive documents, including but not limited to:
 - 1. Special perils (all risk) insurance;
 - 2. Comprehensive general liability insurance;
 - 3. Rental loss insurance;
 - 4. Flood insurance at full replacement cost, if located in Flood zones A, V or D;
 - 5. Workmen's Compensation Insurance for Management Partnership;
 - 6. Management Partnership liability insurance;
 - 7. Seismic/earthquake insurance, if required; and
 - 8. Sinkhole/mine subsidence insurance, if required.

During construction, even if draws of equity are not being made, the General Partners will provide the RJAHI Fund with all copies of AIA draw forms or their equivalent that are submitted to lenders. Such copies should include back-up materials, detail construction progress, costs incurred to date, costs to complete and any change orders.

III. CONTRIBUTION AT LATER OF NOVEMBER 1, 2024 OR 100% COMPLETION OF CONSTRUCTION

Estimated: \$1,162,709 (10%).

The following documentation, without limitation, will be provided prior to the release of any funds:

- A. Receipt of the final certificates of occupancy for all of the units;
- B. Receipt of a certificate of completion in the form provided by RJTCF;
- C. Receipt of updated title report satisfactory to the RJTCF Fund;
- D. Other documentation as may be reasonably requested by RJTCF in the final Partnership Agreement to verify the above conditions have been met.

IV. STABILIZATION CAPITAL CONTRIBUTION

Estimated \$7,457,604 (64%) paid at later of May 1, 2025 or Stabilized Operations.

- A. Receipt of a certificate of completion in the form provided by RJAHI;
- B. Receipt of the final certificates of occupancy (or certificate of substantial completion for rehabs) for all units;
- C. Receipt of the draft cost certification from the accountant, which has been submitted to the state agency for its review/approval. (Until the cost certification is finalized at the Form 8609 Contribution, the Stabilization Capital Contribution may need to be adjusted to account for any potential negative or downward adjuster(s).);
- D. Receipt of the As-Built Survey;
- E. Receipt of updated title report satisfactory to the RJAHI Fund;
- F. Achievement of 100% qualified and 93% physical occupancy;

- G. Closing of the permanent loan, which closing may be concurrent with this capital contribution;
- H. Achievement of Stabilized Operations, including three (3) consecutive months of a 1.20 debt service coverage ratio on all forecloseable debt (Actuals for insurance, taxes and utilities will be allowed);
- I. Copy of Extended Use Agreement;
- J. Other documentation as may be reasonably requested by RJAHI in the final Operating Agreement to verify the above conditions have been met

V. FORM 8609 CONTRIBUTION
Estimated \$100,000 (1%)

If held back from the Stabilization Capital Contribution, the final capital contribution shall be paid once the RJAHI Fund has received copies of Internal Revenue Service Form 8609 with both Parts I and II completed (provided prior to filing with the IRS), an extended use agreement and a certificate from the General Partner confirming no material defaults, etc.

APPENDIX C
REPORTS

The General Partner will provide the RJAHI Fund with the following reports or information. To the extent that any item described in II or III below is not provided within 10 days after formal written notice from the RJAHI Fund that it is overdue, a per day penalty of \$100 shall apply for the first 30 days with respect to any late item and the penalty shall be increased to \$200 per day thereafter. All penalties shall be paid by the General Partner from their own funds and not funds of the Partnership.

I. ANNUALLY BY NOVEMBER 30:

A business report. (the RJAHI Fund will provide the form.)

II. ANNUALLY BY DECEMBER 15: THE PARTNERSHIP TAX RETURN AND SUPPORTING SCHEDULES

III. ANNUALLY BY JANUARY 1:

- A. Audited financial statements.
- B. A report of agreed upon procedures from the Partnership's accountants or a third-party compliance firm approved by RJAHI to verify that the property meets the IRS and any other Low Income Housing tenant compliance rules regarding tenant rents and incomes:
 - 1. They will review the completed Tenant Income Rent Summary as of 12/31.
 - 2. They will review with the General Partner the rent and income limitations to which the project is subject and stated the limitations and state the limitations in their report.
 - 3. They will determine that the utility allowances are being correctly calculated.
 - 4. They will compare the tenant income amounts to the income limits applicable to the Project under Section 42 of the Code and any other limitations and determine if the tenant income amounts are at or below the limitations.
 - 5. They will compare the tenant rental charges and utility allowances to the limits applicable to the Project under Section 42 of the Code and any other limitations and determine if the rents are at or below the limitations.
 - 6. They will review 20% of the tenant files and determine that the Partnership has obtained the necessary documentation to support the tenant income certifications (as described in Treasury Regulation § 1.42-5 or its successor);

IV. ANNUALLY BY SEPTEMBER 1:

An operating budget for the following calendar year in a form acceptable to the RJAHI Fund, comparing the budgeted revenues and expenses to the actual revenue and expenses for the current year.

V. ANNUALLY IN CONJUNCTION WITH INSURANCE POLICY RENEWAL:

Insurance Reports - Evidence of renewal or replacement of required policies along with

copies of endorsements naming the RJAHI Fund to be given 30 days notice in the event of premium due, lapse, expiration, cancellation or non-renewal.

VI. QUARTERLY:

- A. Commencing upon Construction Completion, unaudited financial statements (Balance Sheet and Statement of Profit and Loss) within 30 days of the end of each of the first three fiscal quarters (investor uses 10/31 Y/E), including annual, monthly and year-to-date actual results compared to budgeted amounts.
- B. A completed Property Tax Credit and Tenant Analysis with General Partner certification. (We will provide the forms.) If the RJAHI Fund requests, such other supporting documentation, including selected tenant income verifications.

VII. MONTHLY:

The following shall be provided monthly, but only until such time as the RJAHI Fund has made its Stabilization Capital Contribution:

- A. Once any units in the Property are leased, unaudited financial statements (Balance Sheet and Statement of Profit and Loss) within 30 days of the end of each month, including annual, monthly and year-to-date budget amounts.
- B. Once any units in the Property are leased, rent rolls within 30 days of the end of each month.
- C. During construction and to the extent available, copies of all AIA Draw Forms or equivalent submitted to lenders, which should detail construction progress, costs incurred to date, costs to complete and any change orders.
- D. Monthly progress updates on construction and lease-up.
- E. Copies of the complete initial tenant files for all of the tenants shown on the rent roll including: the tenant income certificates, income verifications, asset verifications, student status certifications, leases, tenant applications and copies of any other documentation required, under Treasury Regulations, to support the income levels stated on the tenant income certificates, and any other supporting information required by the RJAHI Fund. Files should be submitted as they are received, but in no event less frequently than monthly. Each submitted tenant file must be reviewed and accepted as complete by the RJAHI Fund.

VIII. FORMS 8609:

- A. Within sixty (60) days after completion of Construction and prior to its submission to the State Agency, the Partnership shall submit to the RJAHI Fund a copy of the completed cost certification ("Cost Certification") prepared by the accountants showing the costs incurred with respect to the Construction of the Project, together with any application for Forms 8609 and/or State Agency Cost Certifications to be submitted to the State Agency or to any other government agency. The General Partner shall not file the application for Forms 8609 and/or the Cost Certification until the RJAHI Fund has advised them that it has reviewed the proposed submission and does not object to its filing, which review the RJAHI Fund shall complete not less than fifteen (15) days before the due date of the filing.

- B. As soon as they are available, but in all events prior to the filing of the Forms 8609, the General Partner shall provide to the RJAHI Fund fully completed (as to both Parts I and II) and executed (by both the State Agency and the Partnership) copies of the Forms 8609 for all of the buildings in the Project. The General Partner shall not file the Forms 8609 until the RJAHI Fund has advised them that it has reviewed the forms and does not object to the filing of the forms, which review the RJAHI Fund shall complete not less than ten (10) days before the due date of the filing.

- C. The General Partner shall be solely responsible for the truthfulness and accuracy of all information included in the Forms 8609 notwithstanding any review of said forms by the RJAHI Fund. The General Partner shall provide evidence reasonably acceptable to the RJAHI Fund that the Forms 8609 have been properly and timely filed at the Philadelphia Campus of the Internal Revenue Service.

N0106983.7



March 21, 2023

Ms. Elena Adames
Golden Acres Senior Apartments, LLLP
c/o Ambar3, LLC
3030 Hartley Road, Suite 310
Jacksonville, FL 32257

Re: Provident Place, f/k/a Golden Acres Senior Apartments Apartments Financing Request

Dear Elena:

Pursuant to your loan request presented to T.D. Bank, N.A, please accept this Letter of Intent ("LOI") outlining the terms for an up to \$17,600,000 Senior Secured Construction Loan ("Loan" or "Facility") for a 100-unit Senior apartment project known as Golden Acres Senior Apartments, Pompano Beach, Broward County, Florida.

Please be aware that this LOI should not be construed as a commitment to provide or fund any Loan, but merely outlines the terms and conditions under which the Bank would consider a Loan. This letter does not summarize all of the terms, conditions, covenants, representations, warranties and other provisions, which would be contained in a formal Loan Documents. This proposal is subject to the final negotiation of the terms as well as completion of due diligence by TD Bank, and final internal credit approval.

Sponsor: Ambar3/Vestcor

Borrower: Golden Acres Senior Apartments, LLLP

Lender: TD Bank N.A.

Property: First Leasehold Mortgage on property and improvements, and assignment of all construction related contracts and leases/rents for the 100-unit apartment project located in West Palm Beach, Florida.

Purpose: To finance the construction of the Property.

Loan Amount: The maximum loan amount (the "**Loan Amount**" or the "**Loan**") shall be the lesser of:

Construction Loan:

1. \$17,600,000;
2. Maximum 65% of appraised "as stabilized" and "as restricted" value plus the value of the tax credits as determined by a FIRREA conforming appraisal addressed and satisfactory to the Lender. The appraisal shall be paid for by the Borrower.
3. 65% Loan to project cost ratio during construction (excluding deferred development fee)

Sources and Uses

Final budget to be submitted for final underwriting with minimum hard cost contingency of 5% and minimum soft cost contingency of 3%. Cash equity (including soft debt proceeds) equal to at least 10% of the total development costs must be advanced to the Borrower either at closing or before any loan disbursements will be permitted. Cash Development Fee payments must be agreed-upon by the Lender and must include a reasonable holdback until completion and conversion, at the discretion of the Bank. Budgeted Interest Reserve to be sufficient for a minimum of 24 months, and Lender shall have a right to require replenishment of the Interest Reserve based on its determination of expected usage through maturity.

Facility Term: 24 months

Extension Option: Borrower shall be granted a six (6) month extension option at the end of the initial term provided (i) substantial completion evidenced by TCO or CO, (ii) payment of 12.5 bps extension fee (iii) an interest reserve sufficient to cover anticipated loan interest through the extension period (iv) 50% of the units are leased; (v) no defaults and (vi) all financing commitments in place and extending co-terminously..

Completion Date: Up to 18 months. On the Completion Date, subject to customary extension rights for force majeure, Borrower will be required to substantially complete the construction and obtain either a temporary certificate of occupancy or a permanent certificate of occupancy allowing for the occupancy of the residential units.

Origination Fee: 100 basis points on the final loan amount

Interest Rate: 1-Month Term SOFR plus 250bps

SOFR Floor: 0.00%

Payments: Loan shall be interest only for the first 30 months (inclusive of extension period). Consecutive monthly payments of accrued unpaid interest on the outstanding principal balance as of the monthly statement date and paid from an established interest reserve within the construction budget until such time as subject reserve is exhausted. Borrower's final payment will be for all principal, accrued interest and all other applicable fees and expenses, if any, not yet paid.

Guarantors: **TVC Development, Inc. and the Housing Authority of Pompano Beach**, who will be required to maintain a minimum \$1,000,000 of unrestricted, bank-verified liquid assets and \$10,000,000 of net worth, tested on an annual basis. Any Guaranty from the Housing Authority shall be acceptable directly from the Authority or an Affiliate. Any guaranty from the Housing Authority (or its affiliate) should be expressly limited to Non-Federal Funds.

Recourse: Completion Guaranty: The Guarantor shall provide an unconditional guaranty of lien-free completion with respect to the due, prompt and punctual construction completion of the Project substantially in accordance with the plans and specifications by the Completion Date, inclusive of the payment of all hard costs incurred in connection with such completion, and all obligations, liabilities, soft costs and expenses incurred in connection with such completion.

Interest and Carry Guaranty: The Guarantor shall provide a Carry Guaranty, which is inclusive of interest payments, real estate taxes, and any other expense required to reasonably operate the Project, penalties, late charges, including all costs of collection

under the Guaranty. The Interest and Carry Guaranty shall expire upon the extension into the Permanent Loan.

Repayment Guaranty: Repayment guaranty equal to 100% of principal.

**ADA and
Environmental
Indemnification:**

Borrower and Guarantor shall, on a joint and several basis, indemnify Lenders from any costs, claims or liabilities associated with any adverse environmental conditions within the Property, including the presence or removal of any hazardous wastes and toxic materials (including mold) now or hereafter existing within the Property or being in the possession of the Borrower, and any non-compliance with American with Disabilities Act. The indemnity (the "*Environmental Indemnity*") will survive repayment of the Loan.

Operating Account:

Borrower will be required to establish an operating account and deposit all tenant security deposits with Lender. Lender shall also hold any long-term "operating deficit" or replacement reserve accounts required to be funded, unless otherwise required by Limited Partner or permanent lender.

Security:

Security for the Loan shall include, without limitation, the following:

- a) First priority leasehold mortgage on the Property acceptable to Lender;
- b) A first security interest in all fixtures, furnishings and equipment and other personal property used in connection with the premises and improvements and owned by Borrower;
- c) A first collateral assignment and pledge of all leases (including any collateral or security for such leases), subleases, rents (including any rental subsidy contracts, operating accounts, collateral account maintained for reserves and profits for the Property);
- d) Assignment of the proceeds from the sale or syndication of Low-Income Housing Tax Credits (LIHTC) due to the Borrower;
- e) Assignment of all permits, licenses, contracts and agreements associated with the development, ownership and operation of the Property;
- f) Customary collateral assignments of any other rights or property used in connection with the ownership or operation of the Property and deemed commercially reasonable prudent by the Lender, including, without limitation, a collateral assignment and subordination of any non-TD loan commitments (if applicable).

Insurance:

Borrower shall at all times maintain insurance policies, in amounts and from insurers reasonably satisfactory to Lender in all respects, including an "All Risk Peril" policy (including terrorism, flood (if the property is located in a special flood hazard area), earthquake coverage (if applicable), and storm damage coverage) for 100% of the replacement cost of the Property, Builders Risk, business interruption/rental loss coverage, worker's compensation coverage, pollution and remediation insurance, and general and excess liability coverage, each of which shall name Lender, as lender's Loss Payee or Additional Insured, as applicable.

Hurricane and Wind Insurance are required for Florida. This coverage may be included in the standard property insurance or it may be a separate policy

Lender shall have the right to require additional types and amounts of coverage in Lender's reasonable discretion.

**Conditions Precedent
to Closing:**

Borrower shall be required to satisfy conditions prior to closing, including, without limitation, the following, unless waived by the Lender in its reasonable discretion:

- a) Written satisfactory FIRREA appraisal addressed and satisfactory to the Lender. The appraisal shall be paid for by the Borrower.
- b) Receipt and satisfactory review by Lender of financials, trade references and bonding information for General Contractor.
- c) Certified organizational chart showing all beneficial ownership interests in Borrower;
- d) Completion of a phase I environmental site assessment and phase II, if required, (cost of which is to be borne by Borrower), confirming that (i) there is no indication that the Property is the subject of a release or threat of release of oil and/or hazardous material that would cause Borrower to incur any liability under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or any other Federal, state or local statutes, ordinances, rules, regulations and the like addressing similar issues, and (ii) that the Property does not contain any asbestos or, in the case of residential property, lead paint. The site assessment shall also address the presence of asbestos and, in the case of residential property, lead paint. The Borrower shall also provide a written representation and warranty that no such oil or hazardous waste materials have been deposited on the Property. The Lender may require further investigation based upon the recommendation of the engineering firm in which event the Lender will require written authorization from Borrower for such testing.
- e) Satisfactory receipt and review of General Contractor's Agreement, Architect's Agreement and Engineer's Agreement
- f) Certification by the architect of record for the Project that the final plans and specifications comply with all applicable zoning, environmental protection; land use and building laws, permits, approvals, ordinances and regulations.
- g) Final building plans and construction cost breakdown to be reviewed by the Lender's construction consultant;
- h) Current survey in standard ALTA form, certified to the Lender and to the title company by a licensed professional engineer or surveyor acceptable to the Lender
- i) Satisfactory review by Lender's construction consultant of a full plan and cost budget, contracts, approvals, permits and construction schedule;
- j) Establishment of an operating/project demand deposit account at TD Bank into which approved advances will be deposited;
- k) Title insurance and Lender required endorsements from a title insurer acceptable to the Lender and shall be written by counsel or an agent acceptable to the Bank. The title shall contain no exceptions which, in the opinion of counsel to the Lender, may have an adverse effect upon the use of all or any portion of the Property.
- l) Title search, UCC searches, judgment, state/federal tax lien, litigation, bankruptcy searches and other searches reasonably acceptable to Lender and its counsel;
- m) Review and determination by the Lender and its counsel that all contracts and agreements, including all reciprocal easement agreements, pertaining to the Borrower and Property, are reasonably satisfactory

- n) Satisfactory evidence of a commitment for rental subsidy for no less than seventy (70) units with a minimum initial term of 5 years.
- o) Receipt and satisfactory review of a fully executed ground lease between Borrower and ground lessor.
- p) Receipt of all permits necessary to complete construction, or evidence satisfactory to the Bank that permits are fully approved and available to the project at the time of closing, pending payment.
- q) Commitment for a permanent loan in the amount of \$11,800,000 from Grandbridge Real Estate Capital, or alternative permanent lender acceptable to the Bank, at a forward locked, fixed rate of interest for a term to be at least co-terminus with the subject loan.
- r) Commitment for a subsidy loan of \$3,500,000 from the Broward County Housing Finance Agency with a term to be at least co-terminus with the subject loan.
- s) Legal and other professional opinions and certificates addressing matters customary in transactions of this type, including due formation, authorization, execution and enforcement from Borrower's counsel;
- t) Reasonable determination by Lender that the transaction will not result in any violation of the Patriot Act or other applicable law;
- u) Loan and security documentation reasonably satisfactory to Lender and, its counsel; An opinion of Borrower's Counsel, or other evidence satisfactory to Lender, that improvements on the Property, and the use thereof, are in compliance with all applicable zoning codes and that all required certificates of occupancy have been issued;
- v) **As applicable**, all documentation, as required, for any SWAP entered into by Borrower in relation to the Loan;
- w) Evidence and documentation supporting the allocation of Low-Income Tax Credits associated with the project. Bank approval of Investment Member of the Borrower. Investment Member to contribute sufficient equity as reflected in pro forma provided. Equity installments shall be funded based on the following schedule as per the Raymond James Tax Credit Funds, Inc. investment letter of intent dated June 20, 2022:
 Installment Payment of Estimated RJTCF Fund Total Capital:
 - i. \$1,744,063 (15%) at Closing, of which \$25,000 shall be paid directly to RJTCF in payment of its due diligence fee.
 - ii. \$1,162,709 (10%) at later of August 1, 2024 or 95% construction completion.
 - iii. \$1,162,709 (10%) at later of November 1, 2024 or 100% Construction Completion
 - iv. \$7,457,604 (64%) at later of May 1, 2025 or Stabilized Operations ("Stabilization Capital Contribution"),
 - v. \$100,000 (1%) when all required tax filing information and Forms 8609 are received and audited financials for the year of Breakeven Operations are available
- x) Borrower will pay all reasonable third-party costs associated with the Loan, whether or not the Loan closes, including but not limited to legal, appraisal,

environmental reports, budget and property condition report/engineering review, construction inspections, etc.

- y) Any other documentation which Lender may reasonably require.

Funding Conditions: The following conditions, without limitation, must be satisfied for disbursement of Loan proceeds:

- a) Borrower must evidence that all required upfront cash equity and approved subordinated financing (if applicable) was funded into the Project prior to Lender funding the first advance.
- b) Funds will be advanced for in-place improvements only, with a to-be-determined cap for on-site approved stored materials, as verified by the Lender's inspector. The cost of inspections to be the responsibility of the Borrower.
- c) Upon receipt and approval of certification from the title company of record that the Lender's mortgage continues to be a first lien position, the approved construction disbursement will be directly deposited into the Borrower's project account previously established with the Lender.
- d) Loan must remain "in balance" at all times.
- e) Retainage shall be held at 10% of hard costs and reduced to 5% upon achievement of 50% completion as verified by the Lender's inspector. However, no retainage shall be held on GL Insurance or Payment & Performance Bond. The final retainage disbursement shall require temporary certificate of occupancy, conditional lien waivers that tie to the notice to owner, and an affidavit from the GC affirming payments upon receipt of funds. Unconditional lien waivers shall be provided within a reasonable timeframe after said disbursement.

General Contract:

- 1) Guaranteed maximum price contract
- 2) Minimum 65% of general contract to be bought out prior to loan funding.
- 3) Full payment & performance bonding of the General Contractor will be required

Financial Reporting: Borrower shall furnish to Lender financial information upon request certified by a responsible officer of Borrower or Guarantor, as applicable, as being materially correct.

All financial information shall be prepared in accordance with generally accepted accounting principles, tax basis, or other sound accounting standard consistently applied, or as may otherwise be required herein. Financial statements shall include a balance sheet, statement of operations and contingent liability schedule, if any.

As applicable, Guarantors/Borrowers shall additionally submit to Lender a copy of their federal income tax returns within 30 days of filing. If tax returns are extended, a copy of the extension form must be provided within 30-days of filing.

Personal Financial Statements not on TD Bank's standard form must be submitted with the "TD Personal Financial Statement Coversheet", fully executed by each individual Borrower and/or Guarantor.

Florida Law: This document and all subsequent loan documentation shall be governed and construed in accordance with the Laws of the State of Florida.

Please understand that this LOI does not represent an offer or a commitment by the Lender, or any of its affiliates, for the proposed financing, nor does it define all of the terms and conditions of any commitment, but is a framework upon which a loan request may be submitted for final credit approval. Issuance of any commitment is subject to, among other things, the approval of your loan request in accordance with the bank's internal policies and procedures.

Please contact Mario Facella at 561-361-1622 if you have any further questions regarding this matter.

By: 

Accepted by: Lennard Robinson

Title: Secretary of HAPB-Golden Acres Senior Apartments GP Corp., General Partner of Golden Acres Senior Apartments, LLLP

Date: 3/29/2023



via e-mail

February 15, 2023

Revised: March 8, 2023

Revised: March 22, 2023

Patrice Watkins-Edwards
Golden Acres Senior Apartments, LLP
321 W. Atlantic Boulevard
Pompano Beach, FL 33061

Re: ***Tax-Exempt Forward Loan Financing Proposal for:***

Provident Place (100 Units)
Pompano Beach, Florida

Dear Ms. Watkins-Edwards,

On behalf of R4 Capital Funding (“R4CF”), we appreciate this opportunity to provide a financing proposal regarding Provident Place, a proposed senior rental community in Pompano Beach, FL and hereinafter referred to as the “Property”. As follows, this letter (the “Letter”) expresses the intent of and summarizes the terms and conditions pursuant to which R4CF proposes to finance the Property by providing permanent mortgage capital, via an Unfunded Forward Tax-Exempt Loan Commitment (the “Forward Loan”) to Golden Acres Senior Apartments, LLP or its affiliates (the “Borrower”).

Under our *Private Forward Placement Program*, R4CF or a designated capital partner would purchase an estimated **\$12,500,000** tax-exempt loan (the “Forward Loan”), under the terms set forth herein upon the Delivery Date.

The basic business terms and conditions of the Forward Loan are set forth herein. Please note that R4CF structured this proposal using key assumptions provided by the Borrower which are subject to revision following R4CF’s underwriting and due diligence.

FINANCING AND SECURITY

Property Description	The Property is a proposed rental apartment community, located in Pompano Beach, FL and comprised of 100 units. Following the construction, the Property will consist of 50 one-bedroom units and 50 two-bedroom units. The Property will be subject to certain LURAs based upon its receipt of LIHTC and/or other public subsidies. It is further anticipated that 70 of the Property’s units will be subject to contract-based Section 8 subsidies.
Structure	It is anticipated that the Tax-Exempt Financing will be issued by Broward County Housing Finance Authority. R4CF or, its designee, will purchase the Tax-Exempt Forward Loan under the Delivery Conditions subject to the terms outlined below.

Forward Loan Principal	\$12,500,000 (Tax-Exempt)
Forward Loan Interest Rate	<p>The fixed rate of interest on the Forward Loan will be established approximately five business days prior to the Closing (the date on which the initial Tax-exempt Funding Proceeds for construction are issued) based upon the 18-year rate from AAA Municipal Market Data General Obligation Yield Curve as published by the Thomson Municipal Market Monitor, plus a spread of 2.80%,</p> <p>As of March 21, 2023 the 18-year AAA Index is 3.12%, and the Forward Loan Interest Rate would be 5.92%. Upon the Delivery Date, interest will be paid monthly.</p>
Debt Sizing Method	<p>The Forward Loan shall be sized to a minimum 1.15x Debt Service Coverage Ratio ("DSCR"), and a maximum Loan To Value of 90%.</p> <p>The Forward Loan Amount assumes an underwritten net operating income of \$1,043,512. This NOI initially incorporates a 5.0% vacancy rate, a 6.0% hard pay management fee, and \$300/unit per annum replacement reserve. These assumptions are subject to review through R4CF's underwriting process.</p>
Delivery Date	30 months from Closing
Delivery Conditions	<p>The Property is anticipated to achieve Stabilization 30 months from Closing (the "Stabilization Date"). Upon Stabilization, the final sizing of the Forward Loan shall be determined.</p> <p>Delivery Conditions requires that: (i) the ratio of net operating income of the Property for the prior three months to the maximum debt service in any three month period equals or exceeds 1.15x to 1.0x, (ii) the average economic occupancy in each of the three months equals at least 90%, and (iii) the Property has achieved Final Completion (as defined in the Forward Loan documents).</p> <p>For the purposes of Stabilization, net operating income shall be defined as actual Property income adjusted to reflect actual economic vacancy (subject to a 5.0% minimum) over the greater of aggregate Property expenses or projected aggregate property expenses established through R4CF's underwriting process (excluding property taxes, insurance and utilities which will be verified from actual expenses).</p>
Delivery Date Extension Option	0.04% increase to the Forward Loan Interest Rate per month, up to 6 months from the Delivery Date.
Interest Only Period	36 months from the Delivery Date
Amortization	Following the Interest Only Period, mandatory redemption of the Forward Loan shall occur, in part, on a monthly basis sufficient to fully amortize over 40 years.
Financing Term	Upon the 16 th anniversary of Stabilization, the Lender shall have the option to require a mandatory tender of the Forward Loan. The Lender shall be required to provide 6 months' notice for such mandatory tender.

Optional Prepayment	Optional prepayment of the Forward Loan shall not be permitted prior to the 15 th anniversary of Stabilization. Thereafter, the Forward Loan may be prepaid at par upon 30 days' notice to the Lender.
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CONSTRUCTION

Construction Period	Substantial Completion is anticipated to occur 14 months from Closing.
Construction Budget	R4CF's proposal assumes that the Borrower will spend approximately \$17,250,000 (\$172,500 per unit) in hard costs.

FINANCING COSTS

Application Fee Deposit	\$35,000 to cover the cost of the third-party appraisal, engineering, and environmental reports, as well as any R4CF out-of-pocket underwriting costs. The Application Fee is payable upon the execution of this proposal by the Borrower. R4CF shall use reasonable efforts to coordinate third party reports with the LIHTC Equity provider.
Commitment Fee Deposit	2.00% of the Forward Loan Amount, deposited at Closing and refundable at the Delivery Date. A delivery guarantee in lieu of such deposit will be acceptable subject to R4CF review. Based upon its current underwriting of the Guarantors, R4CF reasonably expects to accept such delivery guarantee from the Guarantors.
Legal Fee Deposit	A \$20,000 legal deposit is required to commence legal documentation.
R4CF Origination Fee	0.75% of the Forward Loan payable to R4CF at Closing
R4CF Construction Admin Fee	0.25% of the Forward Loan payable to R4CF at Closing.
R4CF Conversion Fee	0.50% of the Forward Loan payable to R4CF, due upon Delivery
Other Costs	The Borrower shall be responsible for transaction costs and expenses incurred by R4CF, legal fees of the issuer, trustee and R4CF. Should the Forward Loan not close for any reason other than the failure of R4CF to comply with its obligations hereunder, Borrower shall remain obligated for all third-party costs and out-of-pocket costs incurred by R4CF not covered by the Application Deposit.
Ongoing Fees	All ongoing trustee and issuer fees associated with the transaction are to be paid separately by the Borrower.
Construction Inspections	The construction lender shall agree to share all third party inspection reports with R4CF, as they are furnished during the construction period.

RESERVES & ESCROWS

Escrow Accounts	The Borrower shall make monthly payments to escrow accounts held in the Partnership's name by the Fiscal Agent for taxes, insurance premiums, and replacement reserves.
Replacement Reserves	Replacement reserves will initially be set at \$300 per unit per year (to be confirmed by R4CF's underwriter and engineer).
Operating Reserve	Upon Stabilization, the Borrower will fund an Operating Reserve of approximately \$307,757 (to be calculated as 3 months of expenses, replacement reserves, and debt service) which the Borrower shall deposit into an escrow account held by the Trustee (the "Operating Reserve") to be used for debt service payments and/or operating deficits during the term of the Forward Loan. The Operating Reserve shall be held in an interest-bearing account and the interest shall be paid to the Borrower annually. The Operating Reserve shall be released to the Borrower upon maturity of the Forward Loan. The final sizing of the Operating Reserve is subject to review through R4CF's underwriting process.

KEY PARTIES

Borrower Structure	The Borrower and its General Partner shall each be a single-purpose, bankruptcy-remote limited partnership or limited liability company.
Property Management	As part of its diligence, R4CF will review and approve the Property Manager and the management contract. R4CF currently expects that a to-be-determined management company will serve as Property Manager. The property management fee shall be 6.00% of Effective Gross Income and any amount in excess of 6.00% shall be subordinate to payment of interest and principal on the Forward Loan and ongoing third-party fees.

SECURITY & GUARANTEES

Financing Security	The Forward Loan shall be secured by a first priority mortgage lien on the land and improvements; UCC filings for fixtures; assignment of all rents and leases; and a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property.
Guarantor	Housing Authority of Pompano Beach, a public body corporate and politic established pursuant to Chapter 421, Florida Statutes, subject to R4CF due diligence and approval, will provide guarantees as described below.
Guarantees	Non-recourse, except for industry-standard carve-outs, which shall include guarantees against fraud, misrepresentation, bankruptcy, and environmental issues.
LIHTC Equity	In addition to the Forward Loan, the acquisition and construction of the Property will be funded through a Partnership investment in the Federal Low Income Housing Tax Credits (the "Tax Credits"). R4CF currently estimates that the Tax Credit Partnership will generate approximately

	\$11,627,085 of proceeds for investment in the Property. The terms and pay-in commitments of the LIHTC proceeds are subject to review by R4CF.
Subordinate Debt	In addition to the Forward Loan, the acquisition and construction of the Property shall be funded with a \$3,500,000 Broward County HFA Soft Loan (the "Subordinate Funds"). Any payments due under the Subordinate Funds shall be subordinated to the Forward Loan and subject to an Intercreditor Agreement acceptable to R4CF.
Deed Restrictions and Ground Leases	All income and rent restrictions shall be subordinate to the Forward Loan. Ground leases, if any, shall be subordinate to the first priority mortgage lien unless the fee interest is owned by a government agency to ensure long-term affordability.

OTHER PROVISIONS

On-going Reporting Requirements	<p>The Borrower shall provide R4CF or its designee with an annual budget for operations and capital expenditures to be approved by R4CF within 30 days of submission. Periodic reporting requirements shall include delivery of operating statements, occupancy reports, rent rolls, and other reports reasonably requested by R4CF.</p> <p>Borrower shall provide to R4CF an annual audit report of each Property's financial statements from a firm approved by R4CF not more than 120 days after the end of each fiscal year.</p>
Due Diligence / Conditions to Closing	R4CF shall have 60 days to complete due diligence beginning from the date on which R4CF has received: (i) an executed copy of this proposal along with the Application Fee and Legal Deposit and (ii) necessary preliminary due diligence information as requested by R4CF. R4CF's due diligence efforts include, but are not be limited to, market and valuation analysis, engineering and environmental investigations, loan document review, title and survey review, and review of borrower financial statements and history. Based upon our findings during the due diligence period, R4CF has the right to decline to proceed with this proposal and shall not be under any obligation to the Borrower. In the event that R4CF rejects the transaction, all unspent proceeds from the Application Fee and Legal Deposit will be returned to the Borrower.
Purchase Method	R4CF may purchase the Forward Loan directly or indirectly through a designee, a placement agent, or underwriter at no cost to the Borrower. The designee will abide by all the terms included in this term sheet.
Sale or Securitization	R4CF may elect to sell, assign, or participate all or part of its interests in the Forward Loan, provided that such transaction does not negatively impact the Borrower. The Borrower agrees to cooperate with R4CF in this matter and take all actions reasonably requested by R4CF and the new participant, so long as the Borrower does not incur any out-of-pocket costs or additional liability from any such transfer or securitization.
Exclusivity	Upon execution of this proposal, the Borrower agrees to cease all initiatives to obtain forward loan financing from other parties and to terminate any

	<p>other financing proposals in process. This exclusivity requirement shall terminate should R4CF advise the Borrower in writing that it does not intend to proceed with this transaction.</p> <p>Any violation of this exclusivity requirement from the Borrower or affiliates shall also cause the Origination Fee, any out-of-pocket costs, and/or legal fees incurred by R4CF, to be immediately due and payable to R4CF.</p>
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The economic terms provided in this letter shall remain valid through September 30, 2023, subject to current bond market conditions. However, this letter does not constitute a commitment by R4CF to complete the transaction outlined herein, as any commitment by R4CF to lend or purchase the Forward Loan is contingent upon final approval of R4CF's Investment Committee.

R4CF is pleased to provide this financing proposal. If the terms set forth in this proposal are satisfactory, please indicate your acceptance by executing and returning to R4CF a copy of this letter and the Application Deposit before March 29, 2023. If you have not done so by such date, this proposal shall expire and be of no further effect.

Very truly yours,

R4 Capital Funding LLC



James D. Spound
President

Agreed and Accepted:

Golden Acres Senior Apartments, LLLP

By: 

Name: Lennard Robinson

Title: Secretary of HAPB-Golden Acres Senior Apartments GP Corp., General Partner

Date: 3/29/2023

ATTACHMENT 2

RESOLUTION NO. 2023-____

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on June 21, 2023, 110 Northeast Third Street, Suite 300, Fort Lauderdale, Florida.

Present: _____

Absent: _____

Thereupon, the following resolution was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "AUTHORITY") DECLARING ITS OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS OR NOTES (THE "BONDS") OF THE AUTHORITY TO FINANCE ALL OR A PORTION OF THE COST OF THE CONSTRUCTION AND EQUIPPING OF CERTAIN MULTIFAMILY HOUSING FACILITIES (PROVIDENT PLACE) LOCATED WITHIN BROWARD COUNTY, FLORIDA, AND OTHER RELATED PURPOSES; APPROVING THE ISSUANCE OF THE BONDS, SUBJECT TO CERTAIN FURTHER FINDINGS AND CONDITIONS; AUTHORIZING THE AUTHORITY TO PUBLISH NOTICE OF AND HOLD A PUBLIC HEARING PURSUANT TO THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA); AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "Authority") is empowered under the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the "Act") and Ordinance 79-41 enacted by the Board of County Commissioners of Broward County,

Florida (the "Board") on June 20, 1979 (the "Ordinance"), as amended, to issue multi-family housing revenue bonds;

WHEREAS, the Authority is authorized under the Act to issue its revenue bonds for the purpose of paying the cost of a "qualifying housing development" within the meaning of the Act which includes the construction and equipping of multifamily housing developments;

WHEREAS, the Authority has been requested by Ambar3, LLC & HAPB Supporting Housing Opportunities, Inc., or an entity related to such corporation (the "Developer") to declare its official intent with respect to the issuance of its multifamily housing revenue bonds or notes in one or more series pursuant to the Act, in the expected maximum principal amount of \$20,000,000 (the "Bonds"), to finance the cost of the construction and equipping of a multifamily housing project, known as "Provident Place," consisting of approximately 100 units located in Pompano Beach, Florida and to be owned by Golden Acres Senior Apartments, LLLP, its assigns or a related party (collectively, the "Project"); and

WHEREAS, such declaration is required pursuant to certain federal income tax regulations in order for the Developer to be able to reimburse itself from proceeds of the Bonds for capital expenditures it may make with respect to the Project prior to the issuance of the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:

SECTION 1. Declaration of Findings. The Authority hereby finds, determines and declares the matters hereinabove set forth.

SECTION 2. Intent to Issue. The Authority hereby declares its official intent to issue, pursuant to the Act, multifamily housing revenue bonds or notes, in one or more series, of the Authority in the expected maximum principal amount of \$20,000,000. The Authority retains the right to determine, in its sole discretion, whether sufficient bond allocation is available for the purpose of tax-exempt financing for the Project. The issuance of the Bonds is further subject to the conditions set forth in Section 3, Section 4 and Section 5 below.

SECTION 3. Prior Conditions. Prior to the issuance of the Bonds, the Developer and the Authority must satisfy all requirements of the Act with respect to the issuance of the Bonds, including, but not limited to, the approval of the Project as a “qualifying housing development” under the Act, and all other requirements in order for the interest on the Bonds, when and if issued, to be excluded from the gross income of the owners thereof for federal income tax purposes.

SECTION 4. Public Hearing Authorized. The staff of the Authority is authorized to publish the notice of the Tax Equity and Fiscal Responsibility Act (“TEFRA”) Hearing (as defined below) in *The Sun Sentinel* and to conduct the public hearing required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) prior to the issuance of the Bonds (the “TEFRA Hearing”).

SECTION 5. County Approval. Additionally, prior to the issuance of the Bonds, the Bonds must be approved by the Board, in accordance with and for purposes of Section 147(f) of the Code.

SECTION 6. Declaration of Official Intent. This Resolution constitutes official intent under Treasury Regulations Section 1.150-2 and any amendments thereto, for reimbursement from bond proceeds of temporary advances made by the Developer for purposes of the Project prior to the issuance of the Bonds.

SECTION 7. Scope of Approval. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds, or any portion thereof, for the Project. The Developer shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors and employees harmless from any liability or claim based upon the refusal or failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the processing of the financing for the Project, or the issuance of (or decision not to issue) the Bonds.

SECTION 8. Resolution Effective. This Resolution shall take effect immediately upon its passage.

[Remainder of page intentionally left blank]

Upon motion of _____, seconded by _____,

the foregoing Resolution was adopted by the following votes:

AYES: _____

NAYS: _____

Approved on June 13, 2023 as to form and legal
sufficiency by:

Bryant Miller Olive P.A., Bond Counsel

STATE OF FLORIDA)
)ss:
COUNTY OF BROWARD)

I, Ruth Cyrus, Assistant Secretary of the Housing Finance Authority of Broward County, Florida, DO HEREBY CERTIFY that the foregoing is an accurate copy of the Resolution of the Housing Finance Authority adopted at a meeting held on June 21, 2023, as set forth in the official minutes of the Housing Finance Authority, related to approval of certain actions to be taken in connection with the proposed issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2023 (Provident Place) of the Housing Finance Authority.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this _____ day of June, 2023.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Ruth Cyrus, Assistant Secretary

(SEAL)

ITEM 8

Housing Finance Authority of Broward County

Dufresne CPA Services, PA – Overview of the May 2023 Financial Reports

The following are items considered to be of note regarding the financial reports for the month of May 2023:

- Balance sheets (Attachments 1 and 2) changes relate primarily to individual cash and investment account activity, including payments to BOCC and cash received on investments.
- Audit adjustments posted to reverse accruals for items properly reported on audited financial statements and/or end of year closing entries.
- Profit and Loss (Attachments 3, 4, and 5) – Total income exceeds prior year, and as compared to budget, primarily as a result of the application and authority fees received in connection with increased bond issuance activity and positive change in market value of investment portfolio. Income items directly related to operations such as bond authority fees and application fees exceed budget and prior year as a result of developer applications and other activities that generate fees. Expenses are less than budget.

Cash vs Accrual Basis for P&L Budget to Actual comparison (Attachment 5)

On a monthly basis the process to prepare the financial statements includes:

- a. Budgetary column – Cumulative 1/12 of the budgeted revenues and expenses are reported
- b. Actual column – Significant known revenue and expense items are accrued
 - a. Authority fees receivable are adjusted to correct accrual basis balance
 - b. Cumulative 1/12 of budgeted Personnel and Other Expenses due to BOCC are adjusted to correct accrual basis balance
 - c. Expenses for all invoices submitted to the HFA prior to month end are paid and recorded in the financial statements.
 - d. Bank and account management fees that are reported on the monthly bank statements are recorded as expense in the applicable month.

Index to Attachments

- Attachment 1, Page 2: Balance Sheet (Flux Report – May 2023 comparison to April 2023)
- Attachment 2, Page 3: Balance Sheet (Flux Report – May 2023 comparison to May 2022)
- Attachment 3, Page 4: P&L (Flux Report – May 2023 comparison to April 2023)
- Attachment 4, Page 5: P&L (Flux Report – May 2023 comparison to May 2022)
- Attachment 5, Page 6: P&L (Flux Report – Budget to Actual)
- Attachment 6, Page 7: Aged Receivables Report as of May 31, 2023
- Attachment 7, Page 8: Wells Fargo Bank Reconciliation Report – Operating at May 31, 2023
- Attachment 8, Page 9: Cumulative Net Change in Investment Value as of May 31, 2023

Attachment 1
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Balance Sheet (Flux Report)
5/31/2023

	May-23	Apr-23	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 1,295,774	\$ 1,523,856	(228,082)	-15%	2
Cash-LOC	6,593	6,593	-	NA	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 225,000				
Indemnification Deposits	580,000				
Interest	46,123				
	851,123	848,175	2,948	0.3%	
Cash-BNY Mellon Custody Account	778,893	739,844	39,049	5%	
Total Cash	2,932,383	3,118,468			
Investments-BNY Mellon Custody Account	12,667,309	12,776,192	(108,883)	-1%	4
Note Receivable-DPA	200,000	200,000	-	NA	
Authority Fees Receivable	43,639	43,639	-	NA	
Interest Receivable	59,625	35,547	24,078	68%	1
Notes Receivable-CDC	150,417	151,389	(972)	-1%	
Notes Receivable - Mt. Olive	131,156	136,156	(5,000)	-4%	
HFA Mortgage Receivables	6,988	6,988	-	NA	
Whole Loan Mortgages Receivable	248,819	248,819	-	NA	
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,104)	-	NA	
HFA Land	621,704	621,704	-	NA	
HFA Buildings	1,036,000	1,036,000	-	NA	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(127,474)	(127,474)	-	NA	
Accumulated Depreciation, HFA	(789,559)	(789,559)	-	NA	
Total Assets	17,296,635	17,573,497			
Deferred Outflows					
Deferred outflows related to pension	149,338	149,338	-	NA	
Total Assets and Deferred outflows	\$ 17,445,974	\$ 17,722,836			
Liabilities					
Accrued Sick/Vacation, ST	\$ 39,000	\$ 39,000	-	NA	
Due to BOCC - Exp reimb	385,499	539,699	(154,200)	-29%	1,2
Good Faith Deposits	225,000	225,000	-	NA	
Net Pension Liability - Pension	136,813	136,813	-	NA	
Net Pension Liability - HIS	182,602	182,602	-	NA	
Accrued Sick/Vacation, LT	77,000	77,000	-	NA	
Total Liabilities	1,045,914	1,200,114			
Deferred Inflows					
Deferred inflows related to pension	315,521	315,521	-	NA	
Equity					
Beginning of year	14,682,364	14,682,364			
Prior Period Adjustment	9,297	15,519	(6,222)	-40%	3
Current Year Earnings	1,392,877	1,509,317			
Total Equity	16,084,539	16,207,201			
Total Liabilities, Deferred Inflows and Equity	\$ 17,445,974	\$ 17,722,836			

***Criteria to determine if explanations are required:**

Cash and investment fluctuation explanations are provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior month

- 1 Timing of receipts/payments and accruals based on budget
- 2 Expenses due to BOCC paid in current month
- 3 Expenses due to BOCC included an adjustment to expenses due at close of PY
- 4 Gain/Loss related to current market conditions and changes in the composition of the investment portfolio

Attachment 2
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Balance Sheet (Flux Report)
5/31/2023

	May-23	May-22	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 1,295,774	\$ 1,605,735	(309,961)	-19%	8
Cash-LOC	6,593	6,400	193	3%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 225,000				
Indemnification Deposits	580,000				
Interest	46,123				
	851,123	599,006	252,117	42%	5
Cash-BNY Mellon Custody Account	778,893	1,209,805	(430,912)	-36%	2
Total Cash	2,932,383	3,420,946			
Investments-BNY Mellon Custody Account	12,667,309	10,684,733	1,982,576	19%	2,3
Note Receivable-DPA	200,000	210,000	(10,000)	-5%	
Authority Fees Receivable	43,639	41,309	2,330	6%	
Audit Fees Receivable	-	18,000	(18,000)	-100%	1
Interest Receivable	59,625	50,610	9,015	18%	1
Notes Receivable-CDC	150,417	162,083	(11,666)	-7%	
Notes Receivable-Mt. Olive	131,156	151,156	(20,000)	-13%	4
HFA Mortgage Receivables	6,988	7,537	(549)	-7%	
Whole Loan Mortgages Receivable	248,819	348,670	(99,851)	-29%	6,7
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,104)	-	NA	
Loan Receivable - SE FL CDF	-	369,313	(369,313)	-100%	4
Utility Deposit	-	1,925	(1,925)	-100%	
HFA Land	621,704	621,704	-	NA	
HFA Buildings	1,036,000	1,036,000	-	NA	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(127,474)	(127,474)	-	NA	
Accumulated Depreciation, HFA	(789,559)	(763,659)	(25,900)	3%	
Total Assets	17,296,635	16,348,480			
Deferred Outflows					
Deferred outflows related to pension	149,338	251,761	(102,423)	-41%	6
Total Assets and Deferred outflows	\$ 17,445,974	\$ 16,600,242			
Liabilities					
Accrued Sick/Vacation, ST	\$ 39,000	\$ 48,000	(9,000)	-19%	6
Due to BOCC - Exp reimb	385,499	337,033	48,466	14%	1
Good Faith Deposits	225,000	75,000	150,000	200%	5
Net Pension Liability - Pension	136,813	314,443	(177,630)	-56%	6
Net Pension Liability - HIS	182,602	140,799	41,803	30%	6
Accrued Sick/Vacation, LT	77,000	45,000	32,000	71%	6
Total Liabilities	1,045,914	960,275			
Deferred Inflows					
Deferred inflows related to pension	315,521	64,637	250,884	388%	6
Equity					
Beginning of year	14,682,364	16,147,268			
Prior Period Adjustment	9,297	(36,802)	46,099	-125%	6
Current Year Earnings	1,392,877	(535,136)			
Total Equity	16,084,538	15,575,330			
Total Liabilities, Deferred Inflows and Equity	\$ 17,445,974	\$ 16,600,242			

***Criteria to determine if explanations are required:**

Cash and investment fluctuation explanations are provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior year

- 1** Timing of receipts/payments and accruals based on budget
- 2** Cash - BNY used to purchase Investments - BNY
- 3** Transfers from Cash - WF to BNY - Custody
- 4** Payments received on notes receivable after May 2022
- 5** Deposits of good faith deposits that have not yet been returned to borrower
- 6** Audit adjustments
- 7** Changes in Whole Loan Mortgage values as reported by Cenlar
- 8** Expenses due to BOCC paid in current month

Attachment 3
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report)
5/31/2023

	<u>May-23</u>	<u>Apr-23</u>	<u>\$ Difference</u>	<u>% Difference to Prior Month</u>	<u>*Explanation</u>
Income					
Bond Authority Fees	\$ 691,090	\$ 691,090	-	0%	
Inducement Fees	3,000	3,000	-	0%	
Application, TEFRA and Closing Fees	1,051,500	1,051,000	500	0.05%	
MCC and Lender Program Income	425	250	175	70%	
Interest Income, Mortgages	325	325	-	0%	
Interest Income, BNY Mellon	275,210	236,899	38,311	16%	1,2
Interest Income, LOC	153	153	-	0%	
Net Change in Investment Value	213,146	294,266	(81,120)	-28%	2
Interest Income, SFCDF Loan	3,495	3,495	-	0%	
Total Income	<u>\$ 2,238,344</u>	<u>\$ 2,280,478</u>			
Expenses					
Personnel Services, Broward Co	\$ 470,258	\$ 426,025	44,233	10%	1
Other Expenses, Broward County	91,523	113,674	(22,151)	-19%	1
Professional Fees	139,380	123,680	15,700	13%	1
Bank Management Fees	1,669	1,669	-	0%	
Advertising/Marketing	3,250	3,250	-	0%	
Dues and Membership Fees	2,595	2,595	-	0%	
Conference and Travel Expense	14,512	2,615	11,897	455%	1
Building/Land Maintenance	56,592	34,331	22,261	65%	1
Utilities	17,703	15,337	2,366	15%	
Capital Outlay Expense	47,985	47,985	-	0%	
Total Expenses	<u>\$ 845,467</u>	<u>\$ 771,161</u>			
Net Profit/(Loss)	\$ 1,392,877	\$ 1,509,317	(116,440)	-8%	1,2

***Explanations provided for >=10% and >= \$5,000 variance**

- 1 Timing of receipts/payments and accruals based on budget**
- 2 Gain/Loss related to current market conditions and changes in the composition of the investment portfolio**

"%Difference to Prior Month" Column Legend

100% - Actual % change or no amount reported in one of the two columns

0% - Current month amount is equal to prior month amount

Attachment 4
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report)
5/31/2023

	May-23	May-22	\$ Difference	% Difference to Prior Year	*Explanation
Income					
Bond Authority Fees	\$ 691,090	\$ 483,461	207,629	43%	1,4
Inducement Fees	3,000	1,500	1,500	100%	
Compliance Monitoring Fees	-	500	(500)	-100%	
Application, TEFRA and Closing Fees	1,051,500	222,919	828,581	372%	1,4
MCC and Lender Program Income	425	7,779	(7,354)	-95%	1
Interest Income, Mortgages	325	350	(25)	-7%	
Interest Income, BNY Mellon	275,210	214,977	60,233	28%	1
Net Change in Investment Value	213,146	(782,551)	995,697	-127%	2
Interest Income, FHLB LOC	153	5	148	2960%	
Interest Income, SFCDF Loan	3,495	11,456	(7,961)	-69%	3
Total Income	<u>\$ 2,238,344</u>	<u>\$ 160,396</u>			
Expenses					
Personnel Services, Broward Co	\$ 470,258	\$ 406,372	63,886	16%	1
Other Expenses, Broward County	91,523	111,368	(19,845)	-18%	1
Professional Fees	139,380	104,380	35,000	34%	1
Bank Management Fees	1,669	2,274	(605)	-27%	
Advertising/Marketing	3,250	1,262	1,988	158%	
Dues and Membership Fees	2,595	3,620	(1,025)	-28%	
Conference and Travel Expense	14,512	11,705	2,807	24%	
Building/Land Maintenance	56,592	38,241	18,351	48%	1
Utilities	17,703	16,310	1,393	9%	
Capital Outlay Expense	47,985	-	47,985	100%	1
Total Expenses	<u>\$ 845,467</u>	<u>\$ 695,532</u>			
Net Profit/(Loss)	\$ 1,392,877	\$ (535,136)	1,928,013	-360%	2,4

*Explanations provided for >=10% and >= \$5,000 variance

- 1** Timing of receipts/payments and accruals based on budget
- 2** Gain/Loss related to current market conditions and changes in the composition of the investment portfolio
- 3** SFCDF Loan repaid January 2023
- 4** Closing/issuer fees received on new bond issues in current FY

"%Difference to Prior Year" Column Legend

100% - Actual % change or no amount reported in one of the two columns

0% - Current year amount is equal to prior year amount

Attachment 5
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report) Budget to Actual
Year to Date As of May 2023

	Selected Period	Budget for Selected Period	\$ Difference	% Difference to budget	*Explanation	Total Annual Budget Amount
Income						
Bond Authority Fees	\$ 691,090	\$ 350,000	(341,090)	-97%	1	\$ 525,000
Bond redemption & other income	-	262,903	262,903	100%	1	394,354
Application, TEFRA and Closing Fees	1,051,500	-	(1,051,500)	NA		-
MCC and Lender Program Income	425	2,800	2,375	85%		4,200
Interest Income, Mortgages	325	-	(325)	NA		-
Interest Income, BNY Mellon	275,210	200,000	(75,210)	-38%	1	300,000
Net Change in Investment Value	213,146	-	(213,146)	NA		-
Interest Income, FHLB LOC	153	-	(153)	NA		-
Interest Income, SFCDF Loan	3,495	-	(3,495)	NA		-
Rent Income	-	80,696	80,696	100%	1	121,044
Total Income	\$ 2,238,344	\$ 896,399				\$ 1,344,598
Expenses						
Personnel Services, Broward Co	\$ 470,258	\$ 486,885	16,628	3%		\$ 730,328
Other Expenses, Broward County	91,523	129,913	38,390	30%	1	194,870
Professional Fees	139,380	147,333	7,953	5%		221,000
Bank Management Fees	1,669	3,733	2,064	55%		5,600
Advertising/Marketing	3,250	3,333	83	3%		5,000
Dues and Membership Fees	2,595	4,333	1,738	40%		6,500
Conference and Travel Expense	14,512	16,667	2,155	13%		25,000
Postage/FedEx	-	133	133	100%		200
Building/Land Maintenance	56,592	55,333	(1,259)	-2%		83,000
Utilities	17,703	15,400	(2,303)	-15%		23,100
Capital Outlay Expense	47,985	33,333	(14,652)	-44%	1	50,000
Total Expenses	\$ 845,467	\$ 896,399				\$ 1,344,598
Net Profit/(Loss)	\$ 1,392,877	\$ 0				\$ 0

Budgeted Expenses - Actual Expenses = \$ 50,932 Under Budget
--

* Explanations provided for >=10% and >= \$5,000 variance

1 Timing of receipts/payments and accruals based on budget

NA - No Budget amount

100% - Actual is zero

Attachment 6
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Aged Receivables
5/31/2023

Authority fee receivable	Total Due	0 - 30	31 - 60	61 - 90	90+
2018 Emerald Palms	\$ 32,130	\$ -	\$ -	\$ 32,130	\$ -
2018 NW Gardens	11,509				11,509
Total Authority Fee Receivable	\$ 43,639	\$ -	\$ -	\$ 32,130	\$ 11,509

2885 Broward Housing Finance Authority

110 NE Third Street #300
Fort Lauderdale, FL 33301

Reconciliation Report

6/2/2023
5:16:21 PM

Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 5/31/2023				
Last Reconciled: 4/30/2023				
Last Reconciled Balance: \$1,523,953.49				

Cleared Checks

5392	4/13/2023	TECO Peoples Gas		\$97.96
GJ001190	5/1/2023	WF:UtilityDebit		\$280.84
5393	5/17/2023	Zomermaand Financial Advisor		\$12,200.00
5394	5/17/2023	Dufresne CPA Services, PA		\$3,500.00
5395	5/17/2023	Holmes Lawn Services		\$335.00
5396	5/17/2023	TECO Peoples Gas		\$47.89
5397	5/17/2023	Milette Manos		\$0.00
5399	5/17/2023	FL ALHFA		\$4,500.00
5400	5/17/2023	NALHFA		\$120.00
5401	5/17/2023	FL ALHFA		\$5,000.00
5402	5/17/2023	AR Maintenance Solutions		\$17,661.50
5403	5/17/2023	Scott Ehrlich		\$996.08
5404	5/17/2023	Josephine Kotsioris		\$1,281.36
5406	5/22/2023	Broward County Board of Coun		\$182,503.58
GJ001189	5/31/2023	WF:UtilityDebits		\$2,086.29
Total:			\$0.00	\$230,610.50

Cleared Deposits

GJ001188	5/5/2023	WF:BrwdHsgSltns	\$972.22	
GJ001187	5/17/2023	WF:MtOliveQtrlyPmt&1MCC	\$5,175.00	
GJ001186	5/26/2023	WF:LauderhillAppFeeDeposit	\$500.00	
Total:			\$6,647.22	\$0.00

Outstanding Checks

5398	5/17/2023	Ameri-plus Janitorial & Mainten		\$4,016.48
5405	5/17/2023	City of Ft Lauderdale		\$200.15
Total:			\$0.00	\$4,216.63

Reconciliation

AccountEdge Pro Balance on 5/31/2023:	\$1,295,773.58
Add: Outstanding Checks:	\$4,216.63
Subtotal:	\$1,299,990.21
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$1,299,990.21</u>

Attachment 8
Cumulative Net Change in Investment Value
Prior Year-to-Date Comparison to Current Year-to-Date

	<u>5/31/2022</u>	<u>5/31/2023</u>
BNY Mellon Custody Acct	<u>\$ (782,551)</u>	<u>\$ 213,146</u>
Cumulative Net Change in Investment Value		<u>\$ 995,697</u>

ITEM 9

Housing Finance HFA of Broward County
June 21, 2023 – Board Meeting

Multifamily Bonds – Informational Item - *Final Credit Underwriting Report for The Gallery at FATVillage.*

Background

1. On February 24, 2021, the HFA received a multifamily bond application from Related FATVillage, LLC (the “Developer”) pertaining to a 195-unit new construction development, known as The Gallery at FATVillage (the “Development”). The Development will be located at 600 N. Andrews Avenue, Fort Lauderdale, FL 33311.
2. At its March 21, 2021, meeting, the HFA adopted an Inducement Resolution for the Development in an amount not to exceed \$35,900,000. The Developer subsequently requested that the Note amount be increased to \$42,850,000. At its January 19, 2022, meeting the HFA adopted an amendment to the Inducement Resolution providing for an amount not to exceed \$42,850,000.
3. The TEFRA hearing was held on March 22, 2022, and the Mayor and City Manager of the City of Fort Lauderdale were provided notice regarding the potential construction of the Development prior to the HFA holding a TEFRA hearing.
4. The HFA adopted Resolution No. 2022-009 at its April 20, 2022, meeting (“Authorizing Resolution”). At its August 17, 2022, the HFA approved an amendment to the Authorizing Resolution allowing for subordinate financing and updated Term Sheets.
5. A TEFRA hearing for a Note amount not to exceed \$62,000,000, was held on November 8, 2022, and the Mayor and City Manager of the City of Fort Lauderdale were provided notice regarding the potential construction of the Development prior to the HFA holding a TEFRA hearing.
6. The HFA adopted Resolution No. 2022-024 at its November 16, 2022, meeting (“Amending and Restated Authorizing Resolution”) which among other matters, authorized an increase in the Note amount not to exceed \$62,000,000 and number of units from 195 to 263.
7. The transaction closed in escrow on December 21, 2022.

Present Situation

1. The Applicant anticipates breaking escrow in July 2023.

Exhibit

1. Final Credit Underwriting Report

ATTACHMENT 1

**HOUSING FINANCE AUTHORITY OF BROWARD
COUNTY**

Credit Underwriting Report

Tax Exempt Multifamily Mortgage Revenue Note (“MMRN” or “Note”)

The Gallery at FATVillage

Section A: Report Summary

Section B: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

Draft Report

June 13, 2023

The Gallery at FATVillage

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Section A
Report Summary

Recommendation

First Housing Development Corporation of Florida (“First Housing” or “FHDC”) recommends a Tax-Exempt MMRN in the amount of \$55,700,000 to finance the construction and permanent financing of The Gallery at FATVillage Apartments (“Development”).

DEVELOPMENT & SET-ASIDES															
Development Name:		<u>The Gallery at FATVillage</u>													
Address:		<u>600 North Andrews Avenue</u>													
City:	<u>Fort Lauderdale</u>	Zip Code:	<u>33311</u>	County:	<u>Broward</u>	County Size:	<u>Large</u>								
Development Category:				<u>New Construction</u>		Development Type:								<u>High Rise</u>	
Construction Type:		<u>Masonry</u>													
Demographic Commitment:		Primary: <u>Family</u> for <u>100%</u> of the Units													

Broward County (Fort Lauderdale HMFA)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	10	499	50%			\$840	\$101	\$ 739		\$ 739	\$ 739	\$ 739	\$ 88,680
0	1.0	17	499	120%			\$2,016		\$ 2,016		\$ 2,016	\$ 2,016	\$ 2,016	\$ 411,264
0	1.0	19	499	MKT							\$ 2,150	\$ 2,150	\$ 2,150	\$ 490,200
1	1.0	28	684	50%			\$900	\$123	\$ 777		\$ 777	\$ 777	\$ 777	\$ 261,072
1	1.0	51	684	120%			\$2,160		\$ 2,160		\$ 2,160	\$ 2,160	\$ 2,160	\$ 1,321,920
1	1.0	59	684	MKT							\$ 2,600	\$ 2,600	\$ 2,600	\$ 1,840,800
2	2.0	15	1,075	50%			\$1,080	\$170	\$ 910		\$ 910	\$ 910	\$ 910	\$ 163,800
2	2.0	29	1,075	120%			\$2,592		\$ 2,592		\$ 2,592	\$ 2,592	\$ 2,592	\$ 902,016
2	2.0	35	1,075	MKT							\$ 3,400	\$ 3,400	\$ 3,400	\$ 1,428,000
		263	202,271											\$ 6,907,752

The utility allowances are based on an Energy Consumption Model Estimate for electricity prepared by KN Consultants, LLC (“KN Consultants”) on December 6, 2022. Approval by FHFC staff is a condition of this report.

Buildings: Residential - 1 Non-Residential - 0
 Parking: Parking Spaces - 273 Accessible Spaces - 12

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN	20.2%	53	50%	15
HC	20.2%	53	50%	30
City Loan	14.8%	39	50%	30
City Loan	42.2%	111	120%	30
County Loan	14.8%	39	50%	30
County Loan	42.2%	111	120%	30

Absorption Rate 40 units per month for 6.6 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments N/A New Construction

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 1.1708 Density: 224.6327 Flood Zone Designation: AH
 Zoning: RAC-UV, Regional Activity Center - Urban Flood Insurance Required?: No

- The property is located within Zones “AH” and “X”.
- 10 of the 273 parking spaces will be allocated to retail.

DEVELOPMENT TEAM		
Applicant/Borrower:	Related FATVillage, LLC	% Ownership
Manager	Related FATVillage Manager, LLC	
Member	TCC Gallery at FATVillage, LLC	
Special Member	CDC Special Limited Partner LLC.	
Construction Completion Guarantor(s):		
CC Guarantor 1:	Related FATVillage, LLC	
CC Guarantor 2:	Related FATVillage Manager, LLC	
CC Guarantor 3:	JMPFT Affordable, LLC	
CC Guarantor 4:	PRH Investments, LLC	
CC Guarantor 5:	Nicholas Perez	
CC Guarantor 6:	Related FATVillage Developer, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Related FATVillage, LLC	
OD Guarantor 2:	Related FATVillage Manager, LLC	
OD Guarantor 3:	JMPFT Affordable, LLC	
OD Guarantor 4:	PRH Investments, LLC	
OD Guarantor 5:	Nicholas Perez	
OD Guarantor 6:	Related FATVillage Developer, LLC	
Note Purchaser	JPMorgan Chase ("Chase") (Construction)/Grandbridge Real Estate Capital, LLC ("Grandbridge")(Permanent) and Freddie Mac	
Developer:	Related FATVillage Developer, LLC	
General Contractor 1:	Fortune Related Construction LLC	
Management Company:	TRG Management Company LLP	
Syndicator:	Truist	
Note Issuer:	Housing Finance Authority of Broward County ("HFABC")	
Architect:	Cohen, Freedman Encinosa & Associates - Architects, P.A.	
Market Study Provider:	Meridian Appraisal Group, Inc. ("Meridian")	
Appraiser:	Walter Duke and Associates ("Walter Duke")	

PERMANENT FINANCING INFORMATION				
	1st Source	2nd Source	3rd Source	4th Source
Lien Position	First	Second	Third	Fourth
Lender/Grantor	HFABC/Chase/Grandbridge/ Freddie Mac	Grandbrige	Broward County	City of Fort Lauderdale
Amount	\$55,700,000	\$3,840,000	\$2,000,000	\$2,500,000
Underwritten Interest Rate	5.71%	6.11%	0.00%	0.00%
All In Interest Rate	5.71%	6.11%	0.00%	0.00%
Loan Term	15	15	30	30
Amortization	40	40	0	0
Market Rate/Market Financing LTV	41%	44%	46%	48%
Restricted Market Financing LTV	56%	60%	62%	64%
Loan to Cost - Cumulative	60%	64%	66%	69%
Debt Service Coverage	1.25	1.17	1.17	1.17
Operating Deficit & Debt Service Reserves	\$583,731			
# of Months covered by the Reserves	1.1			

Deferred Developer Fee	\$13,817,484
As-Is Land Value	\$4,090,000
Market Rent/Market Financing Stabilized Value	\$134,660,000
Rent Restricted Market Financing Stabilized Value	\$99,660,000
Projected Net Operating Income (NOI) - Year 1	\$4,574,346
Projected Net Operating Income (NOI) - 15 Year	\$5,620,407
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Private Placement
Housing Credit (HC) Syndication Price	\$0.92
HC Annual Allocation - Equity Letter of Interest	\$606,749

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Note	HFABC/Chase /Grandbridge/ Freddie Mac	\$55,700,000	\$55,700,000	\$211,787
Regulated Mortgage	Chase	\$6,700,000	\$3,840,000	\$14,601
Local Government	Broward County	\$2,000,000	\$2,500,000	\$9,506
Local Government	City of Fort Lauderdale	\$2,000,000	\$2,500,000	\$9,506
Affiliate / Principal	Related FATVillage Manager, LLC	\$8,360,000	\$8,360,000	\$31,787
HC Equity	Truist Community Capital, LLC	\$2,790,767	\$5,581,534	\$21,223
Deferred Developer Fee	Related FATVillage Developer, LLC	\$13,817,484	\$13,817,484	\$52,538
Operating Deficit Reserve	Truist	\$583,731	\$0	\$0
Deferred Costs - Other	N/A	\$347,036	\$0	\$0
TOTAL		\$92,299,018	\$92,299,018	\$350,947

Strengths:

1. The Principals, and Development Team, as well as the General Contractor, and Management Group are experienced in this field.
2. Meridian concluded to a capture rate of 2.7% for the 50% Area Median Income (“AMI”) set-aside units and 4.9% for the 120% AMI set aside units.

Other Concerns:

1. None

Mitigating Factors:

1. None

Additional Information:

1. The Applicant has applied to Grandbridge to provide permanent funding (“Funding Loan”) pursuant to the Freddie Mac Tax-Exempt Loan Program. The Funding Loan is requested pursuant to any Federal, State or Local requirements concerning the proposed tax-exempt private activity allocation and/or Low-Income Housing Tax Credit requirements. The Funding Loan will be originated by Chase on behalf of HFABC (“Government Lender”) for subsequent purchase by and delivery to Freddie Mac, shortly after conversion. The proceeds of the Funding Loan will be used by HFABC to fund a mortgage loan with matching economic terms (“Project Loan”) to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of HFABC secured solely by receipts and revenues from the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the MMRN structure, the Funding Loan replaces the purchase by Freddie Mac of the tax-exempt bonds.
2. The Development will have 2,500 square feet of ground floor retail space available for lease. At this time it is unknown what tenants will be occupying the space.

Recommendation:

First Housing recommends a Tax-Exempt MMRN in the amount of \$55,700,000 to finance the construction and permanent financing of the Development.

This Recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). This Recommendation is conditioned upon the following:

1. First Housing recommends that the loan documents be compared to the CUR in order to verify loan terms and equity payments prior to closing.
2. Receipt of Final Ground Lease with all amendments.
3. Verification of loan terms for County and City Loans consistent with terms used in this report.
4. Receipt of Final Plan and Cost Review.
5. Receipt of updated Market Study.

This recommendation is only valid for six months from the date of the report.

The reader is cautioned to refer to these sections for complete information.

Prepared by:

Reviewed by:

Draft

Draft

Eileen Jones-Yarish
Senior Credit Underwriter

Edward Busansky
Senior Vice President

OVERVIEW

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Note	HFABC/Chase	\$38,900,000	\$55,700,000	\$55,700,000	5.09%	\$2,836,244
Regulated Mortgage Lender	Chase	\$0	\$6,700,000	\$6,700,000	8.31%	\$556,770
Local Government Subsidy	Broward County	\$2,500,000	\$2,000,000	\$2,000,000	0.00%	\$0
Local Government Subsidy	City of Fort Lauderdale	\$2,500,000	\$2,000,000	\$2,000,000	N/A	N/A
Affiliate / Principal	Related FATVillage Manager, LLC	\$11,619,995	\$8,360,000	\$8,360,000	0.00%	\$0
HC Equity	Truist Community Capital, LLC	\$2,228,780	\$2,777,123	\$2,790,767	N/A	N/A
Deferred Developer Fee	Related FATVillage Developer, LLC	\$10,210,437	\$13,144,404	\$13,817,484	N/A	N/A
Operating Deficit Reserve	Truist	\$437,862	\$583,731	\$583,731	N/A	N/A
Deferred Costs - Other	N/A	\$0	\$388,123	\$347,036	N/A	N/A
Total		\$68,397,074	\$91,653,381	\$92,299,018		\$3,393,014

Tax Exempt Construction Loan:

First Housing reviewed a term sheet, dated June 9, 2023, from Chase indicating they would purchase a Tax-Exempt Note in the amount of \$55,700,000. The construction loan will have a term of 30 months with two, conditional, six-month extension for a fee of 0.125%. The construction loan interest rate on the Tax-exempt Facility will be fixed at closing at the 3 year Secured Overnight Financing Rate (“SOFR”) (4.042% as of 6/9/2023) plus a 1.05% spread for an all-in rate of 5.092%.

The Annual HFABC Issuer Fee of 18 basis points (“bp”) of the amount of the outstanding Note and the annual Fiscal Financial Agent Fee of \$3,750 have been included in the Uses section of the report.

Taxable Loan:

Chase will also provide a Taxable Note in the amount of \$6,700,000 at a floating interest rate of the one-month SOFR (5.06% as of 6/9/2023) plus a spread of 2.25%, and underwriting cushion of 1.00% for an all-in rate of 8.31%.

Broward County Loan:

According to a letter from the Broward County Housing Finance Authority, dated August 10, 2022, Broward County will provide gap financing of up to \$2,500,000 for a term of 30 years. Per the Developer, only \$2,000,000 will be available during construction. The interest rate will be

0% payable upon maturity of the loan or upon sale of refinancing of the project, subject to the discretion of Broward County. Verification of loan terms is a condition of this report.

City of Fort Lauderdale Loan:

According to a Resolution provided by the Applicant, the Community Redevelopment Agency (“CRA”) will provide a loan from the City of Fort Lauderdale in the amount of \$1,500,000. According to the Developer the loan will be for a term of 30 years at a 0% interest rate. This Loan will be subordinated to the First Mortgage. Verification of loan terms is a condition of this report.

Additionally, the City of Fort Lauderdale will provide a Loan in the amount of \$1,000,000. Per the Developer the loan will be for a term of 30 years at a 0% interest rate. This Loan will be subordinated to the First Mortgage. Verification of loan terms is a condition of this report.

Affiliate Equity:

First Housing reviewed a Letter of Intent, dated August 9, 2022, between Related FATVillage Manager, LLC (“Investor”) and Related FATVillage, LLC (“Beneficiary”). The equity contribution is in an amount up to \$11,000,000. Equity will be repaid as a priority payment after the payment of deferred developer fees. The Developer does not intend to use the full amount of the proceeds. First Housing has used an equity amount of \$8,360,000 to balance the Sources.

Housing Credit Equity:

First Housing reviewed a Letter of Intent (“LOI”) dated June 10, 2023, indicating Truist will acquire 99.99% ownership interest in the Applicant. The syndication rate is anticipated to be \$0.92 per dollar. Truist anticipates a net capital contribution of \$5,581,534 and has committed to make available 50% or \$2,790,767 of the total net equity during the construction period. An additional \$2,790,767 will be available at completion and Form 8609. The first installment, in the amount of \$1,116,307 or 20%, meets the FHFC’s requirement that at least 15% of the total equity must be contributed at or prior to the closing.

Deferred Operating Deficit Reserves (“ODR”):

Based on the LOI, dated November 14, 2022, from Truist the ODR in the amount of \$583,731 will be funded from the third capital contribution, which is after the construction completion.

Deferred Costs:

First Housing has shown the Applicant will defer Tax and Insurance Escrows in the amount of \$347,036 until construction completion.

Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer is required to defer \$13,817,484 or 99.95% of allowable Developer Fee during construction.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Local HFA Note	HFABC/Grandbridge/Freddie Mac	\$37,470,000	\$55,700,000	\$55,700,000	15	40	5.71%	\$3,543,420
Regulated Mortgage Lender	Grandbridge	\$0	\$5,553,853	\$3,840,000	15	40	6.11%	\$257,081
Local Government Subsidy	Broward County	\$2,500,000	\$2,500,000	\$2,500,000	30	0	0.00%	\$0
Local Government Subsidy	City of Fort Lauderdale	\$2,500,000	\$2,500,000	\$2,500,000	N/A	N/A	N/A	N/A
Affiliate / Principal	Related FATVillage Manager, LLC	\$11,619,995	\$8,360,000	\$8,360,000	0	0	0.00%	\$0
HC Equity	Truist Community Capital, LLC	\$4,457,559	\$5,553,853	\$5,581,534	N/A	N/A	N/A	N/A
Deferred Developer Fee	Related FATVillage Developer, LLC	\$9,849,520	\$12,956,331	\$13,817,484	N/A	N/A	N/A	N/A
Total		\$68,397,074	\$93,124,037	\$92,299,018				\$3,800,501

First Mortgage:

First Housing has reviewed an application letter from Grandbridge, dated June 12, 2023, to provide a permanent loan through the Freddie Mac Tax-Exempt Loan Program. The Loan amount is \$55,700,000 and has a term of 15 years with a 40-year amortization period. Per an Index Lock Agreement, dated April 13, 2023, the interest rate on the Tax-Exempt Loan is based on an index lock of 3.41% plus a spread of 2.30% for an all-in rate of 5.71%.

Annual fees related to the Note include; an annual Fiscal Agent fee of \$3,750. The Issuer Fee is based on 18bp until the Note is paid in full at which time the fee will be \$25 per unit per year for the remaining qualified period.

Taxable Loan:

Grandbridge will also be providing a Taxable Loan in the amount of \$3,840,000 and has a term of 15 years and an amortization of 40 years. Per an Index Lock Agreement, dated April 11, 2023, the interest on the Taxable Loan is based on an index lock of 3.41% plus a spread of 2.70% for an all-in rate of 6.14%.

Broward County Loan:

According to a letter from the Broward County Housing Finance Authority, dated August 10, 2022, Broward County will provide gap financing of up to \$2,500,000 for a term of 30 years. The interest rate will be 0% payable upon maturity of the loan or upon sale of refinancing of the project, subject to the discretion of Broward County. Verification of loan terms is a condition of this report.

City of Fort Lauderdale Loan:

According to a Resolution provided by the Applicant, the Community Redevelopment Agency (“CRA”) will provide a loan from the City of Fort Lauderdale in the amount of \$1,500,000. According to the Developer the loan will be for a term of 30 years at a 0% interest rate. This Loan will be subordinated to the First Mortgage. Verification of loan terms is a condition of this report.

Additionally, the City of Fort Lauderdale will provide a Loan in the amount of \$1,000,000. Per the Developer the loan will be for a term of 30 years at a 0% interest rate. This Loan will be subordinated to the First Mortgage. Verification of loan terms is a condition of this report.

Affiliate Equity:

First Housing reviewed a Letter of Intent, dated August 9, 2022, between Related FATVillage Manager, LLC (“Investor”) and Related FATVillage, LLC (“Beneficiary”). The equity contribution is in an amount up to \$11,000,000. Equity will be repaid as a priority payment after the payment of deferred developer fees. The Developer does not intend to use the full amount of the proceeds. First Housing has used an equity amount of \$8,360,000 to balance the Sources.

Housing Credit Equity:

First Housing reviewed a LOI, dated June 10, 2023, which indicates that Truist will be admitted as the Investor Member with 99.99% ownership interest. Based on a syndication rate of \$0.92 for each \$1.00, Truist anticipates a net capital contribution of \$5,581,534 paid in of four (4) installments, as follow;

Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$1,116,307	20.00%	Will be paid at closing which shall be predicated upon admission of the Investor and Special Limited Member to the Partnership, the closing and initial funding of the loans, and receipt and approval of all due diligence requested by TCC including, without limitation, evidence of the Project's eligibility for LIHTC. In the event that any portion of Capital Contribution #1 is not needed at closing, the excess will be disbursed via a monthly draw process.
2nd Installment	\$1,674,460	30.00%	Will be paid upon 75% completion as evidenced by an architect's certification that the Project has reached the stated completion in accordance with the plans and specifications and has incurred the stated percentage of hard costs, as confirmed by TCC's construction inspector.

3rd Installment	\$2,615,910	46.87%	Will be paid upon the latest to occur of 1) 100% completion (as certified by the architect and confirmed by TCC's construction inspector), 2) receipt of all requisite certificates of occupancy, 3) receipt of a satisfactory ALTA as-built survey, 4) satisfactory radon testing, 5) evidence that the Partnership has submitted a complete application for IRS Forms 8609, 6) receipt of a copy of the final cost certification prepared by the accountants including an opinion that not less than 50% of the aggregate basis of the building and land was financed with the proceeds of tax-exempt bonds and determination of the amount of LIHTC, 7) occupancy of 93% of the units by qualified tenants (the "Qualified Occupancy Date"), 8) final closing which is inclusive of, as applicable, achievement of construction completion, repayment of construction financing in full, permanent loan closing/conversion, permanent COs, final lien waivers, cost certification, payment of all development costs, and funding of all required reserves ("Final Closing"), and 9) achievement of a debt service coverage ratio of 115% for each of three (3) consecutive calendar months immediately preceding Final Closing based on the higher of actual or underwritten expenses (as adjusted for the actual costs of insurance and taxes) and assuming a vacancy rate of equal to the greater of 7% or the actual vacancy rate (the "Stabilization Date"). This Capital Contribution #3 is sometimes referred to herein as the "Stabilization Installment". A portion of this capital contribution will be used to pay down the outstanding Construction Loan.
4th Installment	\$174,857	3.13%	Upon the later to occur of: 1) receipt of properly completed and signed IRS Forms 8609 for all buildings in the Project and 2) recording of an "extended low-income housing commitment".
Total	\$5,581,534	100.00%	

Annual Credit Per Syndication Agreement

Calculated HC Exchange Rate

Limited Partner Ownership Percentage

Proceeds Available During Construction

Deferred Developer Fee:

In order to balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$13,817,484 or approximately 99.95% of the total Developer Fee of \$13,824,482.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Rental Units	\$33,263,659	\$43,838,279	\$43,838,279	\$166,685
Off-Site Work	\$4,900,000	\$8,321,722	\$8,321,722	\$31,642
Constr. Contr. Costs subject to GC Fee	\$38,163,659	\$52,160,001	\$52,160,001	\$198,327
General Conditions	\$2,289,820	\$3,129,600	\$3,129,600	\$11,900
Overhead	\$763,272	\$1,043,200	\$1,043,200	\$3,967
Profit	\$2,289,820	\$3,129,600	\$3,129,600	\$11,900
Total Construction Contract/Costs	\$43,506,571	\$59,462,400	\$59,462,400	\$226,093
Hard Cost Contingency	\$2,175,328	\$2,973,120	\$2,973,120	\$11,305
PnP Bond paid outside Constr. Contr.	\$211,244	\$445,968	\$445,968	\$1,696
FF&E paid outside Constr. Contr.	\$250,000	\$250,000	\$250,000	\$951
Other: GC Liability Insurance	\$80,000	\$0	\$0	\$0
Total Construction Costs:	\$46,223,143	\$63,131,488	\$63,131,488	\$240,044

Notes to Construction Costs:

1. The Applicant has provided an executed construction contract, dated August 24, 2022 with a total amount of \$43,506,571. This is a Standard Form of Agreement between Related FATVillage, LLC (“Owner”) and Fortune Related Construction LLC (“Contractor”) where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price. Per the contract, substantial completion is to be achieved by no later than 22 months (670 calendar days) from the date of commencement. The Contract specifies retainage of 10% until 50% complete at which time the retainage may be reduced to 5%. An addendum, dated November 28, 2022 was also provided for review which included a change order that increased the construction contract to \$59,462,400.
2. The General Contractor’s Fee is equal to 14% of hard costs less the hard costs contingency. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process.
3. Hard cost contingency is 5% of total construction costs, which is the maximum allowed for new construction developments.
4. The Applicant has budgeted for the cost of a Payment and Performance Bond to secure the construction contract.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	\$50,000	\$50,000	\$50,000	\$190
Appraisal	\$15,000	\$15,000	\$15,000	\$57
Architect's Fee - Site/Building Design	\$807,500	\$1,107,500	\$1,107,500	\$4,211
Architect's Fee - Supervision	\$142,500	\$142,500	\$142,500	\$542
Building Permits	\$667,864	\$912,800	\$912,800	\$3,471
Builder's Risk Insurance	\$349,752	\$751,177	\$751,177	\$2,856
Engineering Fees	\$100,000	\$100,000	\$100,000	\$380
Environmental Report	\$20,000	\$20,000	\$20,000	\$76
FHFC Administrative Fees	\$43,611	\$54,337	\$54,607	\$208
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$11
FHFC Credit Underwriting Fee	\$13,455	\$13,455	\$13,455	\$51
FHFC Compliance Fee	\$122,414	\$107,000	\$125,493	\$477
Impact Fee	\$585,000	\$789,000	\$789,000	\$3,000
Lender Inspection Fees / Const Admin	\$45,000	\$45,000	\$45,000	\$171
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$50,000	\$50,000	\$190
Insurance	\$543,832	\$743,280	\$743,280	\$2,826
Legal Fees - Organizational Costs	\$405,000	\$405,000	\$405,000	\$1,540
Market Study	\$10,400	\$15,000	\$14,900	\$57
Marketing and Advertising	\$250,000	\$250,000	\$250,000	\$951
Plan and Cost Review Analysis	\$4,400	\$15,000	\$4,400	\$17
Survey	\$35,000	\$35,000	\$35,000	\$133
Title Insurance and Recording Fees	\$286,227	\$466,900	\$466,900	\$1,775
Utility Connection Fees	\$390,000	\$526,000	\$526,000	\$2,000
Soft Cost Contingency	\$246,997	\$334,221	\$331,250	\$1,260
Total General Development Costs:	\$5,186,952	\$6,951,170	\$6,956,262	\$26,450

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Credit Underwriting, Market Study, and Plan and Cost Review ("PCR").
3. The FHFC Compliance Fee of \$125,493 is based on the compliance fee calculator spread sheet provided by FHFC.
4. The FHFC Administrative Fee is based on 9% of the expected annual housing credit allocation.
5. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the soft cost contingency.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Origination Fee	\$194,500	\$251,131	\$278,500	\$1,059
Construction Loan Interest	\$3,790,416	\$4,168,864	\$4,334,498	\$16,481
Permanent Loan Application Fee	\$0	\$55,700	\$55,700	\$212
Permanent Loan Commitment Fee	\$131,145	\$626,625	\$626,625	\$2,383
Permanent Loan Origination Fee	\$281,025	\$278,500	\$278,500	\$1,059
Local HFA Note Application Fee	\$500	\$500	\$500	\$2
Local HFA Note Underwriting Fee	\$16,009	\$16,545	\$33,009	\$126
Local HFA Note Fiscal Agent Fee	\$25,375	\$12,250	\$9,375	\$36
Local HFA Note Cost of Issuance	\$263,400	\$368,500	\$538,575	\$2,048
Local HFA Legal - Issuer's Counsel	\$98,625	\$127,500	\$0	\$0
Local HFA Legal - Lender's Counsel	\$192,500	\$0	\$0	\$0
Legal Fees - Financing Costs		\$247,500	\$247,500	\$941
Placement Agent/Underwriter Fee	\$35,000	\$35,000	\$0	\$0
Other: Annual Administrative Fee	\$236,061	\$200,520	\$250,650	\$953
Other: Syndicator Due Diligence	\$50,000	\$50,000	\$50,000	\$190
Other: Lender Mis. Costs	\$0	\$11,500	\$11,500	\$44
Total Financial Costs:	\$5,314,556	\$6,450,635	\$6,714,932	\$25,532
Dev. Costs before Acq., Dev. Fee & Reserves	\$56,724,651	\$76,533,293	\$76,802,682	\$292,025

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is based on 0.50% of the construction loan amount according to the Chase term sheet, dated June 9, 2023.
2. First Housing's estimated Construction Loan Interest is based on an interest rate of 5.09% on the Tax-Exempt Loan based on a 2.5 year term and 8.31% for the Taxable Loan based on a 14 month term both based on an outstanding balance of 56%.
3. Permanent Loan Commitment Fee is based on 0.10% of the loan amount per year for the period of the construction term as outlined in the letter from Grandbridge, dated June 12, 2023.
4. Permanent Loan Origination Fee is based on the 0.50% of the Loan amount as outlined in the letter from Grandbridge, dated June 12, 2023.
5. First Housing included an Annual Issuer Fee of 0.18% of the MMRN, for 2.5 years.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

- The Development is new construction, non-land acquisition costs do not apply.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$10,210,437	\$13,448,037	\$13,824,482	\$52,565
Total Other Development Costs:	\$10,210,437	\$13,448,037	\$13,824,482	\$52,565

Notes to the Other Development Costs:

- The recommended Developer's Fee is equal to the maximum 18% of total development cost before Developer Fee, Operating Reserves and land costs.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land Lease Payment	\$300,000	\$300,000	\$300,000	\$1,538
Other: predevelopment Lease Payment	\$0	\$150,000	\$150,000	\$769
Total Acquisition Costs:	\$300,000	\$450,000	\$450,000	\$2,308

Notes to the Land Acquisition Costs:

- First Housing reviewed a Ground Lease, dated December 12, 2017 between Broward County, (“Landlord”) and Related FATVillage, LLC (“Tenant”). A non-refundable \$25,000 plus an additional \$275,000 shall be required as an initial capital lease payment. The Ground Lease will be for a period of 60 years commencing on the lease date. Tenant shall make an Annual Base Rent payment of \$25,000. A First Amendment to Ground Lease Agreement was reviewed, dated February 11, 2020 extending the terms of the lease from 60 years to 75 years. A Second Amendment to Ground Lease Agreement was reviewed, dated December 29, 2020 extending the deadline for the Commencement Date until March 31, 2021. A Third Amendment to Ground Lease Agreement was reviewed, dated October 12, 2021 extending the deadline for the Commencement Date until June 30, 2022. A modification is in process extending the closing requirement to October 31, 2022. The base rent payment of \$100,000 per annum, increasing 3% each year, will become payable out of available cash flow after the payment of debt service under the first mortgage. Any base payments, or portion thereof, not made each year will be added to the base payments due the following year but will remain payable out of available cash flow. The additional rent payment of 25% of net cash flow payable each year, less the base rent payment will not be due until the partnership equity contributed to capitalize the deal has been repaid in full. This does not apply to the tax credit equity contributions. All deferred developer fees paid will be treated as repayment of equity.

2. Predevelopment Lease Payment of \$150,000 is comprised of lease payments of \$50,000 to be made for the 3 years through stabilization.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserve (Syndicator)	\$437,862	\$583,731	\$583,731	\$2,220
Replacement Reserves (Syndicator)	\$58,500	\$0	\$0	\$0
Reserves - Working Capital	\$250,000	\$250,000	\$250,000	\$951
Other: Tax and Insurance Escrow	\$265,624	\$388,123	\$388,123	\$1,476
Total Reserve Accounts:	\$1,011,986	\$1,221,854	\$1,221,854	\$4,646

Notes to Reserve Accounts:

1. According to the LOI, dated June 10, 2023 from Truist the syndicator will be requiring an ODR in the amount of \$583,731 to be funded from the third capital contribution. At the end of the Compliance Period, any remaining balance of the Operating Reserve less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay HFABC debt; if there is no HFABC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding HFABC fees. If any balance is remaining in the Operating Reserve after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Accounts cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the Operating Reserve must be acceptable to HFABC, its Servicer and its legal counsel.
2. A lease up reserve was budgeted by the Developer to cover operating cash flow shortfalls during lease-up.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	\$68,397,074	\$91,653,184	\$92,789,570	\$352,812

Notes to Total Development Costs:

1. Total Development Costs have increased a total of \$23,901,944 from \$68,397,074 to \$92,299,018 or 34.9% since the Application. This change is mainly due to an increase construction costs and financial costs.

Operating Pro Forma - The Gallery at FATVillage

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$6,907,752	\$26,265
	Other Income				
	Miscellaneous			\$466,326	\$1,773
	Gross Potential Income			\$7,374,078	\$28,038
	Less:				
	Physical Vac. Loss	Percentage:	4.00%	\$294,963	\$1,122
	Collection Loss	Percentage:	1.00%	\$73,741	\$280
Total Effective Gross Income			\$7,005,374	\$26,636	
EXPENSES:	Real Estate Taxes			\$750,338	\$2,853
	Insurance			\$401,075	\$1,525
	Variable:				
	Management Fee	Percentage:	4.00%	\$280,215	\$1,065
	General and Administrative			\$92,050	\$350
	Payroll Expenses			\$368,200	\$1,400
	Utilities			\$105,200	\$400
	Marketing and Advertising			\$131,500	\$500
	Maintenance and Repairs/Pest Control			\$223,550	\$850
	Reserve for Replacements			\$78,900	\$300
Total Expenses			\$2,431,028	\$9,243	
Net Operating Income			\$4,574,346	\$17,393	
Debt Service Payments					
First Mortgage -HFABC/ Grandbridge/Freddie Mac			\$3,543,420	\$13,473	
Second Mortgage - Grandbridge			\$257,081	\$977	
Third Mortgage - Broward County			\$0	\$0	
Fourth Mortgage - City of Ft. Lauderdale			\$0	\$0	
First Mortgage Fees -HFABC/Grandbridge/Freddie Mac			\$103,650	\$394	
Total Debt Service Payments			\$3,904,150	\$14,845	
Cash Flow after Debt Service			\$670,196	\$2,548	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.25x		
DSC - Second Mortgage plus Fees			1.17x		
DSC - Third Mortgage plus Fees			1.17x		
DSC - Fourth Mortgage plus Fee			1.17x		
Financial Ratios					
Operating Expense Ratio			34.70%		
Break-even Economic Occupancy Ratio (all debt)			86.11%		

*Ground lease payments have not been added to the proforma as rent payments are payable out of available after the payment of debt service under the first mortgage. Any base payments, or portion thereof, not made each year will be added to the base payments due the following year but will remain payable out of available cash flow. The additional rent payment of 25% of net cash flow payable each year, less the base rent payment will not be due until the partnership equity contributed to capitalize the deal has been repaid in full. This does not apply to the tax credit equity contributions. All deferred developer fees paid will be treated as repayment of equity.

Notes to the Operating Pro Forma and Ratios:

1. Below is the rent roll for the Development. The rent levels are based on the 2023 maximum LIHTC rents published on FHFC’s website for Broward County less the applicable utility allowances. Utility allowances are subject to FHFC approval. Below is the rent roll for the Development:

Broward County (Fort Lauderdale HMFA)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	10	499	50%			\$840	\$101	\$ 739		\$ 739	\$ 739	\$ 739	\$ 88,680
0	1.0	17	499	120%			\$2,016		\$ 2,016		\$ 2,016	\$ 2,016	\$ 2,016	\$ 411,264
0	1.0	19	499	MKT							\$ 2,150	\$ 2,150	\$ 2,150	\$ 490,200
1	1.0	28	684	50%			\$900	\$123	\$ 777		\$ 777	\$ 777	\$ 777	\$ 261,072
1	1.0	51	684	120%			\$2,160		\$ 2,160		\$ 2,160	\$ 2,160	\$ 2,160	\$ 1,321,920
1	1.0	59	684	MKT							\$ 2,600	\$ 2,600	\$ 2,600	\$ 1,840,800
2	2.0	15	1,075	50%			\$1,080	\$170	\$ 910		\$ 910	\$ 910	\$ 910	\$ 163,800
2	2.0	29	1,075	120%			\$2,592		\$ 2,592		\$ 2,592	\$ 2,592	\$ 2,592	\$ 902,016
2	2.0	35	1,075	MKT							\$ 3,400	\$ 3,400	\$ 3,400	\$ 1,428,000
		263	202,271											\$ 6,907,752

2. First Housing has included vacancy and collection loss at a total of 5.00%, which is more conservative than the Appraisal which used a vacancy and collection loss rate of 4.5%.
3. The Ancillary Income category includes parking of \$315,600 (263 spaces at \$100 per month) and Miscellaneous Income includes application fees, storage rental, cable, telephone, late fees, damage income, cancellation fees, bad debt recoveries, pet fees, and NSF fees. Also included in Miscellaneous income is \$50,000 for retail income, which equates to \$20.00 per square foot (2,500 square foot of ground floor retail space). The Appraiser considers this achievable and market oriented.
4. Based upon operating data from comparable properties, third-party reports (Market Study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
5. The Applicant has submitted a Property Management Agreement, which reflects a management fee of 3% with a minimum of \$5,000 per month. Additionally, a compliance reporting fee of \$5 per unit per month will be paid from available cash flow. First Housing has based the management fee on 4% which is supported by the Appraisal.
6. The Owner will be responsible for common area electric, water, sewer and trash collection, with tenants responsible for in-unit electric and cable.

7. Replacement Reserves of \$300 per unit per year are required by FHFC. Based on the LOI, dated June 10, 2023 from Truist the Replacement Reserve deposits will increase at 3% annually.
8. First Mortgage Fees include Issuer Fee of 18bp of the principal balance of the Note and a Fiscal Agent Fee of \$3,750.
9. Refer to Exhibit 1, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

Section B

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Site Inspection: First Housing completed a site inspection on April 29, 2022. The Development is surrounded by apartments. The Development is located on the east side of North Andrews Avenue, the north side of NE 6th Street, and the west side of NE 1st Avenue. The Development is located within close proximity to the downtown Fort Lauderdale with access to roads and commercial services.

Appraisal: First Housing has reviewed an Appraisal Report for the Development, dated June 1, 2023, with an effective date of April 24, 2023. The Appraisal was prepared by Walter Duke. Based on the report, the Market Value (“As Is”) leasehold value was \$4,090,000. The hypothetical leasehold market value “As If Stabilized” as is market is \$134,660,000. The hypothetical leasehold market value “As If Stabilized” restricted is \$99,660,000. The Appraisal was executed by Walter Bryan Duke, III State Certified General Real Estate Appraiser Florida License Number RZ375, which expires November 30, 2024.

Market Study: Meridian prepared a Market Study for The Gallery at FATVillage, dated December 2, 2022. Upon completion, the Development will offer two hundred sixty three (263) apartment units within one 12 story apartment building with structured garage parking. The proposed Development will be on a 1.171-acre site. Unit amenities will include full appliance package with stainless steel appliances, balconies and high-speed internet. Common area amenities will include swimming pool, gym, sun deck, gathering room, elevators, and leasing offices. The unit mix is typical of other recently constructed affordable high rise towers. The development will offer a competitive mix of project and unit amenities and should be well received in the market.

The Development is located at 600 North Andrews Avenue, Fort Lauderdale, Broward County, Florida. The Development has access from one point along the north side of NE 6th Street. The Development has frontage along the east side of North Andrews Avenue and the north side of NE 6th Street and the west side of NE 1st Avenue. The layout of the site and improvements provide for good access and visibility and is well suited for multi-family development.

The Development's site is located in Broward County in the South Florida Regional Area in the southern portion of Florida. The region has a total population of 6,302,266 people, 2,364,010 total households and has an average household size of 2.63 people. The region is comprised of the City of Fort Lauderdale Apartment Market and has a total a 2022 population of 149,417 with 67,599 households and an average household size of 2.16 people. The average household income is \$109,152. As of July 2022, the unemployment rate was 3.5% for the nation, 2.7% in Florida, and 2.9% in Broward County.

The Region is served by three international airports, the Miami International Airport located in Miami/Dade County, the Palm Beach County and the Fort Lauderdale/Hollywood International Airport in Broward County and Miami International Airport located in Palm Beach County. The region also has three ports including the Port of Miami, the Port of Palm Beach and Port Everglades next to the Fort Lauderdale/Hollywood International Airport.

The Fort Lauderdale multi-family vacancy rate has trended lower over the past few quarters, as demand has surged throughout the region. The Central Fort Lauderdale apartment submarket has improved dramatically over the past few quarters.

The Development is located in downtown Fort Lauderdale with an excellent network of roads and commercial services. Employment centers are nearby, and significant development has been recently completed, under construction and proposed within the neighborhood. Throughout the neighborhood is Interstate 95 a 10 lane divided highway with interchanges at Interstate 595, Sterling Road, Sheridan Street, Hollywood Pines Boulevard and Pembroke Road. Surrounding development including multifamily uses, primarily low-income housing for senior and family residents.

The Primary Market Area ("PMA") is defined as a 10-mile radius surrounding the Development. The Market Analyst surveyed and analyzed both family LIHTC developments and market rate developments.

The Development's CMA, or sub-market, for the purpose of determining a like-kind inventory of competitive units in the Occupancy Analysis, consists of six like-kind existing properties with

a total of 836 units. These properties are Progresso Point, Wisdom Village Crossing, Eclipse West, Dixie Court, Northwest Gardens III and Venice Cove. Meridian is of the opinion that due to the current occupancy rates and shadow market supply from condo and single family rentals that demand in Broward County apartment market is limited to sub-markets with high occupancy rates. Occupancy rates in the like kind properties in the CMA ranged from 97% - 100%. The Development will offer a competitive mix of unit and project amenities and should be well received in the market.

The Development's Capture Rates ("CR") within a 3-mile radius for the 50% AMI income band is 2.7% and for the over 120% AMI it is 4.9%. The Development's 3-mile Capture Rates suggests the size of the Development is appropriate relative to the number of income-qualified renter households.

The Market Analyst anticipates an average absorption of 40 units per month. This equates to a total absorption period of approximately 4.9 months.

Meridian performed a search for Guarantee Funded developments. As of the effective date of the Market Study, there are no Guarantee Fund projects located within the PMA or CMA.

The weighted average occupancy within the Development's Competitive Market Area for like kind properties is 99.6%, which meets the FHFC requirement that the submarket must have an average physical occupancy rate of 92% or greater.

Based on FHDC's calculations, the Development's average market rents (according to the market study) will have a rent averaging 239% when compared to the Development's gross 60% AMI 2023 LIHTC rents.

Environmental Report: Global Realty Services Group ("GRS") prepared a Phase I Environmental Site Assessment ("ESA") dated August 8, 2022. The Phase I ESA was completed in conformance with the scope and limitations of ASTM Practice E 1527-13.

The ESA revealed no evidence of recognized environmental conditions in connection with the site. GRS did identify three

monitoring wells in the southwest portion of the property. The wells appear to be temporary groundwater monitoring wells. GRS recommends that these wells be abandoned. Per the Developer this will be done as part of construction.

Soil Test Report:

First Housing reviewed a Geotechnical Engineering Report, dated January 12, 2022 from NV5, Inc. for the foundation design and construction of The Gallery at FATVillage. The site will be developed with a mixed-use structure comprising a 12-level residential tower. The tower will be L-shaped and will rise above the podium along North Andrews Avenue and NE 6th Street for the entire length of those site borders, having a width of about 60 feet on both legs of the “L” shaped structure. No basements are planned for the project.

The subsurface conditions were explored with 15 engineering test borings performed in two mobilizations. Sampling was performed using a Standard Penetration Test split-spoon sampler (SPT) in accordance with ASTM D-1586. It was determined that the layers of sand were considered within the parameters pertinent to the design of project foundations.

The engineer recommended for footings in the northwestern and southwestern corners of the site, the treatment should extend to the top of the Layer 3 limestone, but should in no case be less than 43 feet below the currently existing grade. For the balance of the project, one probe should extend 43 feet for every isolated footing and one probe for every 50 linear feet of wall footing.

Footings should bear at a minimum depth of 24 inches below lowest adjacent grade. NV5 recommended performing a load test after VSC. The test should be performed in either the northwestern or southwestern corner of the site. The test footing should be at least 6 feet square, and should be tested to twice the allowable bearing capacity. The footing should not be installed in a production footing location. NV5 should review and approve the contractor’s load testing submittal with respect to test location, test footing installation, and load testing equipment and procedures. NV5 should also monitor and report the results of footing installation and load testing.

Plan and Cost Review: First Housing reviewed a Plan and Cost Review (“PCA”), dated December 12, 2022 by GRS. The proposed Development includes one 16-story high-rise residential apartment building with a total of 422,482 GSF. The apartment includes 46 studio/one-bath units, 138 one-bedroom/one-bathroom units, and 79 two-bedroom/two-bathroom units, with a total of 202,287 NRA. The total project will provide a total of 263 dwelling units plus a leasing office, mail room, package room, club room, health club, swimming pool, bicycle storage and retail which will be built on a site of approximately 1.1708 acres. A total of 273 parking spaces will be provided including 12 ADA spaces.

GRS was provided with a Standard Form of Agreement between Owner and Contractor (AIA Document A102-2017), dated August 24, 2022, (and Addendum, dated November 28, 2022) where the basis of payment is the Cost of Work Plus a Fee with a Guaranteed Maximum Price (“GMP”) of \$59,462,400, which reflects a cost of \$194.98 per square foot. The Contractor’s Schedule of Values does not include a hard cost contingency; however, the Developer’s proforma was provided and includes a five percent (5%) hard cost contingency. It is GRS’s opinion that the Developer’s overall project budget is comparable to similar multi-family development construction renovation costs and can be representative of expected costs for a property development in the given geographic location.

According to the provided schedule plan, 22 months are being allowed for completion of the Development construction to Substantial Completion. It is GRS Group’s opinion that the 22-month construction period allocation is considered realistic and achievable for construction of the new residential apartment development.

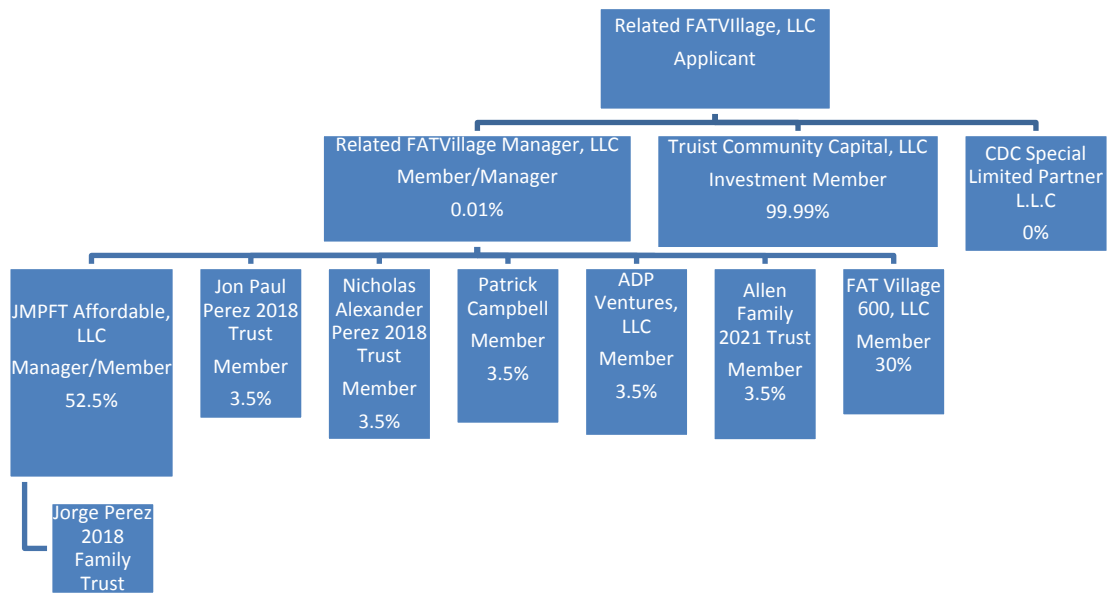
First Housing received an email, dated June 12, 2023, confirming the pool will contain a chair lift or ramp.

ADA Accessibility Review: Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 certifying that the plans for the Development comply with these requirements have been received.

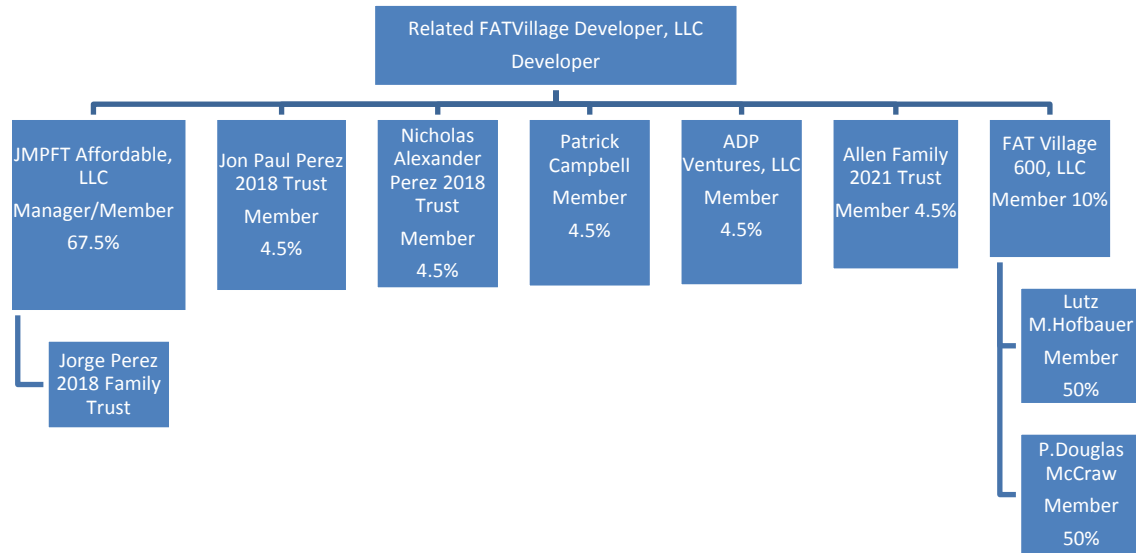
Applicant Information

Applicant: Related FATVillage, LLC
Type: A Florida Limited Liability Company
FEI#: 37-1

Ownership Structure:



Developer
Structure:



The Applicant was formed on July 20, 2016, to construct, own and operate the Development. First Housing verified that the Applicant and Manager have active status in Sunbiz. The Developer is Related FATVillage Developer, LLC.

Contact Person: Tony Del Pozzo
The Related Group
2850 Tigertail Avenue Suite 800
Miami, Florida 33133
(305) 460-9900 Telephone
tony@relatedgroup.com

Experience: The Applicant, Manager, and Developer were created to construct, own, and operate the Development, but have no development experience. The development experience lies within the principals of the Applicant/Developer.

The Related Group (“Related”) is one of the country’s premier multifamily real estate development firms. For more than 30 years, Related has created innovative residential developments that have dramatically changed Florida’s urban landscape. While The Related Group is best known for its luxury high-rise developments and

visionary mixed-use urban centers, the company has been at the forefront of affordable housing development and the revitalization of urban communities since its inception. Making his mark initially in the rehabilitation of multifamily properties in Little Havana and the HUD Section 8 programs, Mr. Perez and The Related Group went on to become one of the nation's leading developers of low income rental properties with financing attained through tax exempt bonds and low income housing tax credits. His attention to detail and commitment to creating quality living environments distinguished him within the marketplace. Through his ownership in Related Affordable Housing, The Related Companies of Florida and The Related Group of Florida, Mr. Perez has developed rehabilitated and managed over 15,000 affordable housing units in his illustrious career. Though he has been a successful developer of mixed-use and condominium developments, Mr. Perez never lost his passion to provide high quality affordable housing.

Prior to joining Related, Nicholas Perez lived in New York and spent eight years establishing his career in real estate development. From 2013-2017 he has been involved with the Related Companies where he focused on rental and condominium development across a wide spectrum of properties in the New York area including 261 Hudson and 15 Hudson Yards. Nicholas has been involved in all facets of the firm, including the condominium, international development, market-rate rental and affordable housing divisions. His responsibilities include overseeing the day-to-day operations of various marquee rental and condominium developments throughout South Florida, as well as working alongside senior executives to identify new business opportunities, partnerships, development techniques and more. In addition, Nicholas sits on the Executive Committee and takes part in its monthly board meetings at which various heads discuss all aspects of the company, including the 70+ projects currently under development worldwide.

Credit Evaluation: First Housing reviewed a satisfactory Dun and Bradstreet (“D&B”) reports for PRH Investments, LLC, dated April 28, 2023. First Housing also reviewed satisfactory D&B reports for JMPFT Affordable, LLC, Related FATVillage, LLC, Related FATVillage Developer, LLC and Related FATVillage Manager, LLC, dated May 17, 2023. First Housing reviewed a satisfactory D&B report for FATVillage 600, LLC, dated May 17, 2023.

First Housing reviewed a satisfactory credit report for Nicholas Perez, dated May 4, 2023.

Bank and Trade References: First Housing received statements indicating Related FATVillage, LLC, Related FATVillage Manager, LLC, Related FATVillage Developer, and FAT Village 600, LLC are single-purpose entities and at this time do not have any bank or trade references. First Housing received a statement that JMPFT Affordable, LLC is a newly formed entity and at this time does not have any bank or trade references.

Financial Statements
and Contingent
Liabilities:

The Applicant, Manager, Developer are all single purpose entities; therefore, tax returns and financials were not available. First Housing received a statement that JMPFT Affordable LLC is a newly formed entity and at this time does not have any financials or tax returns available. First Housing received a statement that FAT Village 600, LLC is a newly formed entity and at this time does not have any financials or tax returns available. First Housing received reviewed the following satisfactory financial statements:

PRH Investments, LLC and Subsidiaries Consolidated Statements of Financial Position September 30, 2022	
Cash & Cash Equivalents	\$37,223,000
Total Assets	\$1,280,747,000
Total Liabilities	\$875,582,000
Total Equity	\$407,165,000

First Housing also received a statement, dated March 16, 2023, confirming that the financials dated September 30, 2022 for PRH Investments, LLC are the most recently prepared statements available. Additionally, the letter certifies that there have been no material adverse change in the condition of affairs of PRH Investments, LLC. First Housing received a statement indicating PRH Investments, LLC is a tax disregarded, as it is ultimately owned by Perez Ross Holdings LLC. Based on a schedule, dated as of December 31, 2021, PRH Investments, LLC has contingent liabilities in the amount of approximately \$331,667,475. First Housing received a statement of no material adverse change dated April 11, 2023.

Nicholas Perez Unaudited Statement of Financial Condition March 31, 2023	
Cash	\$778,000
Total Assets	\$3,715,000
Total Liabilities	\$1,080,000
Total Equity	\$2,635,000

First Housing received 2020 and 2021 joint tax returns for Nicholas Perez and Kastyn Perez.

Summary: Based upon its review of the Financial Statements, Schedule of Contingent Liabilities, and provided Real Estate Owned Schedules, First Housing concludes that the principals of the Applicant and Developer have the requisite financial strength to construct and operate the Development.

Syndication Information

Syndicator Name: Truist Community Capital, LLC

Contact Person: Lauren Kew
 Vice President
 303 Peachtree St. Suite 2200
 Atlanta, GA 30303
 (678) 793-6397 Telephone
Lauren.kew@truist.com

Experience: Truist is a wholly owned subsidiary of Truist Bank. Truist specializes in financing the development and preservation of affordable housing and community development initiatives. Truist works with for-profit and not-for-profit affordable housing developers and organizations focused on community development and job creation, as well as tax credit syndicators, community development entities, small business investment companies, housing authorities, housing finance agencies and other community improvement focused entities. The team of Truist bankers brings financial and industry expertise, along with the banking players of Truist Bank and its cash management solutions, capital markets advice and interest-rate-hedging.

Financial Statements: First Housing reviewed a Form 10-K for Truist Financial Corporation which is summarized below. Truist Community Capital, LLC is a subsidiary of Truist Financial Corporation.

Truist Financial Corporation and Subsidiaries Consolidated Balance Sheet (Dollars in millions) December 31, 2022	
Cash and Cash Equivalents	\$5,379
Total Assets	\$555,255
Total Liabilities	\$494,718
Equity	\$60,537

Summary:

Truist has the experience and financial strength to serve as the syndicator for this Development.

General Contractor Information

General Contractor: Fortune Related Construction, LLC

Type: A Florida Limited Liability Company

Contact: George Lage
(Florida Certified General Contractor
License Number CGC1531620, valid through August 31, 2024)
2850 Tigertail Avenue
Miami, Florida 33133
(305) 460-9900
George.lage@relatedgroup.com

Experience: Fortune Related Construction is a general contracting and construction management company that specializes in multifamily residential and mixed-use projects. Fortune Related Construction was formed in 2021 and is the successor entity to Fortune Construction Company (“Fortune”). The experience of this newly formed entity is based in Fortune Urban Construction which was established in December 1992 and has been involved with the development of more than 5,000 units throughout the State of Florida.

Bank and Trade

References: First Housing has received a satisfactory bank statement for Fortune Related Construction LLC. Trade references were received for Fortune Urban Construction LLC.

Financial

Statements: First Housing has received and reviewed unaudited financial statements as summarized below. Receipt of updated financials is a condition of this report.

Fortune Construction Company LLP and Fortune Related Construction, LLC Combined Balance Sheet December 31, 2022	
Cash and Cash Equivalents	\$3,865,702
Total Assets	\$35,506,654
Total Liabilities	\$31,010,325
Total Equity	\$4,496,329

Summary:

FHDC recommends that Fortune Related Construction, LLC be accepted as the General Contractor for the construction of this Development based on its experience and financial strength. Additionally, a 100% Payment and Performance Bond will be provided.

Property Manager Information

Management Company:	TRG Management Company LLP
FEI:	65-0740253
Contact:	Marilyn Pascual Division President 2200 North Commerce Parkway, Suite 100 Weston, FL 33326 (305) 442-8628 Telephone Mpascual@relatedgroup.com
Experience:	<p>TRG was formed in 1984 to primarily manage various forms of multi-family housing. Since its inception, the company has been identified as a leader in the real estate management business in Florida having managed more than 70,000 units.</p> <p>Currently, TRG Management has more than 80 properties in the company's portfolio and has become a fully integrated organization. Efficient operational systems and a decentralized organizational structure allow for fast and efficient decision making with maximum upper management control. TRG's innovative management programs and effective support system have made the firm a recognized industry leader.</p>
Management Agreement:	Per a Management Agreement, a management fee of 3% per month with a minimum of \$5,000 will be collected. Additionally, a compliance reporting fee of \$5.00 per unit per month for affordable units (39), which is payable out of available cash flow.
Management Plan:	The Applicant has submitted a Management Plan which outlines the various policies and procedures to be implemented in managing the subject Development.
Summary:	TRG Management has an acceptable amount of experience in the management of affordable multifamily housing.

15 Year Pro Forma – The Gallery at FATVillage

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$6,907,752	\$7,045,907	\$7,186,825	\$7,330,562	\$7,477,173	\$7,626,716	\$7,779,251	\$7,934,836	\$8,093,532	\$8,255,403	\$8,420,511	\$8,588,921	\$8,760,700	\$8,935,914	\$9,114,632
	Other Income															
	Miscellaneous	\$466,326	\$475,653	\$485,166	\$494,869	\$504,766	\$514,862	\$525,159	\$535,662	\$546,375	\$557,303	\$568,449	\$579,818	\$591,414	\$603,242	\$615,307
	Gross Potential Income	\$7,374,078	\$7,521,560	\$7,671,991	\$7,825,431	\$7,981,939	\$8,141,578	\$8,304,410	\$8,470,498	\$8,639,908	\$8,812,706	\$8,988,960	\$9,168,739	\$9,352,114	\$9,539,156	\$9,729,939
	Less:															
	Physical Vac. Loss Percentage: 4.00%	\$294,963	\$300,862	\$306,880	\$313,017	\$319,278	\$325,663	\$332,176	\$338,820	\$345,596	\$352,508	\$359,558	\$366,750	\$374,085	\$381,566	\$389,198
	Collection Loss Percentage: 1.00%	\$73,741	\$75,216	\$76,720	\$78,254	\$79,819	\$81,416	\$83,044	\$84,705	\$86,399	\$88,127	\$89,890	\$91,687	\$93,521	\$95,392	\$97,299
	Total Effective Gross Income	\$7,005,374	\$7,145,482	\$7,288,391	\$7,434,159	\$7,582,842	\$7,734,499	\$7,889,189	\$8,046,973	\$8,207,912	\$8,372,071	\$8,539,512	\$8,710,302	\$8,884,508	\$9,062,198	\$9,243,442
	EXPENSES:	Fixed:														
		Real Estate Taxes	\$750,338	\$772,848	\$796,034	\$819,915	\$844,512	\$869,847	\$895,943	\$922,821	\$950,506	\$979,021	\$1,008,392	\$1,038,643	\$1,069,803	\$1,101,897
Insurance		\$401,075	\$413,107	\$425,500	\$438,265	\$451,413	\$464,956	\$478,905	\$493,272	\$508,070	\$523,312	\$539,011	\$555,182	\$571,837	\$588,992	\$606,662
Variable:																
Management Fee Percentage: 4.00%		\$280,215	\$285,819	\$291,536	\$297,366	\$303,314	\$309,380	\$315,568	\$321,879	\$328,316	\$334,883	\$341,580	\$348,412	\$355,380	\$362,488	\$369,738
General and Administrative		\$92,050	\$94,812	\$97,656	\$100,586	\$103,603	\$106,711	\$109,913	\$113,210	\$116,606	\$120,104	\$123,708	\$127,419	\$131,241	\$135,179	\$139,234
Payroll Expenses		\$368,200	\$379,246	\$390,623	\$402,342	\$414,412	\$426,845	\$439,650	\$452,840	\$466,425	\$480,417	\$494,830	\$509,675	\$524,965	\$540,714	\$556,936
Utilities		\$105,200	\$108,356	\$111,607	\$114,955	\$118,404	\$121,956	\$125,614	\$129,383	\$133,264	\$137,262	\$141,380	\$145,621	\$149,990	\$154,490	\$159,124
Marketing and Advertising		\$131,500	\$135,445	\$139,508	\$143,694	\$148,004	\$152,445	\$157,018	\$161,728	\$166,580	\$171,578	\$176,725	\$182,027	\$187,489	\$193,112	\$198,906
Maintenance and Repairs/Pest Control		\$223,550	\$230,257	\$237,164	\$244,279	\$251,607	\$259,156	\$266,930	\$274,938	\$283,186	\$291,682	\$300,433	\$309,445	\$318,729	\$328,291	\$338,139
Reserve for Replacements	\$78,900	\$81,267	\$83,705	\$86,219	\$88,803	\$91,467	\$94,211	\$97,037	\$99,948	\$102,947	\$106,035	\$109,216	\$112,493	\$115,867	\$119,343	
Total Expenses	\$2,431,028	\$2,501,157	\$2,573,333	\$2,647,618	\$2,724,073	\$2,802,762	\$2,883,751	\$2,967,108	\$3,052,902	\$3,141,206	\$3,232,093	\$3,325,640	\$3,421,925	\$3,521,029	\$3,623,035	
Net Operating Income	\$4,574,346	\$4,644,325	\$4,715,058	\$4,786,541	\$4,858,770	\$4,931,737	\$5,005,438	\$5,079,865	\$5,155,010	\$5,230,865	\$5,307,419	\$5,384,662	\$5,462,583	\$5,541,169	\$5,620,407	
Debt Service Payments																
First Mortgage - HFABC/ Grandbridge/Freddie Mac	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420	\$3,543,420
Second Mortgage - Grandbridge	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081	\$257,081
Third Mortgage - Broward County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - City of Ft. Lauderdale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - HFABC/Grandbridge/Freddie Mac	\$103,650	\$102,958	\$102,226	\$101,450	\$100,630	\$99,761	\$98,841	\$97,868	\$96,837	\$95,746	\$94,590	\$93,368	\$92,073	\$90,703	\$89,252	
Total Debt Service Payments	\$3,904,150	\$3,903,459	\$3,902,726	\$3,901,951	\$3,901,130	\$3,900,261	\$3,899,342	\$3,898,368	\$3,897,337	\$3,896,246	\$3,895,091	\$3,893,868	\$3,892,574	\$3,891,203	\$3,889,752	
Cash Flow after Debt Service	\$670,196	\$740,866	\$812,332	\$884,590	\$957,639	\$1,031,476	\$1,106,097	\$1,181,497	\$1,257,673	\$1,334,618	\$1,412,328	\$1,490,794	\$1,570,009	\$1,649,966	\$1,730,655	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.40	1.42	1.44	1.46	1.48	1.50	1.52	1.55	
DSC - Second Mortgage plus Fees	1.17	1.19	1.21	1.23	1.25	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.42	1.44	
DSC - Third Mortgage plus Fees	1.17	1.19	1.21	1.23	1.25	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.42	1.44	
DSC - Fourth Mortgage plus Fee	1.17	1.19	1.21	1.23	1.25	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.42	1.44	
DSC - All Mortgages and Fees	1.17	1.19	1.21	1.23	1.25	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.42	1.44	
Financial Ratios																
Operating Expense Ratio	34.70%	35.00%	35.31%	35.61%	35.92%	36.24%	36.55%	36.87%	37.19%	37.52%	37.85%	38.18%	38.52%	38.85%	39.20%	
Break-even Economic Occupancy Ratio (all debt)	86.11%	85.35%	84.61%	83.90%	83.20%	82.53%	81.88%	81.25%	80.64%	80.06%	79.49%	78.94%	78.41%	77.90%	77.41%	

50% Test

Tax-Exempt Note Amount	\$55,700,000
Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Note Amount	\$55,700,000
Total Depreciable Cost	\$79,091,119
Plus Land Cost	\$450,000
Aggregate Basis	\$79,541,119
Net Tax-Exempt Note to Aggregate Basis Ratio	70.03%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

DEVELOPMENT

NAME: The Gallery at FATVillage

DATE: June 13, 2023

In accordance with the applicable Program Rule(s), the applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the applicant that the transaction can close within the allowed time frame. Unsatisfactory items, if any, are noted below in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
1. The development’s final “as submitted for permitting” plans and specifications. Note: Final “signed, sealed, and approved for construction” plans and specifications will be required thirty days before closing.	UnSatis.	1.
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	UnSatis.	2.
4. Pre-construction analysis (“PCA”). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	UnSatis. Satis.	3.
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	UnSatis	4.
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	UnSatis.	5.
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	UnSatis.	6.
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	

15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	UnSatis.	7.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	N/A	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Satis.	
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	N/A	
25. Receipt of Tenant Eligibility and Selection Plan	N/A	
26. Receipt of GC Certification	Satis.	
27. Reliance for FHDC as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

NOTES AND DEVELOPER RESPONSES:

1. Receipt of final plans and specifications.
2. Acceptable permits or a permit ready letter is a condition to close.
3. Receipt of Final PCA.
4. Receipt a Soil Report Letter.
5. Receipt of updated Phase I Report.
6. Receipt and review of update Market Study.
7. Firm commitment for construction financing from Chase and permanent financing from Grandbridge as well as a commitment from the Developer to contribute funds to the project. Additionally, final commitments from County and City Loans. Receipt of Amended and Restated Operating Agreement.