

ITEM 1

MINUTES
REGULAR BOARD MEETING
Wednesday, August 21, 2024

A regular Board Meeting of the Housing Finance Authority (“HFA”) of Broward County was held on Wednesday, August 21, 2024, at 5:30 PM, on the 2nd floor conference room, located at 110 Northeast 3rd Street, Fort Lauderdale, Florida.

CALLING OF THE ROLL

A roll call was taken by Mr. Centeno. The meeting was conducted with a total of seven (7) board members present onsite and one (1) board member via teleconference. Other participants listed as present participated in the meeting onsite and/or via teleconference (see below).

Board Member(s) Present

Chair - Colleen LaPlant, Vice Chair - Milette Manos, Secretary - Ruth T. Cyrus, and Assistant Secretary - Courtnee Biscardi

Members - Donna Jarrett-Mays, Scott Ehrlich, Tina Teague, and Jenni Morejon (via teleconference; joined at 5:36 PM)

Board Member(s) Absent

Member - Andy Madtes

HFA Staff Present

Executive Director - Ralph Stone
Manager - Josie Kotsioris
Administrative Assistant - Andy Centeno

County Attorney(s) Present

Deputy County Attorney - Annika Ashton

Participant(s) Present via Teleconference

Anthony Brunson, PA - Tariro Gatsi
Dufresne CPA Services - Linda Dufresne
Marais Development Partners - Hana Eskra
McDowell Housing Partners - Chris Shear
Nabors, Giblin & Nickerson - Junious Brown
Raymond James - Tim Wranovix
RBC Capital Markets - Helen Feinberg
Zomermaand Financial Advisory Services -
Debbie Zomermaand

CONSENT AGENDA ITEMS (1 through 3)

1. Approval of May 15, 2024, Regular Meeting Minutes

MOTION TO APPROVE the Housing Finance Authority Regular Meeting Minutes of May 15, 2024.



2. Executive Director's July Operational Report

MOTION TO APPROVE the Housing Finance Authority Operational Report for July 2024.

3. Florida Association of Local Housing Finance Authorities

MOTION TO AUTHORIZE: staff to pledge \$5,000 to the Florida Housing Coalition Sadowski Education Effort to provide financial support during the 2025 Legislative Session

Motion was made by Ms. Donna Jarrett-Mays and seconded by Ms. Ruth T. Cyrus to approve the consent agenda items 1 through 3. Motion was passed unanimously.

REGULAR AGENDA ITEMS

4. Sistrunk Apartments

Chairwoman LaPlant stated that she was recusing herself from Item 4 as she is an employee at Becker & Poliakoff and Sistrunk Apartments is their client. She is abstaining on this item and asked this to be reflected in the minutes.

Mr. Stone stated that this is 72-unit new construction development in Fort Lauderdale and a request for \$22,000,000 in bond allocation. Staff recommends approval.

Motion was made by Mr. Scott Ehrlich and seconded by Ms. Donna Jarrett-Mays to adopt the inducement resolution declaring the HFA's official intent to issue multifamily housing revenue bonds for a multifamily development known as Sistrunk Apartments and authorizing the HFA to publish notice of and to hold a public hearing Tax Equity and Fiscal Responsibility Act. Motion was passed by seven (7) board members as one (1) abstained.

5. Pine Island Park

Mr. Stone stated that this is 122-unit new construction project in Sunrise and a request for \$24,000,000 in bond allocation. Staff recommends approval.

Motion was made by Ms. Ruth T. Cyrus and seconded by Ms. Tina Teague to adopt an inducement resolution declaring the HFA's official intent to issue multifamily housing revenue bonds for a multifamily development known as Pine Island Park and authorizing the HFA to publish notice of and to hold a public hearing Tax Equity and Fiscal Responsibility Act. Motion was passed unanimously.

6. Ekos Pembroke Park

Mr. Stone stated that this is 150-unit new construction project in Pembroke Pines and a request for \$34,150,000 in bond allocation. Staff recommends approval.

Motion was made by Ms. Ruth T. Cyrus and seconded by Ms. Courtnee Biscardi to adopt an inducement resolution declaring the HFA's official intent to issue multifamily housing revenue bonds for a multifamily development known as Ekos Pembroke Park and authorizing the HFA to publish notice of and to hold a public hearing Tax Equity and Fiscal Responsibility Act. Motion was passed unanimously.

7. Douglas Gardens

Ms. Zomermaand stated that this request is for a transfer of ownership interest and release of certain guarantees for Kenneth Lee, one of the guarantors and partners in the original ownership entity. Bond Counsel, Junious Brown, agreed with Kenneth Lee that HFA consent was not required for the transfer. There was discussion regarding the recommendation that the HFA consent to the release of guarantees. Mr. Brown provided additional information stating that the HFA typically requests guarantees from entities related to the borrower and individuals related to the borrower. The HFA received guarantees, but they were also beneficiaries of the guarantees secured by the Funding Lender, the entity taking the financial risk for the transaction. As the release of Kenneth Lee was acceptable to the Funding Lender and the HFA is a beneficiary to the Funding Lender's guarantees, it was recommended that the HFA consent to the release of the guarantees.

Motion was made by Mr. Scott Ehrlich and seconded by Ms. Donna Jarrett-Mays to adopt a resolution approving a Guaranty Reaffirmation and Partial Release Agreement, and a First Amendment to Multifamily Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, in connection with the HFA's \$77,000,000 Multifamily Housing Revenue Note, Series 2022 (Douglas Gardens – Senior Health and Living), authorizing the proper officers, agents, and employees of the HFA to do all things necessary or advisable in connection with the Release as defined in the Resolution, and ratifying certain actions previously taken in connection with the transactions authorized by the Resolution. Motion was passed unanimously.

8. Woodsdale Oaks

Mr. Stone stated that this is an acquisition and rehabilitation of a 172-unit development in Lauderdale Lakes and a request for \$20,000,000 in bond allocation. Staff recommends approval.

Ms. Kotsioris advised that this was an increase request to \$22,000,00.

Ms. Zomermaand added that that the original request was for \$20,000,000 and the costs have increased, so the borrower is now requesting that we reinstate the bond for \$22,000,000.

Motion was made by Ms. Courtnee Biscardi and seconded by Ms. Tina Teague to adopt an inducement resolution declaring the HFA's official intent to issue multifamily housing revenue bonds for a multifamily development known as Woodsdale Oaks and authorizing the HFA to publish notice of and to hold a public hearing Tax Equity and Fiscal Responsibility Act. Motion was passed unanimously.

9. Multifamily Housing Revenue Bonds Audited Financial Statements - Mr. Anthony Brunson, President/CEO of Anthony Brunson P.A.

Ms. Gatsi presented the 2023 Multifamily Mortgage Revenue Bonds Audit Results and Financial overview for the HFA. She stated that four bond compliance audits took place for Banyan Bay Project, Driftwood Terrace Apartments, Los Prados Project, and Woodsdale Oaks Apartments for the year ending September 30th, 2023, and added that they found that there were no issues found.

Motion was made by Ms. Donna Jarrett-Mays and seconded by Ms. Tina Teague to approve the HFA's Multifamily Housing Revenue Bonds Audited Financial Statements for Fiscal Year ended on September 30, 2023. Motion was passed unanimously.

10. Financial Reports Monthly Overview – May, June & July 2024 – Ms. Linda Dufresne

Ms. Dufresne presented three months of financials and stated that in all cases, HFA equity exceeded prior year equity, revenue exceeded budget, and expenses were lower than budget which are all strong indicators of good financial health and management of resources.

Motion was made by Ms. Courtnee Biscardi and seconded by Ms. Tina Teague to approve the HFA's monthly financial reports for the months ending May 31st, June 30th, and July 31st, 2024. Motion was passed unanimously.

11. INFORMATIONAL ITEMS

None.

12. MATTERS FROM HFA MEMBERS (a through d)

- a) Mr. Stone stated as we continue getting a higher pace of these deals which is a direct result of the GAP financing the board has been allocating since 2018. Last year was \$25,000,000 and this year should be between \$20,000,000-\$25,000,000, and we'll be issuing requests for applications in November.
- b) Mr. Stone inquired if the HFA Board had an interest in an educational Bond Workshop to include the entire Professional Team. As there was interest in this, the staff will coordinate with the Professional Team and look at dates in early 2025.
- c) Mr. Stone spoke about doing a development approval fees study and stated that he would like to evaluate the cost of a small single family project and a large multifamily project using Broward County's process - - one large city and one medium sized city and bring back to the board a report that defines what those costs are makes recommendations. He would like Ms. Zomermaand from Zomermaand Financial Advisory Services to prepare a scope of work and a budget to do this work, and then Staff will bring that back to the HFA Board to get approval.
- d) Ms. Kotsioris stated that the HVAC and roof work will be taking place the next three to four weeks.

13. MATTERS FROM THE FLOOR

None.

14. NEXT BOARD MEETING

September 18, 2024

15. ADJOURNMENT

Chairwoman LaPlant, hearing no further comments, questions, or discussion, adjourned the meeting at 6:09 PM.

ITEM 2

MEMORANDUM

Date: September 18, 2024
To: Housing Finance Authority Board Members
Through: Ralph Stone, Executive Director *RS*
From: Josie Kotsioris, Manager *JK*
Subject: August Operational Report

INVESTMENT COMMITTEE

The Housing Finance Authority (HFA) Investment Committee (IC) will be held on September 18, 2024, 4:45 PM, at 110 Northeast 3rd Street, Suite 201, Fort Lauderdale, Florida.

The next IC meetings will be scheduled 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 July 2024.

Bankruptcy – July 2024

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mortgage Total	2 nd Mortgage Total
0	\$0	0	0	\$0	\$0

Foreclosure (180+ days) – July 2024

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mortgage Total	2 nd Mortgage Total
1	\$29,850.69	0	2	\$0	\$29,850.69

Delinquencies (180+ days) – comparison between July 2023 to July 2024

Comparison Year	Delinquencies	1 st Mortgage Balance	2 nd Mortgage Balance	Total
<i>July - 2023</i>	2	\$0	\$70,523.46*	\$70,523.46
<i>July - 2024</i>	1	\$0	\$29,850.69**	\$29,850.69
Difference (+/-)	1	\$0	-\$40,672.77	-\$40,672.77

Note: * FY23 contain 2 delinquencies, 2 are second mortgages

** FY24 contain 1 delinquency, a second mortgage

MULTIFAMILY HOUSING BOND TRANSACTIONS

2024 Multifamily Housing Transactions update (Attachment 2)

MONTHLY COMPLIANCE MONITORING (Attachment 3)

ATTACHMENT 1

2024 MULTI-FAMILY HOUSING BOND TRANSACTIONS – SEPTEMBER UPDATE

<u>HFA RANKING</u>	1 - CLOSED	2	3 - CLOSED
<u>PROJECT NAME</u>	<u>Tequesta Reserve a/k/a Griffin Gardens II</u>	<u>Tallman Pines – Phase I a/k/a Tallman Pines Villas</u>	<u>Provident Place a/k/a Golden Acres Senior Apartments</u>
<u>PROJECT LOCATION</u>	4881 Griffin Road Davie, FL 33314	601 NE 38 th Court Deerfield Beach, FL 33064	1050 NW 18 th Drive Pompano Beach, FL 33069
<u>DEVELOPER</u>	Building Better Communities, Inc.	Tallman Pines Villas, Ltd.	AMBAR3, LLC & HAPB Supporting Housing Opportunities, 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"> • RBC • BMO • First Housing 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • Raymond James • BMO • 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"> • \$21,000,000 • \$25,000,000 	<ul style="list-style-type: none"> • \$13,200,000 • \$18,000,000 / \$24,000,000 	<ul style="list-style-type: none"> • \$14,750,000 • \$20,000,000 / \$22,000,000
<u>TEFRA & Inducement</u>			
<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amt.</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date HFA Approval/Amend.</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval/Amendment</i> 	<ul style="list-style-type: none"> • \$25,000,000 • August 16, 2023 • October 17, 2023 • December 20, 2023 • January 23, 2024 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • \$20,000,000 / \$22,000,000 • June 21, 2023 / Aug. 16, 2023 • October 17, 2023 • October 18, 2023 • November 14, 2023
<u>ADDITIONAL FUNDS:</u>			
<ul style="list-style-type: none"> • <i>County or FHFC</i> 	County General Funds & HOME Funds	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>Sistrunk Apartments</u>	<u>Pine Island Park</u>	<u>Driftwood Terrace</u>
<u>PROJECT LOCATION</u>	1204 NW 6 th St. & 1619 NW 6 th St. Fort Lauderdale, FL 33311	On south side of NW 44 th Street, about 400 ft. east of NW 92 nd Way Sunrise, FL	7300 Davie Road Extension Hollywood, FL 33024
<u>DEVELOPER</u>	Sistrunk Apartments Developer, LLC	Centennial Management Corp.	Newstar Development, LLC
<u>PROFESSIONAL TEAM</u>	<ul style="list-style-type: none"> • RBC • NGN • First Housing 	<ul style="list-style-type: none"> • RBC • BMO • AmeriNational 	<ul style="list-style-type: none"> • RBC • NGN • Seltzer
<u>BOND AMOUNTS</u>	<ul style="list-style-type: none"> • Bond Amount/Original Req. • \$18,000,000 • Revised Request • \$22,000,000 • CU Recommendation/Final 	<ul style="list-style-type: none"> • \$24,000,000 • 	<ul style="list-style-type: none"> • \$16,000,000 • \$26,000,000
<u>TEFRA & Inducement</u>	<ul style="list-style-type: none"> • TEFRA/Inducement Amt. • \$22,000,000 • Date of HFA Inducement • August 21, 2024 • Date of TEFRA Hearing • • Date HFA Approval/Amend. • Date of BOCC App. TEFRA • BOCC Approval/Amendment 	<ul style="list-style-type: none"> • \$24,000,000 • August 21, 2024 	<ul style="list-style-type: none"> • \$26,000,000 • March 20, 2024 • June 11, 2024
<u>ADDITIONAL FUNDS:</u>			
<ul style="list-style-type: none"> • County or FHFC 	County General Funds	County General Funds & FHFC SAIL	
<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>Federal Apartments</u>	<u>Ekos Pembroke Park</u>	<u>Woodsdale Oaks</u>
<u>PROJECT LOCATION</u>	821 W 11 th Avenue Fort Lauderdale, FL 33311	Northeast corner of SW 56 th Avenue and SW 41 st Street (Countyline Rd.) Pembroke Park, FL	2543-2595 NW 49th Avenue Lauderdale Lakes, FL 33313
<u>DEVELOPER</u>	MRK Partners Inc.	McDowell Housing Partners	Spira Woodsdale Oaks Development, LP
<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 • Seltzer 	<ul style="list-style-type: none"> • RJ • NGN • Seltzer 	<ul style="list-style-type: none"> • RJ • NGN • First Housing
<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"> • \$30,000,000 • 	<ul style="list-style-type: none"> • \$34,150,000 • 	<ul style="list-style-type: none"> • \$20,000,000 • \$22,000,000
<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"> • \$30,000,000 • April 17, 2024 • June 17, 2024 	<ul style="list-style-type: none"> • \$34,150,000 • August 21, 2024 	<ul style="list-style-type: none"> • \$20,000,000/\$22,000,000 • April 17, 2024/August 21, 2024 • June 17, 2024/Sept. 17, 2024 • September 18, 2024 (Pending)
<u>ADDITIONAL FUNDS:</u>			
<ul style="list-style-type: none"> • <i>County or FHFC</i> 		County HOME Funds & FHFC Live Local	
<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>Hollywood Vista</u>	<u>Paramount Place</u>	<u>Pinnacle at Cypress</u>
<u>PROJECT LOCATION</u>	801 N. Federal Highway, Hollywood, FL 33020	826 S. Dixie Highway, Hollywood, FL 33020	6520 N. Andrews Avenue, Fort Lauderdale, FL
<u>DEVELOPER</u>	Housing Trust Group & Hollywood Housing Authority	Housing Trust Group & AM Affordable Housing	Pinnacle Communities, LLC
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 			
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	• \$28,000,000	• \$26,200,000	• \$21,000,000
<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> 	• •	• •	• •
<u>ADDITIONAL FUNDS:</u>			
<ul style="list-style-type: none"> • <i>County or FHFC</i> 	County General Funds	County General Funds	FHFC SAIL (Submission due 09/12/2024)
<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>Marquis II</u>	<u>Oasis Meadows</u>	
<u>PROJECT LOCATION</u>	2050 Dr. Martin Luther King, Jr. Boulevard, Pompano Beach, FL	Commercial Blvd., Lauderhill, FL Folio#494116080180, 494116080190, 494116080200, 494116080210, 494116080220	
<u>DEVELOPER</u>	Cornerstone Group Partners, LLC	NRP Sunshine Development LLC and WCZ Development, LLC	
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	•	•	
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	• \$21,000,000	• \$27,975,000	
<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> 	•	•	
<u>ADDITIONAL FUNDS:</u>			
<ul style="list-style-type: none"> • <i>County or FHFC</i> 	FHFC SAIL (Submission due 09/12/2024)	FHFC SAIL (Submission due 09/12/2024)	
<u>TRANSACTION STATUS</u>	See Note #13	See Note #14	

Note #1: - Transaction Closed August 2024

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 closed August 28, 2024.

Note #2:

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 was \$13,200,000 with a requested revision to \$18,000,000 submitted to the HFA in March 2023. On December 7, 2023, the application was rescinded and replaced with a 2023 application with a bond amount of \$24,000,000. The building type is walk-up. The transaction is expected to close in 2025.

Note #3: - Transaction Closed May 2024

Application to fund Golden Acres Senior Apartments, now known as Provident Place, 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 and a second revision to \$22,000,000 submitted in July 2023. The building type is walk-up apartments. The transaction is expected to close in the second quarter of 2024.

Note #4:

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 was \$18,000,000 with a requested revision to \$22,000,000 submitted to the HFA in May 2024. The building type is 5 story elevator apartments. The transaction is expected to close in 2025.

Note #5:

Application to fund Pine Island Park in the 2023 allocation cycle was submitted to the HFA on May 31, 2023. Additionally, Pine Island Park was ranked to receive an award, within the County's 2024 \$25 Million Gap Financing RFA. The award was approved by the Broward County Board of County Commissions at its June 18, 2024, meeting. 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 or second quarter of 2025.

Note #6:

Application to fund Driftwood Terrace in the 2023 allocation cycle was submitted to the HFA on June 14, 2023. The financing is expected to fund the acquisition and rehabilitation of 90 units of affordable housing in Hollywood. The requested bond amount was \$16,000,000 with a requested revisions to \$26,000,000 submitted to the HFA in November 2023. The building type is elevator. The transaction is expected to close in the first quarter of 2025.

Note #7:

Application to fund Federal Apartments in the 2023 allocation cycle was submitted to the HFA on November 3, 2023. The financing is expected to fund the acquisition and rehabilitation of 164 units of affordable housing in Ft. Lauderdale. The requested bond amount is \$30,000,000. The building type is walk-up. The revised application was received April 11, 2024 with a: Revised Name of Entity Owning Project to Fed Venture LP. The transaction is expected to close in the first of 2025.

Note #8:

Application to fund Ekos Pembroke Park in the 2024 allocation cycle was submitted to the HFA on February 29, 2024. The financing is expected to fund the new construction of 150 units of affordable housing in Pembroke Park. The requested bond amount is \$34,150,000. The building type is elevator. The transaction is expected to close in the first quarter of 2025.

Note #9:

Application to fund Woodsdale Oaks in the 2024 allocation cycle was submitted to the HFA on February 26, 2024. The financing is expected to fund the acquisition, rehabilitation and equipping of a 172 unit affordable housing development in Lauderdale Lakes. The requested bond amount was \$20,000,000 with a requested revision to \$22,000,000 submitted to the HFA in August 2024. The building type is walk-up. The transaction is expected to close in the fourth quarter of 2024.

Note #10:

Allocation is being reserved to fund Hollywood Vista, which applied, within the County's 2024 \$25 Million Gap Financing RFA. The award was approved by the Broward County Board of County Commissions at its June 18, 2024, meeting. An HFA application will be submitted once the County has approved the Gap award. The financing is expected to fund the construction and equipping of a 118 unit affordable housing development in Hollywood. The requested bond amount is \$28,000,000. The building type is elevator. The transaction is expected to close in the second or third quarter of 2025.

Note #11:

Allocation is being reserved to fund Paramount Place, which applied, within the County's 2024 \$25 Million Gap Financing RFA. The award was approved by the Broward County Board of County Commissions at its June 18, 2024, meeting. An HFA application will be submitted once the County has approved the Gap award. The financing is expected to fund the construction and equipping of a 110 unit affordable housing development in Hollywood. The requested bond amount is \$26,200,000. The building type is elevator. The transaction is expected to close in the second or third quarter of 2025.

Note #12:

Application to fund Pinnacle at Cypress in the 2024 allocation cycle was submitted to the HFA on August 29, 2024. The financing is expected to fund the new construction of 100 units of affordable housing in Ft. Lauderdale. The requested bond amount is \$21,000,000. The building type is elevator. The transaction is expected to close in 2025.

Note #13:

Application to fund Marquis II in the 2024 allocation cycle was submitted to the HFA on September 3, 2024. The financing is expected to fund the new construction of 106 units of affordable housing in Pompano Beach. The requested bond amount is \$21,000,000. The building type is elevator. The transaction is expected to close in 2025.

Note #13:

Application to fund Oasis Meadows in the 2024 allocation cycle was submitted to the HFA on September 10, 2024. The financing is expected to fund the new construction of 130 units of affordable housing in Lauderhill. The requested bond amount is \$30,000,000. The building type is elevator. The transaction is expected to close in 2025.

ATTACHMENT 2

MULTI-FAMILY COMPLIANCE MONITORING
Reporting Period June 21, 2024 to July 20, 2024

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 June 21, 2024 to July 20, 2024 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 20, 2024, 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 June 21, 2024 to July 20, 2024.

Mortgage Credit Certificate Program (MCC)

The 2023 MCC Program started on January 15, 2023, and is in the process of being re-assigned to the Homebuyer Section. MCC's will now be issued through their section.

Lenders	Commitments	MCCs Issued	Cancelled Commitments
Academy Mortgage Corp.			
Americas Mortgage Professionals			
Bank of America	3	1	1
CMG Mortgage, Inc.			
Columbus Capital Lending			
Everett Financial (Supreme Lending)			
Fairway Independent Mortgage Corporation			
Florida State Mortgage Group, Inc.			
Gold Star Mortgage Financial Group	2	2	
Loan Depot	8	3	2
Paramount Residential Mortgage Group	9	6	1
Point Mortgage Corp.			
The Mortgage Firm, Inc.			
Totals	22	12	4

MULTI-FAMILY BOND RENTAL OCCUPANCY REPORT KEY

The Rental Occupancy Report (Attachment 1) 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 previous month.

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**

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>	<u>Column E</u> Previous	<u>Column F</u>	<u>Column G</u>	<u>Column H</u>	<u>Column I</u> Certificate of	<u>Column J</u>
Property	Total Number of Units	From Mgmt Number of Units Occupied	% of Units Occupied	month % of Lower Units June	From Mgmt Low Income Units Occupied	% Occupied by Low Income	LURA Low Income Requirement	rec'd July	Vacant Units
Banyan Bay	416	393	94.5%	42.7%	168	42.7%	20%	08/08/2024	23
Chaves Lakes	238	237	99.6%	78.9%	182	76.8%	40%	07/29/2024	1
Emerald Palms	318	318	100.0%	87.1%	277	87.1%	40%	08/07/2024	0
Federation Davie Apartments	80	79	98.8%	98.7%	78	98.7%	40%	07/07/2024	1
Federation Sunrise Apartments	123	121	98.4%	100.0%	121	100.0%	40%	08/08/2024	2
Golden Villas	120	120	100.0%	100.0%	120	100.0%	40%	08/09/2024	0
Heron Pointe	200	198	99.0%	98.5%	195	98.5%	40%	07/23/2024	2
Landings at Coconut Creek	268	248	92.5%	21.8%	54	21.8%	20%	08/09/2024	20
Los Prados	444	410	92.3%	28.8%	118	28.8%	20%	08/01/2024	34
Mar Lago Village	216	210	97.2%	40.5%	85	40.5%	40%	08/08/2024	6
Marquis	100	99	99.0%	99.0%	98	99.0%	40%	07/10/2024	1
Northwest Gardens V	200	193	96.5%	100.0%	193	100.0%	40%	08/14/2024	7
Palms of Deerfield Townhomes	56	Unreported					100%		
Pembroke Park	244	236	96.7%	80.1%	189	80.1%	40%	07/29/2024	8
Pinnacle Village	148	147	99.3%	99.3%	146	99.3%	40%	08/09/2024	1
Praxis of Deerfield Beach	224	224	100.0%	99.1%	222	99.1%	100%	08/07/2024	0
Prospect Park	125	122	97.6%	100.0%	122	100.0%	40%	08/01/2024	3
Regency Gardens	94	92	97.9%	100.0%	92	100.0%	40%	08/01/2024	2
Residences at Crystal Lake	92	89	96.7%	100.0%	89	100.0%	40%	08/05/2024	3
Sailboat Bend	37	37	100.0%	83.8%	31	83.8%	100%	08/09/2024	0
Sanctuary Cove	292	286	97.9%	99.3%	284	99.3%	40%	07/21/2024	6
Solaris	78	78	100.0%	56.4%	44	56.4%	60%	08/01/2024	0
Stanley Terrace	96	Unreported					40%		
Woodsdale Oaks	172	Unreported		100.0%			70%		
Totals	4,381	3,937		75.2%	2,908	73.9%			120

New Projects

The Gallery at FATVillage - New Construction - Closed 12/21/2022
Douglas Garden - New Construction - Closed 02/15/2023
St. Joseph Manor II - New Construction - Closed 03/21/2023
Captive Cove III - New Construction - Closed 03/17/2023
Pinnacle 441 - Phase II - New Construction - Closed 08/30/2023
Federation Plaza - Acq/Rehab - Closed 09/29/2023
Pembroke Tower II - New Construction - Closed 10/30/2023
Lauderhill Point - Rehabilitation - Closed Jan 2024 (12 Months Reporting break to Jan 2025)

ITEM 3

**Housing Finance Authority of Broward County (“HFA”)
September 18, 2024 – Board Meeting**

Multifamily Bonds/Notes - Action Item

MOTION TO ADOPT a Resolution providing authorization and/or approval: a) to issue the Housing Finance Authority’s Multifamily Housing Revenue Note, Series 2024 (Woodsdale Oaks) (the “Note”) in an aggregate amount not to exceed \$22,000,000, for the purpose of financing the acquisition, rehabilitation and equipping of Woodsdale Oaks located in Broward County, b) establishing the 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 Note: c) of the form, execution and delivery of the documents included as Exhibits A-G of the Resolution, d) to execute and deliver certain additional agreements in connection with the issuance of the Note, e) for the Housing Finance Authority (“HFA”) 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; f) to waive the annual audit fee, g) to take other actions required to issue and deliver the Note, and h) for the establishment of an effective date.

Background

1. On February 26, 2024, the HFA received a multifamily bond application from Spira Woodsdale Oaks Development, LP (“Developer”), pertaining to a 172-unit, acquisition, and rehabilitation development, known as Woodsdale Oaks (“Project”). The owner was listed as Woodsdale Oaks, LLC, a Florida Limited Liability Company. (“Owner”). The multifamily application requested that the HFA issue Bonds to support the Project in the amount of \$20,000,000.
2. The Project is located at 2543-2595 NW 49th Ave., Lauderdale Lakes, FL.
3. On August 12, 2024, the Borrower requested that the maximum Note amount be increased to \$22,000,000.
4. At its June 21, 2024, meeting the Board adopted Resolution No. 2024-014 (the “Inducement Resolution”) declaring its official intent to issue bonds in an amount not to exceed \$22,000,000 (the “Note”), (ii) authorizing the issuance of the Note 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 and holding a TEFRA Hearing as further defined and described within the Inducement Resolution.
5. On September 17, 2024, the HFA held the TEFRA Hearing for the Project.
6. The HFA has tax-exempt carry forward allocation available to fully fund this transaction and all pending transactions.

Present Situation

1. As the Borrower intends to secure subordinate financing for the Project, the Borrower has requested that the HFA consent to such subordinate financing and

to execute and deliver any agreements that may be necessary in connection with such consent.

2. 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/Fiscal Agent. Borrower's request is addressed within the HFA Resolution (Exhibit 2).
3. The Credit Underwriting Report ("CUR") will be included as an Informational Item within the HFA's October 16, 2023, agenda.
4. The closing for the financing of this Project is presently scheduled for the fourth quarter of 2024.

Recommendation

Motion to Adopt a Resolution including authorization and/or approval:

- a) to issue the Housing Finance Authority's Multifamily Housing Revenue Note, Series 2024 (Woodsdale Oaks) (the "Note") in an aggregate amount not to exceed \$22,000,000, for the purpose of financing the acquisition, rehabilitation and equipping of Woodsdale Oaks located in Broward County,
- b) establishing the 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 Note,
- c) of the form, execution and delivery of the documents included as Exhibits A-G of the Resolution,
- d) to execute and deliver certain additional agreements in connection with the issuance of the Note,
- e) for the Housing Finance Authority ("HFA") 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;
- f) to waive the annual audit fee,
- g) to take other actions required to issue and deliver the Note, and
- h) for the establishment of an effective date.

EXHIBITS

1. HFA Resolution including form of:
 - A. Funding Loan Agreement
 - B. Project Loan Agreement
 - C. Land Use Restriction Agreement
 - D. Assignment of Mortgage
 - E. Project Note Assignment
 - F. Placement Agent Agreement
 - G. Fiscal Agent Fee Agreement
 - H. Term Sheet

ATTACHMENT 1

RESOLUTION NO. 2024 - _____

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on September 18, 2024, 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 NOTE, SERIES 2024 (WOODSDALE OAKS) (THE “NOTE”) FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION AND EQUIPPING OF WOODSDALE OAKS 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 NOTE; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF (I) A FUNDING LOAN AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, BERKADIA COMMERCIAL MORTGAGE LLC, AS FUNDING LENDER (THE “FUNDING LENDER”), AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS FISCAL AGENT (THE “FISCAL AGENT”); (II) A PROJECT LOAN AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE FISCAL AGENT AND WOODSDALE OAKS, LLC (THE “BORROWER”); (III) A LAND USE RESTRICTION AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE FISCAL AGENT AND THE BORROWER; (IV) AN ASSIGNMENT OF SECURITY INSTRUMENT BY THE HOUSING FINANCE AUTHORITY TO THE FISCAL AGENT; (V) AN ASSIGNMENT OF THE PROJECT NOTE BY THE

HOUSING FINANCE AUTHORITY TO THE FISCAL AGENT; (VI) A PLACEMENT AGENT AGREEMENT BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND RAYMOND JAMES & ASSOCIATES, INC. AND RBC CAPITAL MARKETS, LLC, AS PLACEMENT AGENTS; AND (VII) A FISCAL AGENT FEE AGREEMENT BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND THE FISCAL AGENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTE; 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; AUTHORIZING THE PROPER OFFICERS OF THE HOUSING FINANCE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTE; 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 notes; and

WHEREAS, the Housing Finance Authority is authorized under the Act to issue its revenue bonds and notes for the purpose of paying the cost of a "qualifying housing development" within the meaning of the Act which includes the acquisition, construction and rehabilitation of multifamily housing developments; and

WHEREAS, the Housing Finance Authority desires to issue a multifamily housing revenue note in an amount not to exceed \$22,000,000 (the "Note") for the purpose of

financing the acquisition, rehabilitation and equipping of a 172-unit multifamily residential rental housing development in Lauderdale Lakes, Broward County, Florida, known as Woodsdale Oaks (the “Project”); and

WHEREAS, Woodsdale Oaks, LLC, a Florida limited liability company (the “Borrower”), has requested the Housing Finance Authority to issue its Note to Berkadia Commercial Mortgage LLC, a Delaware limited liability company, as funding lender (the “Funding Lender”), which will evidence a loan to the Housing Finance Authority (the “Funding Loan”), and which Funding Loan proceeds will be used by the Housing Finance Authority to make a loan to the Borrower (the “Project Loan”) to finance the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, the Housing Finance Authority desires to enter into a Funding Loan Agreement by and among the Housing Finance Authority, the Funding Lender and The Bank of New York Mellon Trust Company, N.A., a national banking association, as fiscal agent (the “Fiscal Agent”) (the “Funding Loan Agreement”), in substantially the form attached hereto as Exhibit “A”, for the purpose of setting forth the terms, conditions and covenants (i) upon which the Funding Lender will make the Funding Loan to or on the account of the Housing Finance Authority, which proceeds shall be used in order for the Housing Finance Authority to make the Project Loan to Borrower to finance the acquisition, rehabilitation and equipping of the Project, and (ii) that are necessary to secure the Note and protect the rights of the holder of the Note; and

WHEREAS, the Housing Finance Authority desires to enter into a Project Loan Agreement, among the Housing Finance Authority, the Fiscal Agent and the Borrower (the “Project Loan Agreement”), in substantially the form attached hereto as Exhibit “B”, to evidence the terms and conditions of the Project 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 Fiscal Agent (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 (i) enter into an Assignment of Security Instrument made by the Housing Finance Authority to and in favor of the Fiscal Agent for the benefit of the Funding Lender (the “Assignment of Mortgage”), in substantially the form attached hereto as Exhibit “D”, pursuant to which the Housing Finance Authority will assign to the Fiscal Agent, for the benefit of the Funding Lender, its rights in the mortgage securing the Project, and (ii) assign to the Fiscal Agent the promissory note to be executed by the Borrower evidencing the Project Loan (the “Project Note”), such assignment (the “Project Note Assignment”) in substantially the form attached hereto as Exhibit “E”, pursuant to which the Housing Finance Authority will assign to the Fiscal Agent, for the benefit of the Funding Lender, its rights in the Project Note; and

WHEREAS, the Housing Finance Authority desires to enter into a Placement Agent Agreement between the Housing Finance Authority and Raymond James & Associates, Inc., and RBC Capital Markets, LLC, as placement agents (collectively, the “Placement Agents”) (the “Placement Agent Agreement”), in substantially the form attached hereto as Exhibit “F”, to evidence the Placement Agents’ responsibilities and obligations to the Housing Finance Authority in connection with the issuance of the Note; and

WHEREAS, the Housing Finance Authority desires to enter into a Fiscal Agent Fee Agreement by and between the Housing Finance Authority and the Fiscal Agent (the “Fiscal Agent Fee Agreement”), in substantially the form attached hereto as Exhibit “G”, to evidence

the Fiscal Agent's obligations and responsibilities in connection with the issuance of the Note and the fees payable to Fiscal Agent for its performance thereunder; 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, 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 Note; and

WHEREAS, the Housing Finance Authority is not obligated to pay the Note except from the proceeds derived from the repayment of the Project Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Funding Loan Agreement. 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 Note; and

WHEREAS, due to the complexity of the financing, the turmoil in the capital markets and the need to coordinate matters among the Housing Finance Authority, the Borrower and the Funding Lender, or its affiliates, it is in the Housing Finance Authority's best interest, and the Housing Finance Authority intends, to negotiate the sale of the Note. Prior to the sale of the Note, the Funding Lender shall provide to the Housing Finance Authority and/or the Fiscal Agent, as applicable, (i) the disclosure required pursuant to Section 218.385, Florida Statutes, as amended, and (ii) an executed investor letter in the form required by and attached to the Funding Loan Agreement; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Note was published in the *Sun Sentinel*, a newspaper of general circulation, on June 1, 2024, 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 17, 2024, a public hearing concerning the issuance of the Note in an aggregate principal amount not to exceed \$20,000,000 to finance the Project was held by the Housing Finance Authority as required by Section 147(f) of the Code; and

WHEREAS, on or about August 12, 2024, the Housing Finance Authority received a request from the Borrower to increase the maximum principal amount of the Note to \$22,000,000 from \$20,000,000; and

WHEREAS, on September 17, 2024, a subsequent public hearing concerning the issuance of the Note in an aggregate principal amount not to exceed \$22,000,000 to finance the Project 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 (i) 2022 private activity bond volume cap in the amount of \$87,614,098.20 (the “2022 Volume Cap”), and (ii) 2023 private activity bond volume cap in the amount of \$250,000,000 (the “2023 Volume Cap”), each of which has been carried forward pursuant to Section 145(f) of the Code and designated for the issuance of bonds or notes for qualified residential rental projects; and

WHEREAS, \$68,699,565.52 of the 2022 Volume Cap currently remains available to finance the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, the Housing Finance Authority plans to use up to \$22,000,000 of such remaining 2022 Volume Cap to finance the acquisition, rehabilitation and equipping of the Project, but will use 2023 Volume Cap in the event 2022 Volume Cap is no longer available; and

WHEREAS, the Ordinance requires that all contracts of the Housing Finance Authority in connection with the issuance of the Note be approved by the Board.

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 Note. 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 Note to be designated “Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Note, Series 2024 (Woodsdale Oaks)” (or such other designation as determined applicable by the Executive Director of the Housing Finance Authority) in an aggregate principal amount not to exceed \$22,000,000.

Section 3. Details of the Note. The Note shall be issued under and secured by the Funding Loan Agreement, by which reference is hereby incorporated into this Resolution as if set forth in full herein. The proceeds of the Note, together with any commitment fees, shall be applied as provided in the Funding Loan Agreement, and the Note shall mature in the years and in the amounts, bear interest at such rates, be subject to redemption and shall have such other characteristics as shall be provided in the Funding Loan Agreement.

Section 4. The Note is a Special Obligation of the Housing Finance Authority. The Note is a special obligation of the Housing Finance Authority which is payable solely from moneys derived under the Funding Loan Agreement and the Project Loan Agreement. The Note, together with the interest thereon, is a limited obligation 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 Note 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 Note or the interest thereon or other costs or payments incident thereto. The Housing Finance Authority has no taxing power. The Note 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 Note. 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 Note. The Note shall be in substantially the form set forth in the Funding Loan Agreement, with such changes, modifications and deletions as the

officers executing the Note, with the advice of Nabors, Giblin & Nickerson, P.A. (“Note 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 Funding Loan Agreement and this Resolution. The execution and delivery of the Note by the aforementioned persons shall be conclusive evidence of the Housing Finance Authority’s approval and authorization thereof.

Section 6. Authentication and Delivery of Note. Upon the execution of the Note, the Housing Finance Authority shall deliver the Note to the Fiscal Agent for authentication, and the Fiscal Agent is hereby authorized and directed to authenticate and deliver said Note to the Funding Lender, subject to the terms for delivery set forth in the Funding Loan Agreement.

Section 7. Approval of Funding Loan Agreement. The form and content of the Funding Loan Agreement, 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 Funding Loan Agreement and the Secretary or Assistant Secretary is 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 Note 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 Project Loan Agreement. The form and content of the Project 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 Project Loan Agreement and the Secretary or Assistant Secretary is 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 Note 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 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 Note 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 Assignment of Mortgage. The form and content of the Assignment of Mortgage, 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 Assignment of Mortgage, and the Secretary or Assistant Secretary is 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 Note 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 11. Approval of Project Note Assignment. The form and content of the Project Note Assignment, attached hereto as Exhibit "E", 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 Project Note Assignment, and the Secretary or Assistant Secretary is 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 Note 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. Approval of Placement Agent Agreement. The form and content of the Placement Agent Agreement, attached hereto as Exhibit "F", 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 Placement Agent Agreement and the Secretary or Assistant Secretary is 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 Note 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 13. Appointment of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed Fiscal Agent under the Funding Loan Agreement, and the Housing Finance Authority approves the form and content of the Fiscal Agent Fee Agreement attached hereto as Exhibit "G". The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Fiscal Agent Fee Agreement, and the Secretary or Assistant Secretary is 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 Note 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 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 Spira Woodsdale Oaks, LP, a Florida limited partnership, and the manager of the Borrower, in the principal amount not to exceed \$5,000,000 (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 Note Counsel and the County Attorney may deem necessary and

appropriate, and (ii) directs the Fiscal Agent 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 Note 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 Note annually. The Housing Finance Authority waives such audit fee in connection with the Project.

Section 16. Sale of Note. 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 Note. The negotiated sale of the Note to the Funding Lender, or its affiliates, at a price of par pursuant to the Term Sheet attached hereto as Exhibit "H", is hereby approved. The Chair or Vice Chair and the Secretary or Assistant Secretary are authorized to make any and all changes to the form of the Note which shall be necessary to conform the same to the Term Sheet. The Chair or Vice Chair and the Secretary or Assistant Secretary are also authorized to permit modifications to the Term Sheet as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. The purchase of such Note shall constitute a "loan to a lending institution" within the meaning of Section 159.608(5), Florida Statutes. Additionally, the Note shall constitute "Bonds" for purposes of, and as defined under, the Act.

Section 17. Certificated Note. It is in the best interest of the Housing Finance Authority and the Borrower that the Note be issued utilizing a certificated form and not utilizing a book-entry system of registration.

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 Fiscal Agent are hereby authorized and directed to do all acts and things required of them by the provisions of the Note, the Funding Loan Agreement, the Project Loan Agreement, the Land Use Restriction Agreement, the Assignment of Mortgage, the Project Note Assignment, the Placement Agent Agreement, the Fiscal Agent Fee Agreement (collectively, the "Funding Loan Documents") and this Resolution 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 Housing Finance Authority with respect to (i) the provisions of the Note and the Funding Loan Documents, and (ii) the issuance of the Note 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 Funding Loan Agreement and the Project 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 September 10, 2024 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, 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 September 18, 2024, 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 that certain Multifamily Housing Revenue Note, Series 2024 (Woodsdale Oaks) 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 18th day of September, 2024.

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

By: _____
RUTH T. CYRUS, Secretary

(SEAL)

EXHIBIT "A"
FORM OF
FUNDING LOAN AGREEMENT
[ATTACHED]

FUNDING LOAN AGREEMENT

among

**BERKADIA COMMERCIAL MORTGAGE LLC
as Initial 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 December 1, 2024

Relating to

**MULTIFAMILY HOUSING MORTGAGE REVENUE NOTE, SERIES 2024
(WOODSDALE OAKS)**

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FUNDING LOAN AGREEMENT

THIS FUNDING LOAN AGREEMENT (this “**Funding Loan Agreement**”), is made and entered into as of December 1, 2024, by and among **BERKADIA COMMERCIAL MORTGAGE LLC**, a Delaware limited liability company, in its capacity as Initial Funding Lender (the “**Initial Funding Lender**”), the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “**Governmental Lender**”), a public body corporate and politic 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**”). Capitalized terms are defined in Section 1.01 of this Funding Loan Agreement.

RECITALS

A. Pursuant to 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**”) , Ordinance 79-41 enacted by the Board of County Commissioners of Broward County, Florida on June 20, 1979, as amended, and the Project Loan Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Project Loan Agreement**”), by and among the Governmental Lender, the Fiscal Agent and Woodsdale Oaks, LLC, a limited liability company duly organized and existing under the laws of the State of Florida (the “**Borrower**”), the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[22,000,000] (the “**Project Loan**”) to provide for the financing of the acquisition, rehabilitation, and equipping of a multifamily residential housing development located at [2573] NW 49th Avenue in Lauderdale Lakes, Florida 33313 and known as Woodsdale Oaks. The Land, Improvements, and Fixtures (each as defined in the Security Instrument) are collectively referred to herein as the “**Project**”.

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan being made to the Governmental Lender pursuant to this Funding Loan Agreement in the original principal amount of \$[22,000,000] (the “**Funding Loan**” and together with the Project Loan, the “**Loans**”). The Funding Loan is being originated and funded by the Initial Funding Lender hereunder and is evidenced by the Multifamily Mortgage Revenue Note, Series 2024 (Woodsdale Oaks), dated December [___], 2024 (the “**Delivery Date**”), executed by Governmental Lender and authenticated by Fiscal Agent in favor of Initial Funding Lender, in the form attached hereto as Exhibit A (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto, the “**Governmental Note**”).

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“**Freddie Mac**”), has entered into a commitment with the Initial Funding Lender dated [_____], 2024 (as the same may be amended, modified or

Funding Loan Agreement
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Woodsdale Oaks

supplemented from time to time, the “**Freddie Mac Commitment**”) whereby Freddie Mac has agreed to purchase the Funding Loan upon the date of satisfaction of the conditions set forth therein (the “**Freddie Mac Purchase Date**”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, this Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents (as such terms are herein defined) to Freddie Mac.

D. The Borrower has agreed to use the proceeds of the Project Loan to finance a portion of the acquisition and rehabilitation of the Project.

E. The Borrower’s payment obligations in respect of the Project Loan will be evidenced by a Project Note dated the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto, the “**Project Note**”) delivered to the Governmental Lender, which Project Note will be endorsed by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower’s obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Security Instrument**”) granting a first priority mortgage and security interest in the Project in favor of Governmental Lender. Pursuant to the Assignment (as such term is herein defined), the Security Instrument will be assigned by Governmental Lender to Fiscal Agent as security for the Funding Loan.

G. As a condition to making the Funding Loan, and the subsequent purchase of the Funding Loan by Freddie Mac on the Freddie Mac Purchase Date, the Borrower is entering into a Continuing Covenant Agreement dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Continuing Covenant Agreement**”) with the Initial Funding Lender, to set forth various other requirements with respect to the Loans and the Project, which will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

H. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans. Berkadia Commercial Mortgage LLC will act as initial Loan Servicer for the Loans on behalf of the Funding Lender Representative.

I. The Governmental Lender has determined that all things necessary to incur the Funding Loan and to make the Governmental Note, when executed by the Governmental Lender and authenticated by the Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of the Governmental Lender and to constitute this Funding Loan Agreement a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, Prepayment Premium, if any, and interest on,

the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by the Governmental Lender.

J. The Fiscal Agent has the power and authority to enter into this Funding Loan Agreement, including corporate trust powers to accept the trusts hereunder and to accept and assume its other responsibilities hereunder as Fiscal Agent as evidenced by its execution of this Funding Loan Agreement.

NOW, THEREFORE, in consideration of the premises and of the origination and funding of the Funding Loan by the Initial 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; INTERPRETATION; EXHIBITS.

Section 1.01 Definitions. The terms used in this Funding Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Funding Loan Agreement and of any amendment or supplement hereto shall have the respective meanings specified below. Terms used herein (including when used in the Recitals) not otherwise defined shall have the respective meanings set forth in the Project Loan Agreement and the Continuing Covenant Agreement.

“Act” is defined in the Recitals of this Funding Loan Agreement.

“Additional Servicing Fee” is defined in Section 2.09 hereof.

“Administration Fund” means the Administration Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Assignment” means the Assignment of Security Instrument dated as of the Delivery Date by the Governmental Lender assigning its interest in the Security Instrument to the Fiscal Agent.

“Authorized Officer” means (a) when used with respect to the Governmental Lender, the Chair or Vice Chair of the Governmental Lender and such additional Person or Persons, if any, duly designated by the Governmental Lender in writing to act on its behalf, (b) when used with respect to the Borrower, any Manager of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Fiscal Agent, any authorized signatory of the Fiscal Agent, or any Person who is authorized in writing to take the action in question on behalf of the Fiscal Agent, (d) when used with respect to the Loan Servicer, any Person or Persons duly designated by the Loan Servicer in writing to act on its behalf, and (e) when used with respect to the Funding Lender Representative, any

Person who is authorized in writing to take the action in question on behalf of the Funding Lender Representative.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq., as amended from time to time.

"Bond Counsel" means (a) on the Delivery Date, the law firm or law firms delivering the approving opinion(s) with respect to the Governmental Note, or (b) any other firm of attorneys selected by the Governmental Lender that is experienced in matters relating to the issuance of obligations by states and their political subdivisions that is listed as municipal bond attorneys in The Bond Buyer's Municipal Marketplace and is acceptable to the Funding Lender Representative.

"Borrower" means the entity identified as "Borrower" in the Recitals of this Funding Loan Agreement, together with any of its permitted successors and assigns, as owner of the Project.

"Borrower Equity Account" means the Borrower Equity Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

"Borrower Equity Deposit" means \$[_____], which shall be comprised of sources other than the proceeds of the Project Loan.

"Business Day" means any day other than a Saturday, a Sunday, or any other day on which Fiscal Agent, Funding Lender or the national banking associations are not open for business.

"Certificate of the Governmental Lender" and *"Request of the Governmental Lender"* mean, respectively, a written certificate or request signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender or such other Person as may be designated and authorized to sign for the Governmental Lender. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"County" means the Broward County, Florida.

"Closing Memorandum" means the memorandum delivered to the Fiscal Agent, Governmental Lender, Borrower and the Initial Funding Lender setting forth the sources and uses of all moneys deposited with the Fiscal Agent and Title Company on the Delivery Date.

"Code" means the Internal Revenue Code of 1986, as amended and supplemented, and the regulations promulgated thereunder.

"Continuing Covenant Agreement" is defined in the Recitals of this Funding Loan Agreement.

“Cost,” “Costs” or “Costs of the Project” means costs paid with respect to the Project that:

(a) 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 Treasury Regulations Section 1.103-8(a)(1),

(b) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code,

(c) are paid after the earlier of (i) 60 days prior to the date of a resolution of the Governmental Lender to reimburse costs of the Project with proceeds of the Loans or (ii) the Delivery Date, and

(d) if previously paid and are to be reimbursed with proceeds of the Loans were:

(i) Costs of Issuance of the Governmental Note,

(ii) preliminary capital expenditures (within the meaning of Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Governmental Note (as defined in Section 1.148-1 of the Treasury Regulations), or

(iii) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (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 (3) years after the expenditure is paid);

provided however, that if any portion of the Project is being rehabilitated or constructed or developed by the Borrower or an affiliate (whether as a developer, a general contractor or a subcontractor), *“Cost,” “Costs” or “Costs of the Project”* shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such affiliate in developing or rehabilitating or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or 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 acquisition, rehabilitation or development of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof).

“Costs of Issuance Fund” means the Costs of Issuance Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

“Costs of Issuance” means, as applicable, (i) the fees (excluding ongoing fees), costs and expenses of (a) the Governmental Lender, the Governmental Lender’s counsel and the Governmental Lender’s financial advisor, (b) Bond Counsel, (c) the Fiscal Agent and the Fiscal Agent’s counsel, (d) the Loan Servicer and the Loan Servicer’s counsel, (e) the Funding Lender and the Funding Lender’s counsel (including both the Initial Funding Lender and Freddie Mac, as assignee thereof on the Freddie Mac Purchase Date), (f) Borrower’s counsel attributable to the funding of the Loans and the Borrower’s financial advisor, if any, and (g) Governmental Lender’s Servicer’s fees, and (ii) all other fees, costs and expenses directly associated with the Funding Loan and the Project Loan, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Fiscal Agent on the Delivery Date, which deposit shall equal \$[_____] and shall be comprised of sources other than the proceeds of the Project Loan.

“Cure Amount” is defined in Section 6.02 hereof.

“Default Rate” means the lower of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4 %) per annum or (ii) the Maximum Interest Rate.

“Delivery Date” means the date identified as “Delivery Date” in the Recitals of this Funding Loan Agreement, which is the date of funding of the Funding Loan and the delivery of the Governmental Note by Governmental Lender to Initial Funding Lender.

“Determination of Taxability” means, (a) a determination by the Commissioner or any District Director of the Internal Revenue Service, (b) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which Governmental Lender and Borrower were afforded the opportunity to participate, (c) a determination by any court of competent jurisdiction, (d) the enactment of legislation or (e) receipt by Fiscal Agent or Funding Lender Representative, at the request of Governmental Lender, Borrower, Fiscal Agent or Funding Lender Representative, of an opinion of Bond Counsel, in each case to the effect that the interest on the Governmental Note is includable in the gross income for federal income tax purposes of Funding Lender or any former Funding Lender other than a Funding Lender 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 (a) or (c) 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 (i) a final determination from which no appeal may be taken with respect to such determination, (ii) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (iii) one year from the date of initial determination.

“Electronic Instruction and Notice” means delivery of written instructions, directions and/or notice signed by an Authorized Officer in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 10.04 hereof (if any); provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 10.04 hereof.

“Equity Investor” means CREA Woodsdale Oaks, LLC, a Delaware limited liability company, and its permitted successors and assigns as the investor member of the Borrower.

“Event of Default” means the occurrence of any event listed in Section 6.01 hereof.

“Extraordinary Services” means and includes, but not by way of limitation, services, actions and things carried out and all expenses incurred by the Fiscal Agent, in respect of or to prevent default under this Funding Loan Agreement or the Project Loan Documents, including any reasonable attorneys’ or agents’ fees and expenses and other litigation costs that are entitled to reimbursement under the terms of the Project Loan Agreement, and other actions taken and carried out by the Fiscal Agent which are not expressly set forth in this Funding Loan Agreement or the Project Loan Documents.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term *“Fair Market Value”* means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) 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 (d) 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.

“Financing Documents” means, collectively, this Funding Loan Agreement, the Governmental Note, the Tax Certificate, the Project Loan Documents and all other documents or instruments evidencing, securing or relating to the Loans.

“Fiscal Agent” means the entity identified as *“Fiscal Agent”* in the introductory paragraph of this Funding Loan Agreement, together with any successor Fiscal Agent(s) appointed hereunder.

"Fiscal Agent's Extraordinary Fees and Expenses" means all those fees, expenses and reimbursements earned or incurred by Fiscal Agent as described in Section 7.05 hereof for Extraordinary Services, as set forth in a detailed invoice to Borrower, Loan Servicer and Funding Lender Representative.

"Fiscal Agent's Ordinary Fees and Expenses" means the annual administration fee for Fiscal Agent's ordinary fees and expenses in rendering its services under this Funding Loan Agreement during each twelve month period, which fee is equal to (and shall not exceed) \$3,750 per annum and shall be payable in advance in semi-annual installments of \$1,875 on the Delivery Date and each [January] 1 and [July] 1 thereafter, beginning [July] 1, 2025.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"Freddie Mac Commitment" is defined in the Recitals of this Funding Loan Agreement.

"Freddie Mac Purchase Date" is defined in the Recitals of this Funding Loan Agreement.

"Funding Lender" means any Person who is the holder of the Governmental Note.

"Funding Lender Representative" means the Funding Lender or any Person designated by the Funding Lender to act on behalf of the Funding Lender as provided in Section 10.05, or an assignee of such Person as provided in Section 10.05. The initial Funding Lender Representative shall be the Initial Funding Lender, and Freddie Mac shall become the Funding Lender Representative upon the occurrence of the Freddie Mac Purchase Date.

"Funding Loan" is defined in the Recitals of this Funding Loan Agreement.

"Funding Loan Agreement" means this Funding Loan Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Funding Loan Amortization Schedule" means the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note.

"Funding Loan Payment Date" means (a) the first day of each calendar month, commencing [January] 1, 2025, (b) the date of any prepayment of the Funding Loan, but only with respect to the portion of the Funding Loan subject to prepayment, and (c) the Maturity Date.

"Government Obligations" means investments meeting the requirements of clause (a) or (b) of the definition of "Qualified Investments" herein.

"Governmental Fee" means the (i) Governmental Lender's one (1) time initial issuance fee in the amount equal to fifty basis points (0.50%) of the original principal amount of the Funding Loan, as evidenced by the Governmental Note, for a total of \$[110,000], (ii) Governmental

Lender's indemnification fee of \$20,000, and (iii) Governmental Lender's counsel fee of \$5,000, all of which shall be payable by the Borrower to the Governmental Lender on the Delivery Date pursuant to Section 4.02 of the Project Loan Agreement from money contributed by or on behalf of the Borrower and deposited with the Fiscal Agent for payment to the Governmental Lender pursuant to the Closing Memorandum.

"Governmental Lender" means the entity identified as "Governmental Lender" in the introductory paragraph of this Funding Loan Agreement.

"Governmental Lender Fee" means, collectively, (i) the Governmental Fee, (ii) the Ongoing Governmental Lender Fee, and (iii) any Late Reporting Fee and/or Governmental Lender's Compliance Fee, as applicable, pursuant to the TEL Regulatory Agreement.

"Governmental Note" is defined in the Recitals of this Funding Loan Agreement.

"Guide" means the Freddie Mac Multifamily Seller/Servicer Guide, as the same may be amended, modified or supplemented from time to time.

"Initial Funding Lender" means the entity identified as "Initial Funding Lender" in the introductory paragraph of this Funding Loan Agreement.

"Interest Rate" means the interest rate of [_____] % per annum; provided during the continuance of any Event of Default hereunder, the Interest Rate shall be the Default Rate.

"Investment Income" means the earnings and profits derived from the investment of money pursuant to Section 4.07 hereof.

"Loan Payment Fund" means the Loan Payment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

"Loan Prepayment Fund" means the Loan Prepayment Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

"Loan Servicer" means any entity appointed by Funding Lender Representative to service the Loans and any successor in such capacity as appointed by Funding Lender Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, Loan Servicer shall be Berkadia Commercial Mortgage LLC.

"Loans" is defined in the Recitals of this Funding Loan Agreement.

"Manager" means Spira Woodsdale Oaks, LP, a Florida limited partnership, as manager of the Borrower.

"Maturity Date" means [January 1, 2041], which is the same as the Scheduled Maturity Date as defined in the Project Note.

“Maximum Interest Rate” means the rate of interest which results in the maximum amount of interest allowed by applicable law.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorneys’ fees.

“New Borrower” is defined in Section 6.12 hereof.

“New Project Loan” is defined in Section 6.12 hereof.

“Notes” means, together, the Project Note and the Governmental Note.

“Ongoing Governmental Lender Fee” means 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 basis points (0.18%) 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 Delivery Date for the period beginning on the Delivery Date and ending on [December 31], 2025. Thereafter, the Ongoing Governmental Lender Fee shall be payable in semi-annual installments on each [January] 1 and [July] 1, with the first semi-annual payment due and payable on [July] 1, 2025; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Governmental Lender, the Fiscal Agent, Bond Counsel, the Governmental Lender’s counsel, or the Fiscal Agent’s counsel to be paid by the Borrower pursuant to the Project Loan Agreement.

“Person” means any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof), endowment fund or any other form of entity.

“Pledged Security” is defined in Section 2.02 hereof.

“Prepayment Premium” means any premium payable hereunder in connection with a prepayment of the Funding Loan, which premium shall be in an amount equal to the amount payable by the Borrower under Section 4(d) of the Project Note in connection with a prepayment of the Project Loan.

“Principal Office of the Fiscal Agent” means the office of the Fiscal Agent referenced in Section 10.04(a) hereof, or such other office or offices as the Fiscal Agent may designate in writing from time to time, or the office of any successor Fiscal Agent where it principally conducts its business of serving as Fiscal Agent under indentures pursuant to which municipal or governmental obligations are issued.

"Project" is defined in the Recitals of this Funding Loan Agreement.

"Project Account" means the Project Account of the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

"Project Loan" is defined in the Recitals of this Funding Loan Agreement.

"Project Loan Agreement" is defined in the Recitals of this Funding Loan Agreement.

"Project Loan Documents" means the Security Instrument, the Project Note, the Project Loan Agreement, the TEL Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s), and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

"Project Loan Fund" means the Project Loan Fund established by the Fiscal Agent pursuant to Section 2.11 hereof.

"Project Note" is defined in the Recitals of this Funding Loan Agreement.

"Property Jurisdiction" means the State of Florida.

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

- (a) direct and general obligations of the United States of America;
- (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America;
- (c) senior debt obligations of Freddie Mac;
- (d) senior debt obligations of Fannie Mae;
- (e) 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; provided that the Fiscal Agent or such other institution has been rated at least "VMIG-1"/"A-1+" by one of the Rating Agencies 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;
- (f) investment agreements with a bank or any insurance company or other financial institution which has a rating assigned by one of the Rating Agencies to its outstanding long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt

obligations assigned by one of the Rating Agencies, and which are approved by the Funding Lender Representative;

(g) shares or units in any money market mutual fund rated “Aaa”/“AAA” by one of the Rating Agencies (or if 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 Fiscal Agent or its affiliates or for which the Fiscal Agent or an affiliate thereof serves as investment advisor or provides other services to such mutual fund receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (A) direct obligations of the government of the United States of America, or (B) tax exempt obligations;

(h)(i) tax-exempt obligations rated in the highest short term rating category by one of the Rating Agencies, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AAA” by one of the Rating Agencies (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from the gross income under Section 103 of the Code, including money market funds for which the Fiscal Agent or its affiliates receive a fee for investment advisory or other services to the fund; or

(i) any other investments approved in writing by the Funding Lender Representative.

For purposes of this definition, the “highest rating” shall mean a rating of at least “VMIG-1”/“A-1+” for obligations with less than one year maturity; at least “Aaa”/“VMIG-1”/“AAA”/“A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/“AAA” for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index. Ratings of Qualified Investments shall be determined only at the time of purchase of such Qualified Investments and without regard to ratings subcategories.

“*Qualified Transferee*” is defined in Section 2.08 hereof.

“*Rating Agencies*” means Fitch, Inc., Moody’s Investors Service, Inc., or S&P Global Ratings, a division of S&P Global Inc., or any successor entity of the foregoing, or any other nationally recognized statistical rating organization.

“*Rebatable Arbitrage*” is defined in Section 4.10 hereof.

"Rebate Analyst" means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Fiscal Agent) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Governmental Lender, to make the rebate computations required under this Funding Loan Agreement and the Project Loan Agreement. The initial Rebate Analyst shall be Dufresne CPA Services, P.A.

"Rebate Fund" means the Rebate Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

"Rebate Year" means each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Rebate Years may be short periods. If no day is selected by Borrower before the earlier of the Maturity Date or the date that is five years after the Delivery Date, each Rebate Year ends on each anniversary of the Delivery Date and on the Maturity Date or date of earlier payment in full of the Governmental Note.

"Rehabilitation" is defined in the Continuing Covenant Agreement.

"Requisition" means, with respect to the Project Loan Fund, the requisition in the form of Exhibit E to this Funding Loan Agreement required to be submitted in connection with disbursements from the Project Account and/or the Borrower Equity Account of the Project Loan Fund, and with respect to the Costs of Issuance Fund, the requisition in the form of Exhibit D to this Funding Loan Agreement required to be submitted in connection with disbursements from the Costs of Issuance Fund.

"Resolution" means collectively, the resolutions adopted by the Governmental Lender authorizing the Funding Loan, the Project Loan and the execution and delivery of the Financing Documents to which it is a party.

"Responsible Officer" means any officer of Fiscal Agent employed within or otherwise having regular responsibility in connection with the corporate trust department of Fiscal Agent and the trusts created hereunder.

"Revenue Fund" means the Revenue Fund established by the Fiscal Agent pursuant to Section 4.01 hereof.

"Revenues" means (a) all payments made with respect to the Project Loan pursuant to the Project Loan Agreement, the Project Note or the Security Instrument, including but not limited to all casualty or other insurance benefits and condemnation awards paid in connection therewith and all payments obtained through the exercise of remedies under the Financing Documents, and (b) all money and securities held by the Fiscal Agent in the funds and accounts established pursuant to this Funding Loan Agreement (excluding money or securities designated for deposit

into and held in the Costs of Issuance Fund, the Administration Fund and the Rebate Fund), together with all investment earnings thereon.

"Security Instrument" is defined in the Recitals of this Funding Loan Agreement.

"Securities Act" means the Securities Act of 1933, as amended.

"Servicing Fee" is defined in the Project Loan Agreement.

"Stub Payment Amount" means an amount equal to the sum of (a) the interest payable on the Funding Loan and (b) the ongoing fees and expenses payable with respect to the Project Loan (as provided in Section 4.02 of the Project Loan Agreement), in each case for the period commencing on the Delivery Date to but not including the first day of the calendar month immediately succeeding the Delivery Date.

"Subordination Agreement" means any subordination or intercreditor agreement(s) entered into with respect to any subordinate financing related to the Project, as the same may be amended, supplemented or restated.

"Tax Certificate" means, collectively, the Certificate as to Arbitrage and Certain other Tax Matters executed by the Governmental Lender, the Borrower's Tax Certificate executed by the Borrower, and the Arbitrage Rebate Agreement executed by the Governmental Lender, the Fiscal Agent and the Borrower on the Delivery Date.

"TEL Regulatory Agreement" means the Land Use Restriction Agreement dated as of December 1, 2024 among the Governmental Lender, the Fiscal Agent and the Borrower.

"Title Company" means Fidelity National Title Insurance Company, the title company insuring the lien of the Security Instrument and issuing the lender's title insurance policy in favor of Governmental Lender and Fiscal Agent.

"Transferee Representations Letter" has the meaning set forth in Section 2.08 hereof.

"Treasury Regulations" is defined in Section 5.07 hereof.

"Unassigned Rights" means all of the rights of the Governmental Lender and its directors, officers, commissioners, elected officials, attorneys, accountants, employees, agents and consultants to be held harmless and indemnified, to be paid its fees and expenses, to give or withhold consent to amendments, changes, modifications and alterations, to receive notices and the right to enforce such rights.

"Uniform Commercial Code" means the Uniform Commercial Code as promulgated in the applicable jurisdiction.

"Window Period" means the three (3) consecutive month period prior to the Maturity Date.

Section 1.02 Interpretation. The words “hereof,” “herein,” “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. References to Articles, Sections, and other subdivisions of this Funding Loan Agreement are to the designated Articles, Sections and other subdivisions of this Funding Loan Agreement as originally executed. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. 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. The headings of this Funding Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

Section 1.03 Exhibits.

Schedules and Exhibits	
Exhibit A	Form of Governmental Note
Exhibit B	Form of Notice of Appointment of Funding Lender Representative
Exhibit C	Form of Transferee Representations Letter
Exhibit D	Costs of Issuance Fund Requisition
Exhibit E	Project Loan Fund Requisition

ARTICLE II

THE FUNDING LOAN

Section 2.01 Terms.

(a) Subject to Section 2.10 hereof, the Funding Loan shall be originated and funded by Initial Funding Lender to the Governmental Lender on the Delivery Date in the original principal amount of \$[22,000,000]. The Funding Loan shall be evidenced by the Governmental Note and shall bear interest and be paid in accordance with the payment terms set forth in the Governmental Note and this Funding Loan Agreement. The proceeds of the Funding Loan shall be deposited and disbursed in accordance with this Funding Loan Agreement.

(b) The Funding Loan shall bear interest payable on each Funding Loan Payment Date at the Interest Rate and shall mature on the Maturity Date, subject to scheduled monthly principal payments as provided in Section 2.01(c) below and optional and mandatory prepayment prior to maturity as provided in Article III hereof. Interest on

the Funding Loan shall be computed on the basis of a 360-day year and the actual number of days elapsed.

(c) The unpaid principal balance of the Funding Loan shall be paid on the dates and in the amounts set forth on the Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note. All unpaid principal and all accrued and unpaid interest outstanding under the Funding Loan shall be due and payable on the Maturity Date.

(d) Payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Funding Lender (unless otherwise directed by the Funding Lender).

(e) Subject to Section 2.12 hereof, on or before the date fixed for payment, money shall be deposited with the Fiscal Agent to pay, and the Fiscal Agent is hereby authorized and directed to apply such money to the payment of, the Funding Loan, together with accrued interest thereon to the date of payment.

(f) In no contingency or event whatsoever shall the aggregate of all amounts deemed interest hereunder and charged or collected pursuant to the terms of this Funding Loan Agreement exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such court determines the Funding Lender has charged or received interest hereunder in excess of the highest applicable rate, the Funding Lender shall apply, in its sole discretion, and set off such excess interest received by the Funding Lender against other obligations due or to become due under the Financing Documents and such rate shall automatically be reduced to the maximum rate permitted by such law.

Section 2.02 Pledged Security. To secure the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan according to its tenor and effect, and the performance and observance by the Governmental Lender of all the covenants expressed or implied herein and in the Governmental Note, and the payment and performance of all amounts and obligations under the Continuing Covenant Agreement, the Governmental Lender does hereby grant, bargain, sell, convey, pledge and assign a security interest, unto the Fiscal Agent, and its successors in such capacity and its and their assigns in and to the following (said property being herein referred to as the “**Pledged Security**”) for the benefit of the Funding Lender:

(a) All right, title and interest of the Governmental Lender in and to all Revenues;

(b) All right, title and interest of the Governmental Lender in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents (other than the Unassigned Rights), including all extensions and renewals of

the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance proceeds or condemnation awards, payments, settlements or other compensation to be paid in connection therewith), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Governmental Lender or any other Person is or may become entitled to do under said documents; and

(c) Except for funds, money or securities in the Costs of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money 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 Funding Loan by the Governmental Lender or by anyone on its behalf or with its written consent to the Fiscal Agent, 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.

The foregoing notwithstanding, if the Governmental Lender or its successors or assigns shall pay or cause to be paid to the Funding Lender in full the principal, interest and Prepayment Premium, if any, to become due with respect to the Funding Loan at the times and in the manner provided in Article IX hereof, and if the Governmental Lender shall keep, perform and observe, or cause to be kept, performed and observed, all of its covenants, warranties and agreements contained herein, then these presents and the estate and rights hereby granted shall, at the option of the Governmental Lender, cease, terminate and be void, and thereupon the Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to the Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and, subject to the provisions of Sections 4.11 and 4.12 hereof and Article IX hereof, reconvey to the Governmental Lender the estate hereby conveyed, and assign and deliver to the Governmental Lender any property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except for the Rebate Fund and cash held by the Fiscal Agent for the payment of interest on and principal of the Governmental Note; otherwise this Funding Loan Agreement to be and shall remain in full force and effect.

Section 2.03 Limited Obligations. The Governmental Note shall be a limited obligation of the Governmental Lender. The Governmental Note and the interest thereon and Prepayment Premium, if any, shall not be deemed to constitute or create an indebtedness, liability or obligation of the Governmental Lender, the City, the State or any political subdivision or agency thereof within the meaning of any State constitutional provision or statutory limitation or a pledge of the faith and credit or the taxing power of the State or any such political subdivision or agency. The Governmental Note and the interest thereon are payable solely from and secured by the Pledged Security, all as described in and subject to limitations set forth in this Funding Loan

Agreement, for the equal and ratable benefit of the owner, from time to time, of the Governmental Note.

Section 2.04 *Funding Loan Agreement Constitutes Contract.* In consideration of the origination and funding of the Funding Loan by the Initial Funding Lender, the provisions of this Funding Loan Agreement shall be part of the contract of the Governmental Lender with the Initial Funding Lender and any successors or assigns thereof in such capacity from time to time.

Section 2.05 *Form and Execution.* The Governmental Note shall be in substantially the form attached as *Exhibit A*. The Governmental Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of the Chair or Vice Chair and sealed with an impression or a facsimile of the seal of the Governmental Lender. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Governmental Note. Any reproduction of the official seal of the Governmental Lender on the Governmental Note shall have the same force and effect as if the official seal of the Governmental Lender had been impressed on the Governmental Note.

Section 2.06 *Authentication.* The Governmental Note shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication on the Governmental Note, substantially in the form set forth in *Exhibit A*, shall have been duly executed by an Authorized Officer of the Fiscal Agent; and such executed certificate of authentication upon the Governmental Note shall be conclusive evidence that the Governmental Note has been duly executed, registered, authenticated and delivered under this Funding Loan Agreement.

Section 2.07 *Mutilated, Lost, Stolen or Destroyed Governmental Note.* In the event the Governmental Note is mutilated, lost, stolen or destroyed, the Governmental Lender shall execute and the Fiscal Agent shall authenticate a new Governmental Note substantially in the form set forth in *Exhibit A* in exchange and substitution for and upon cancellation of the mutilated Governmental Note or in lieu of and in substitution for such lost, stolen or destroyed Governmental Note, upon payment by the Funding Lender of any applicable tax or governmental charge and the reasonable expenses and charges of the Governmental Lender and the Fiscal Agent in connection therewith, and in the case where the Governmental Note is lost, stolen or destroyed, the filing with the Fiscal Agent of evidence satisfactory to it that the Governmental Note was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Governmental Lender and the Fiscal Agent with indemnity satisfactory to each of them. In the event where the Governmental Note shall have matured, instead of delivering a new Governmental Note the Governmental Lender may pay the same without surrender thereof.

Section 2.08 *Registration; Transfer of Funding Loan; Transferee Representations Letter.*

(a) The Funding Loan shall be fully registered as to principal and interest in the manner and with any additional designation as the Fiscal Agent deems necessary for the purpose of identifying the registered owner thereof. The Funding Loan shall be

transferable only on the registration books of the Fiscal Agent. The Fiscal Agent shall maintain books or other records showing the name and date of registration, address and employer identification number of the registered owner of the Funding Loan and any transfers of the Funding Loan as provided herein. The Funding Loan shall initially be registered to the Initial Funding Lender, and upon the Freddie Mac Purchase Date, shall be registered to Freddie Mac.

(b) The Funding Lender shall have the right to sell, assign or otherwise transfer in whole its interest in the Funding Loan or to grant a participation interest in the Funding Loan in a percentage of not less than twenty-five percent (25%) of the outstanding principal amount of the Funding Loan but in no event less than \$250,000; provided that the Funding Loan may be transferred, or any participation interest therein granted, only to an “accredited investor” as that term is defined in Rule 501 of Regulation D under the Securities Act or a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities Act (such “accredited investor” or “qualified institutional buyer” a “**Qualified Transferee**”) that delivers a letter to the Fiscal Agent substantially in the form attached hereto as *Exhibit C* setting forth certain representations with respect to such Qualified Transferee (the “**Transferee Representations Letter**”). Notwithstanding the preceding sentence, no Transferee Representations Letter shall be required for the Funding Lender to (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold or transferred except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least “A” or better. In connection with any sale, assignment or transfer of the Funding Loan, the Funding Lender shall give notice of such sale, assignment or transfer to the Fiscal Agent and the Fiscal Agent shall record such sale, assignment or transfer on its books or other records maintained for the registration of transfer of the Funding Loan. It shall not be necessary to present, exchange, or re-authenticate the Governmental Note in connection with any sale, assignment or transfer of the Funding Loan, provided that prior to any transfer of the Governmental Note the transferor shall 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, as amended.

Section 2.09 *Securitization; Allocation of Funding Loan Interest.* In accordance with the provisions of Section 2.08 hereof, the Funding Lender may transfer the Funding Loan to a Qualified Transferee in connection with the securitization of the Funding Loan, in which event the Funding Lender Representative may direct the Fiscal Agent to make all future payments with respect to the Funding Loan to the appointed master servicer for that securitization (or an account designated by such master servicer), and the Fiscal Agent shall accept such direction from the

Funding Lender Representative. In the event that the Funding Lender transfers the Funding Loan to a Qualified Transferee in accordance with the provisions of Section 2.08 hereof, the Funding Lender Representative may also give notice to the Fiscal Agent that the Funding Lender has agreed to allow the Loan Servicer to retain a portion of the monthly interest payable on the Funding Loan as additional compensation for the servicing of the Funding Loan (an “**Additional Servicing Fee**”), which Additional Servicing Fee will equal no more than an annual 2 basis points with respect to the unpaid principal balance of the Governmental Note, in which event the Fiscal Agent shall accept and pay to the Funding Lender such lesser amount of interest received from the Loan Servicer and shall consider such payment to be in full compliance with the terms of the Governmental Note, the Project Note and all other Financing Documents with regard to the interest owed on the Funding Loan.

Section 2.10 Funding Loan Closing Conditions; Delivery of Governmental Note. Closing of the Funding Loan on the Delivery Date shall be conditioned upon, and the Governmental Lender shall only execute and deliver to the Fiscal Agent, and the Fiscal Agent shall only authenticate the Governmental Note and deliver the Governmental Note to the Initial Funding Lender upon, receipt by the Fiscal Agent of the following:

(a) copies of executed counterparts of this Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement and the Tax Certificate;

(b) a copy of an opinion of Bond Counsel or counsel to the Governmental Lender to the effect that the Governmental Lender is duly organized and existing under the laws of the State and has duly authorized, executed and delivered this Funding Loan Agreement, the Governmental Note and the other Financing Documents to which it is a party, and such documents are valid and binding special, limited obligations of the Governmental Lender enforceable in accordance with their terms subject to customary exceptions;

(c) the proceeds of the Funding Loan from the original funding thereof by the Initial Funding Lender;

(d) a copy of the executed Project Note and an endorsement of the Project Note by the Governmental Lender in favor of the Fiscal Agent, with the original Project Note to be delivered to the Fiscal Agent promptly after the Delivery Date;

(e) a copy of the executed Security Instrument, the Assignment and the Continuing Covenant Agreement;

(f) a copy of an opinion of counsel to the Borrower to the effect that the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the Financing Documents to which it is a party, that its execution and delivery of and

performance of its covenants in such documents do not contravene law or any provision of any other documents to which it is a party or by which it or such property is bound or affected, and that all such agreements have been duly authorized, executed and delivered by the Borrower, and are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms;

(g) a copy of a customary approving opinion of Bond Counsel, including but not limited to an opinion to the effect that the interest on the Governmental Note, under laws in effect on the date of such opinion, is excluded from the gross income of the holders thereof for federal income tax purposes and, where applicable, for State income tax purposes;

(h) a copy of an opinion of Bond Counsel to the effect that the Governmental 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) a certified copy of the Resolution;

(j) a copy of the written request and authorization to the Fiscal Agent by the Governmental Lender to authenticate and deliver the Governmental Note to the Initial Funding Lender upon funding to the Fiscal Agent of the full amount of the Funding Loan;

(k) receipt by the Fiscal Agent of the amounts specified in Section 2.11 of this Funding Loan Agreement and Section 3.03 of the Project Loan Agreement;

(l) receipt by the Fiscal Agent of a copy of a Transferee Representations Letter from the Initial Funding Lender substantially in the form attached hereto as Exhibit C; and

(m) confirmation that all conditions stated in Section 3.01 of the Project Loan Agreement have been satisfied.

Section 2.11 *Establishment of Project Loan Fund; Application of Funding Loan Proceeds and Other Money.*

(a) The Fiscal Agent shall establish, maintain and hold in trust and there is hereby established with the Fiscal Agent a Project Loan Fund and therein a Project Account and a Borrower Equity Account. No amount shall be charged against the Project Loan Fund except as expressly provided in this Section 2.11 and Section 4.02 hereof.

(b) The proceeds of the Funding Loan shall be delivered by the Initial Funding Lender to the Fiscal Agent on behalf of the Governmental Lender on the Delivery Date. The Fiscal Agent shall deposit such proceeds to the credit of the Project Account of the Project Loan Fund. On the Delivery Date, amounts in the Project Loan Fund shall be disbursed as provided in subparagraph (d) below, subject to the conditions set forth in

Section 3.01 of the Project Loan Agreement. Following the Delivery Date, amounts in the Project Loan Fund shall be disbursed as provided in Section 4.02 hereof. Upon the disbursement of all amounts in the Project Loan Fund, the Fiscal Agent shall close the Project Loan Fund.

(c) The Governmental Lender shall cause the Borrower to deliver from sources other than the Loans, (i) to the Fiscal Agent, on or prior to the Delivery Date, the Costs of Issuance Deposit for deposit to the credit of the Costs of Issuance Fund and the Borrower Equity Deposit for deposit to the credit of the Borrower Equity Account, and (ii) to the Loan Servicer, on or prior to the Delivery Date, the Stub Payment Amount. The Fiscal Agent shall also deposit in the Costs of Issuance Fund and the Borrower Equity Account any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Loan Servicer to be deposited therein, excluding any proceeds of the Loans.

(d) Upon the making of the initial deposits described above in this Section 2.11, the Governmental Lender shall originate the Project Loan pursuant to the Project Loan Agreement and the Fiscal Agent shall make disbursements of amounts in the Project Loan Fund to the Borrower or otherwise as provided in Section 4.02 hereof; provided that prior to making any such disbursement, the Fiscal Agent shall disburse a portion of the proceeds thereof as provided in the Closing Memorandum, without the need of a Requisition therefor.

Section 2.12 *Direct Loan Payments to Funding Lender; Servicer Disbursement of Fees.*

(a) Notwithstanding any provision in this Funding Loan Agreement to the contrary, during any period that a Loan Servicer is engaged with respect to the Loans, Governmental Lender and Fiscal Agent agree that all payments of principal of, Prepayment Premium, if any, and interest on the Funding Loan and all fees due hereunder and under the Project Loan Agreement shall be paid by Borrower to Loan Servicer. Loan Servicer shall remit all payments collected from Borrower of principal of, Prepayment Premium, if any, and interest on the Funding Loan, together with other amounts due to Funding Lender, directly to Funding Lender (without payment through Fiscal Agent) per the instructions of Funding Lender Representative. Loan Servicer shall be entitled to retain its Servicing Fee collected from Borrower and shall remit the Governmental Lender Fee to the Fiscal Agent, for payment to the Governmental Lender, and shall remit the Fiscal Agent's Ordinary Fees and Expenses to Fiscal Agent, together with any other amounts due to Governmental Lender and Fiscal Agent collected by Loan Servicer from Borrower, in each case in accordance with their respective instructions. Any payment made in accordance with the provisions of this Section 2.12 shall be accompanied by sufficient information to identify the source and proper application of such payment. Loan Servicer shall promptly notify Fiscal Agent, Funding Lender Representative and Governmental Lender in writing of any failure of Borrower to make any payment of principal of, Prepayment Premium, if any, and interest on the Funding Loan when due or to pay any fees due hereunder or under the Project

Loan Agreement, and Fiscal Agent and Governmental Lender shall not be deemed to have any notice of such failure unless it has received such notice in writing.

(b) If the Governmental Note is sold or transferred as provided in Section 2.08, the Funding Lender Representative shall notify the Fiscal Agent and the Borrower in writing of the name and address of the transferee.

(c) So long as payments of principal of, Prepayment Premium, if any, and interest on the Governmental Note and all fees due hereunder and under the Project Loan Agreement are being made to Loan Servicer in accordance with this Section 2.12 and no Event of Default has occurred of which Fiscal Agent has been given, or been deemed to have, notice thereof pursuant to this Funding Loan Agreement, Fiscal Agent shall have no obligations to collect loan payments with respect to the Funding Loan, nor shall it be obligated to collect loan payments or fee payments pursuant to the Project Loan Agreement, except at the express written direction of Funding Lender Representative. Notwithstanding the foregoing, Funding Lender Representative may elect to have Fiscal Agent collect and remit loan payments and fee payments hereunder and under the Project Loan Agreement upon written notice of such election to Fiscal Agent, Borrower and Governmental Lender.

ARTICLE III

PREPAYMENT OF THE FUNDING LOAN

Section 3.01 *Prepayment of the Funding Loan Prior to Maturity.*

(a) **Optional Prepayment.** The Funding Loan, together with accrued interest thereon and any Prepayment Premium, is subject to optional prepayment in whole upon optional prepayment of the Project Loan in accordance with the notice and other prepayment provisions set forth in the Project Note.

(b) **Mandatory Prepayment.** The Funding Loan, together with accrued interest thereon, and any Prepayment Premium, is subject to mandatory prepayment on any Business Day, in whole or in part as indicated below, at the earliest practicable date upon the occurrence of any of the following:

- (i) in whole or in part, upon the occurrence of a mandatory prepayment of the Project Loan pursuant to Section 4(b) of the Project Note and receipt by the Fiscal Agent of a written direction by the Funding Lender Representative that the Funding Loan shall be subject to mandatory prepayment as a result thereof; or
- (ii) in part, on the Funding Loan Payment Date next following the completion of the Rehabilitation of the Project, to the extent amounts remaining in the

Project Account of the Project Loan Fund are transferred to the Loan Prepayment Fund pursuant to Section 4.02(e) hereof.

Section 3.02 *Notice of Prepayment.* Notice of the intended prepayment of the Funding Loan shall be given by the Fiscal Agent, at the written direction of the Funding Lender or the Borrower delivered not less than three (3) Business Days prior to the date such notice is directed to be delivered in the next sentence, by first class mail, postage prepaid, or by overnight delivery service, to the Funding Lender, and the Governmental Lender. All such prepayment notices shall be given not less than ten (10) days (not less than thirty (30) days in the case of optional prepayment) nor more than sixty (60) days prior to the date fixed for prepayment. Notices of prepayment shall state all of the following: (i) the prepayment date, (ii) the prepayment amount, and (iii) the place or places where amounts due upon such prepayment will be payable.

Notice of such prepayment shall also be sent by first class mail, postage prepaid, or by overnight delivery service, to the Loan Servicer, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of the Funding Loan.

Notwithstanding the foregoing, in the event the Fiscal Agent is not collecting and remitting loan payments hereunder, the Fiscal Agent shall have no obligation to send prepayment notices pursuant to this Section 3.02.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01 *Pledge of Revenues and Assets; Establishment of Funds.* The pledge and assignment of and the security interest granted in the Pledged Security pursuant to Section 2.02 hereof shall attach, be perfected and be valid and binding from and after the time of the closing of the Funding Loan and delivery of the Governmental Note by the Fiscal Agent or by any Person authorized by the Fiscal Agent to deliver the Governmental Note. The Pledged Security so pledged and then or thereafter received by the Fiscal Agent 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 Governmental Lender irrespective of whether such parties have notice thereof.

In addition to the Project Loan Fund established pursuant to Section 2.11 hereof, the Fiscal Agent shall establish, maintain and hold in trust the following funds and accounts, each of which is hereby established and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund;

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- (b) Loan Payment Fund;
- (c) Loan Prepayment Fund;
- (d) Administration Fund;
- (e) Costs of Issuance Fund; and
- (f) Rebate Fund.

The funds and accounts established pursuant to Section 2.11 and this Section 4.01 shall be maintained in the corporate trust department of the Fiscal Agent as segregated trust accounts, separate and identifiable from all other funds held by the Fiscal Agent. The Fiscal Agent shall, at the written direction of an Authorized Officer of the Governmental Lender, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Governmental Lender or the Fiscal Agent 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 relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Funding Loan Agreement with respect to a deposit or use of money in the funds established hereunder, or result in commingling of funds not permitted hereunder.

Section 4.02 *Project Loan Fund.*

(a) Deposit. The Fiscal Agent shall deposit the proceeds of the Funding Loan delivered by Initial Funding Lender into the Project Account of the Project Loan Fund as provided in Section 2.11(b) hereof. The Fiscal Agent shall deposit the Borrower Equity Deposit into the Borrower Equity Account of the Project Loan Fund, as well as any additional amounts delivered from time to time to the Fiscal Agent and directed by the Borrower or Servicer to be deposited therein (excluding any proceeds of the Loans), as provided in Section 2.11(c) hereof.

(b) Disbursements. Amounts on deposit in the Project Loan Fund shall be disbursed from time to time by the Fiscal Agent for the purpose of paying Costs of the Project. In addition, amounts in the Project Loan Fund shall be transferred to the Loan Prepayment Fund, the Rebate Fund and the Borrower at the times and in the manner provided in subsection (e) of this Section 4.02.

(c) Transfers and Requisitions. Following the Delivery Date, the Fiscal Agent shall make disbursements from the respective accounts of the Project Loan Fund for purposes described in subsection (b) of this Section 4.02 only upon the receipt of Requisitions signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Loan Servicer (each signifying the consent to the Requisition by the Loan Servicer). The Fiscal Agent shall have no right or duty to determine whether any

requested disbursement from the Project Loan Fund complies with the terms, conditions and provisions of the Continuing Covenant Agreement. The countersignature of the Authorized Officer of the Loan Servicer on a Requisition shall be deemed a certification and, insofar as the Fiscal Agent and the Governmental Lender are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the Continuing Covenant Agreement applicable to such disbursement have been fully satisfied or waived. The Fiscal Agent shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Loan Servicer, initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition.

Notwithstanding anything to the contrary contained herein, during any period in which an Event of Default has occurred and is then continuing under the Loans or any Financing Document (notice of which default has been given in writing by the Funding Lender Representative, or the Loan Servicer to the Fiscal Agent, and the Governmental Lender, and the Fiscal Agent shall be entitled to conclusively rely on any such written notice as to the occurrence and continuation of such a default), no signature of an Authorized Officer of the Borrower shall be required for any Requisition duly signed by and Authorized Officer of the Loan Servicer.

(d) If a Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Loan Servicer or (as permitted hereunder) solely by an Authorized Officer of the Loan Servicer, is received by the Fiscal Agent, the requested disbursement shall be paid by the Fiscal Agent as soon as practicable, but in no event later than three (3) Business Days following receipt thereof by the Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Loan Fund, including all interest accrued therein, the Fiscal Agent shall close the Project Loan Fund.

(e) Immediately prior to any mandatory prepayment of the Funding Loan pursuant to Section 3.01(b)(i) hereof, any amount then remaining in the Project Loan Fund shall, at the written direction of the Funding Lender Representative, be transferred to the Loan Prepayment Fund to pay amounts due on the Funding Loan, if any. In addition, any amount remaining in the Project Account of the Project Loan Fund following completion of the Rehabilitation of the Project in accordance with the Continuing Covenant Agreement, evidenced by an instrument signed by the Funding Lender Representative or the Loan Servicer, shall be transferred to the Loan Prepayment Fund and used to prepay the Funding Loan in accordance with Section 3.01(b)(ii) hereof, unless the Fiscal Agent receives an opinion of Bond Counsel (which shall also be addressed to the Funding Lender Representative) to the effect that a use of such money for other than prepayment of the Funding Loan will not adversely affect the tax exempt status of the Governmental Note; provided, that any amounts in the Project Account of the Project Loan Fund in excess of the amount needed to fund the related prepayment of the Funding Loan shall be transferred to the Rebate Fund. In the event there are funds remaining in the Borrower Equity Account following completion of the Rehabilitation of the Project in accordance with the Continuing Covenant Agreement, evidenced by an instrument signed by the

Funding Lender Representative, and provided no default by the Borrower exists under this Funding Loan Agreement or any Project Loan Documents, such funds shall be paid by the Fiscal Agent to the Borrower at the written direction of the Funding Lender Representative or the Loan Servicer.

(f) Amounts on deposit in the Project Loan Fund shall be invested as provided in Section 4.07 hereof. All Investment Income on amounts on deposit in the Project Loan Fund shall be retained in and credited to and become a part of the amounts on deposit in the Project Loan Fund, and shall constitute part of any transfers required by subsection (b) or (e) of this Section 4.02.

Section 4.03 *Application of Revenues.*

(a) All Revenues received by the Fiscal Agent shall be deposited by the Fiscal Agent, promptly upon receipt thereof, to the Revenue Fund, except for each of the following: (i) the proceeds of the Funding Loan received by the Fiscal Agent on the Delivery Date, which shall be applied in accordance with the provisions of Section 2.11 hereof; (ii) deposits into the Loan Prepayment Fund as required under subsection (c) of this Section 4.03; (iii) Investment Income to the extent required under the terms hereof to be retained in the funds and accounts to which they are attributable; and (iv) amounts required to be transferred between funds and accounts as provided in this Article IV.

(b) Subject to Section 2.12 hereof, on each Funding Loan Payment Date or any other date on which payment of principal of or interest on the Funding Loan becomes due and payable, the Fiscal Agent, out of money, if any, in the Revenue Fund, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Loan Payment Fund, an amount equal to the principal of and interest due on the Funding Loan on such date (including scheduled principal pursuant to the Funding Loan Amortization Schedule); and

SECOND: to the Loan Prepayment Fund, an amount equal to the principal and interest due on the Funding Loan on such date with respect to a mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b) hereof (other than any extraordinary mandatory prepayment as described in Section 4.03(c)(i) or transfer to the Loan Prepayment Fund as described in Section 4.03(c)(iii) below).

(c) Promptly upon receipt, the Fiscal Agent shall deposit directly to the Loan Prepayment Fund: (i) Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Project Loan, such amount to be applied to provide for the extraordinary mandatory prepayment of all or a portion of the Funding Loan pursuant to Section 3.01(b)(i) hereof; (ii) funds paid to the Fiscal Agent to

be applied to the optional prepayment of all of the Funding Loan pursuant to Section 3.01(a); (iii) amounts transferred to the Loan Prepayment Fund from the Project Loan Fund pursuant to Section 4.02(e) hereof.

(d) Subject to Section 2.12 hereof, should the amount in the Loan Payment Fund be insufficient to pay the amount due on the Funding Loan on any given Funding Loan Payment Date, the Fiscal Agent shall credit to the Loan Payment Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the Revenue Fund; and (2) the Loan Prepayment Fund, except no such charge to the Loan Prepayment Fund shall be made from money to be used to effect a prepayment for which notice of prepayment has been provided for hereunder.

Section 4.04 *Application of Loan Payment Fund.* Subject to Section 2.12 hereof, the Fiscal Agent shall charge the Loan Payment Fund, on each Funding Loan Payment Date, an amount equal to the unpaid interest and principal due on the Funding Loan on such Funding Loan Payment Date as provided in Section 4.03(a) and (b), and shall cause the same to be applied to the payment of such interest and principal when due. Any money remaining in the Loan Payment Fund on any Funding Loan Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Loan Prepayment Fund to prepay the Funding Loan if called for prepayment on such Funding Loan Payment Date, be transferred to the Loan Prepayment Fund to be applied for such purpose.

Any Investment Income on amounts on deposit in the Loan Payment Fund shall be deposited by the Fiscal Agent upon receipt thereof in the Revenue Fund.

No amount shall be charged against the Loan Payment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.05 *Application of Loan Prepayment Fund.* Any money credited to the Loan Prepayment Fund shall be applied as set forth in Sections 4.03(b) and 4.03(c) hereof; provided, however, that to the extent any money credited to the Loan Prepayment Fund is in excess of the amount necessary to effect the prepayments described in Sections 4.03(b) and 4.03(c) hereof it shall be applied to make up any deficiency in the Loan Payment Fund on any Funding Loan Payment Date, to the extent money then available in accordance with Section 4.03(d) hereof in the Revenue Fund is insufficient to make up such deficiency; provided that no money to be used to effect a prepayment for which a notice of prepayment has been provided shall be so transferred to the Loan Payment Fund.

On or before each Funding Loan Payment Date, any Investment Income on amounts on deposit in the Loan Prepayment Fund shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Loan Prepayment Fund except as expressly provided in this Article IV and in Section 6.05 hereof.

Section 4.06 Administration Fund. Subject to Section 2.12 hereof, the Fiscal Agent shall deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from the Loan Servicer (or the Borrower if no Loan Servicer exists for the Loans) designated for deposit into such fund. Amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent and used: **FIRST**, to pay to the Fiscal Agent when due the Fiscal Agent's Ordinary Fees and Expenses; **SECOND**, to pay to the Governmental Lender when due the Governmental Lender Fee; **THIRD**, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under this Funding Loan Agreement and the Project Loan Agreement, upon receipt of an invoice from the Rebate Analyst; **FOURTH**, to pay to the Fiscal Agent any Fiscal Agent's Extraordinary Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and the Loan Servicer; **FIFTH**, to pay to the Governmental Lender any extraordinary expenses it may incur in connection with the Loans or this Funding Loan Agreement from time to time, as set forth in an invoice submitted to the Fiscal Agent and the Loan Servicer; **SIXTH**, to pay to the Funding Lender Representative any unpaid amounts due under the Continuing Covenant Agreement, as certified in writing by the Funding Lender Representative to the Fiscal Agent; **SEVENTH**, to make up any deficiency in the Loan Prepayment Fund on any prepayment date of the Funding Loan, to the extent money then available in accordance with Section 4.03(d) hereof in the Loan Prepayment Fund is insufficient to prepay the Funding Loan scheduled for prepayment on such prepayment date; and **EIGHTH**, to transfer any remaining balance after application as aforesaid to the Revenue Fund.

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, and the Loan Servicer of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Fiscal Agent of the amount of such deficiency. Upon payment by the Borrower or the Loan Servicer of such deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent.

On or before each Funding Loan Payment Date, any Investment Income on amounts on deposit in the Administration Fund not needed to pay the foregoing amounts shall be credited by the Fiscal Agent to the Revenue Fund.

No amount shall be charged against the Administration Fund except as expressly provided in this Article IV and Section 6.05 hereof.

Section 4.07 Investment of Funds. The money held by the Fiscal Agent shall constitute trust funds for the purposes hereof. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Fiscal Agent, at the written direction of the Borrower (or, in the case of the Rebate Fund, as provided in Section 5.07(b)), in Qualified Investments which mature or shall be subject to prepayment or withdrawal at par without penalty on or prior to the earlier of (i) six months from the date of investment and (ii) the date such money is needed; provided, that if the Fiscal Agent shall have entered into any

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investment agreement requiring investment of money in any fund or account hereunder in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements. Such investments may be made through the investment or securities department of the Fiscal Agent. The Fiscal Agent may purchase from or sell to itself or an affiliate, as principal or agent, securities herein authorized and, in such capacity, the Fiscal Agent or such affiliate may charge its ordinary and customary fees for such trades, including account maintenance fees, which fees, for the purposes of this Funding Loan Agreement, shall be treated as Fiscal Agent's Extraordinary Fees and Expenses. The Fiscal Agent shall be entitled to assume, absent receipt by the Fiscal Agent of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter. In no event shall Fiscal Agent be required to provide supervision, recommendations, or advice with respect to any investment. In the absence of written direction from Borrower, Fiscal Agent shall hold amounts on deposit in the funds and accounts established under this Funding Loan Agreement uninvested.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in other Sections hereof, the interest thereon and any profit arising on the sale thereof shall be credited to the Revenue Fund, and any loss resulting on the sale thereof shall be charged against the Revenue Fund. Such investments shall be sold at the current market price obtainable (but not less than par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an investment of money in that fund or account. The Fiscal Agent shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

The Governmental Lender and the Borrower acknowledge that to the extent that regulations of the Office of the Comptroller of the Currency or other applicable regulatory agency grant the Governmental Lender and the Borrower the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, each of the Governmental Lender and the Borrower specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Section 4.08 *Accounting Records.* The Fiscal Agent shall maintain accurate books and records for all funds and accounts established hereunder.

Section 4.09 *Amounts Remaining in Funds.* After full payment of the Funding Loan (or provision for payment thereof having been made in accordance with Section 9.01 hereof) and full payment of the fees, charges and expenses of the Governmental Lender, the Fiscal Agent, the

Rebate Analyst, the Funding Lender and the Loan Servicer and other amounts required to be paid hereunder or under any of the Project Loan Documents, including, but not limited to, the Continuing Covenant Agreement (as certified in writing to the Fiscal Agent by the Governmental Lender with respect to amounts due to the Governmental Lender and by the Funding Lender Representative or the Loan Servicer on its behalf with respect to amounts owed under the Continuing Covenant Agreement 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.

Section 4.10 *Rebate Fund; Compliance with Tax Certificate.* The Rebate Fund shall be established by the Fiscal Agent and held and applied as provided in this Section 4.10. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the rebate requirement (as set forth in the Tax Certificate) and as calculated by the Rebate Analyst, for payment to the government of the United States of America, and neither the Governmental Lender, the Borrower, nor the Funding Lender shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.10 and by the Tax Certificate. The Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Governmental Lender, Bond Counsel or the Rebate Analyst, including supplying all necessary information in the manner set forth in the Tax Certificate, and shall not be required to take any actions under the Tax Certificate in the absence of written instructions from the Governmental Lender, Bond Counsel or the Rebate Analyst.

Within 55 days of the end of each fifth Rebate Year, the Borrower shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)), for this purpose treating the last day of the applicable Rebate Year as a (computation) date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “**Rebatable Arbitrage**”). Pursuant to Section 2.04 of the Project Loan Agreement, the Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender. In the event that the Borrower fails to provide such information to the Fiscal Agent and the Governmental Lender within 55 days of the end of each fifth Rebate Year, the Fiscal Agent, at the expense of the Borrower, shall select the Rebate Analyst, with the prior written approval of the Governmental Lender, and shall cause the Rebate Analyst to calculate the amount of rebatable arbitrage as required herein.

Within 55 days of the end of each fifth Rebate Year, upon the written direction of the Governmental Lender, Bond Counsel or the Rebate Analyst, an amount shall be deposited to the Rebate Fund by the Fiscal Agent from amounts provided by the Borrower, if and to the extent

required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with the preceding paragraph.

The Fiscal Agent shall pay, as directed in writing by the Governmental Lender, Bond Counsel or the Rebate Analyst, to the United States Department of the Treasury, out of amounts in the Rebate Fund:

- (i) Not later than 60 days after the end of (A) the fifth Rebate Year, and (B) each applicable fifth Rebate Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Rebate Year; and
- (ii) Not later than 60 days after the payment in whole of the Funding Loan, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Rebate Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

Each payment required to be made under this Section 4.10 shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 (or such other address provided in such direction), on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Rebate Analyst and provided to the Fiscal Agent.

Notwithstanding any provision of this Funding Loan Agreement to the contrary, the obligation to remit payment of the Rebatable Arbitrage to the United States of America and to comply with all other requirements of Sections 2.04 and 4.03 of the Project Loan Agreement and this Section 4.10, and the requirements of the Tax Certificate shall survive the defeasance or payment in full of the Funding Loan.

Any funds remaining in the Rebate Fund after payment in full of the Funding Loan and payment and satisfaction of any rebate requirement, or provision made therefor satisfactory to the Fiscal Agent, shall be withdrawn and remitted to the Borrower.

The Fiscal Agent shall obtain and keep such records of the computations made pursuant to this Section 4.10 as are required under Section 148(f) of the Code to the extent furnished to the Fiscal Agent. The Borrower shall or shall cause the Rebate Analyst to provide to the Governmental Lender and the Fiscal Agent copies of all rebate computations made pursuant to this Section 4.10. The Fiscal Agent shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Funding Loan and the investments of earnings from those investments made by the Fiscal Agent as may be requested by the Borrower in order to enable the Borrower to cause the Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

Notwithstanding the foregoing, the computations and payments of Rebatable Arbitrage 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 an opinion

of Bond Counsel, to the effect that such failure will not adversely affect the exclusion from the gross income of the holders thereof for federal income tax purposes of interest on the Governmental Note, a copy of which shall be provided to the Fiscal Agent and the Funding Lender Representative, at the expense of the Borrower.

Section 4.11 *Costs of Issuance Fund.* The Fiscal Agent shall use money on deposit to the credit of the Costs of Issuance Fund to pay the Costs of Issuance on the Delivery Date or as soon as practicable thereafter in accordance with the Closing Memorandum, along with appropriate invoices for such expenses. Amounts in the Costs of Issuance Fund funded with proceeds of the Funding Loan, if any, shall be expended prior to the application of the Costs of Issuance Deposit. Investment Income on amounts on deposit in the Costs of Issuance Fund shall be retained in such fund. Amounts remaining on deposit in the Costs of Issuance Fund six (6) months after the Delivery Date shall be transferred to the Borrower. Upon such final disbursement, the Fiscal Agent shall close the Costs of Issuance Fund.

Section 4.12 *Reports From the Fiscal Agent.* The Fiscal Agent shall, on or before the fifteenth (15th) day of each month, file with the Funding Lender Representative, the Loan Servicer, the Governmental Lender (at its written request) and the Borrower a statement setting forth in respect of the preceding calendar month all of the following:

- (i) the amount withdrawn or transferred by it, and the amount deposited within or on account of each fund and account held by it under the provisions of this Funding Loan Agreement, including the amount of investment income on each fund and account;
- (ii) the amount on deposit with it at the end of such month to the credit of each fund and account;
- (iii) a brief description of all obligations held by it as an investment of money in each such fund and account; and
- (iv) any other information which the Funding Lender Representative, or the Governmental Lender may reasonably request and to which the Fiscal Agent has access in the ordinary course of its operations.

Upon the written request of the Funding Lender, the Fiscal Agent, at the cost of the Borrower, shall provide a copy of such statement to Funding Lender. All records and files pertaining to the Pledged Security shall be open at all reasonable times to the inspection of the Governmental Lender, and the Funding Lender Representative or the Loan Servicer and their agents and representatives upon reasonable prior notice during normal business hours.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 *Payment of Principal and Interest.* The Governmental Lender covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient amounts to provide for the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan at the place, on the dates and in the manner provided herein and in the Governmental Note, according to the true intent and meaning thereof.

Section 5.02 *Performance of Covenants.* The Governmental Lender covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Funding Loan Agreement, in the Governmental Note and in all proceedings pertaining thereto.

Section 5.03 *Instruments of Further Assurance.* The Governmental Lender covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such supplements hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Fiscal Agent all and singular its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, Prepayment Premium, if any, and interest on the Funding Loan. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Governmental Lender or the Fiscal Agent, become and be subject to the lien of this Funding Loan Agreement as fully and completely as though specifically described herein, but nothing in this sentence shall be deemed to modify or change the obligations of the Governmental Lender under this Section 5.03. The Governmental Lender covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Pledged Security or the revenues or receipts therefrom.

The Governmental Lender will promptly notify the Fiscal Agent, the Funding Lender Representative, the Equity Investor and the Loan Servicer in writing of the occurrence of any of the following:

- (i) the submission of any claim or the initiation of any legal process, litigation or administrative or judicial investigation against the Governmental Lender with respect to the Loans;
- (ii) any change in the location of the Governmental Lender's principal office or any change in the location of the Governmental Lender's books and records relating to the transactions contemplated hereby;

- (iii) the occurrence of any default or Event of Default of which the Governmental Lender has actual knowledge;
- (iv) the commencement of any proceedings or any proceedings instituted by or against the Governmental Lender in any federal, state or local court or before any governmental body or agency, or before any arbitration board, relating to the Notes; or
- (v) the commencement of any proceedings by or against the Governmental Lender under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Governmental Lender or any of its assets relating to the Loans.

Section 5.04 *Inspection of Project Books.* The Governmental Lender covenants and agrees that all books and documents in its possession relating to the Project shall, upon reasonable prior notice, during normal business hours, be open to inspection and copying by such accountants or other agents as the Fiscal Agent or the Funding Lender Representative may from time to time reasonably designate.

Section 5.05 *No Modification of Security; Additional Indebtedness.* The Governmental Lender covenants to and for the benefit of the Funding Lender that it will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (i) alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Governmental Lender is a party, or which has been assigned to the Governmental Lender, and which relates to or affects the security for the Loans or the payment of any amount owed under the Financing Documents; or
- (ii) create or suffer to be created any lien upon the Pledged Security or any part thereof other than the lien created hereby and by the Security Instrument.

Section 5.06 *Damage, Destruction or Condemnation.* Net Proceeds resulting from casualty to or condemnation of the Project shall be applied as provided in the Continuing Covenant Agreement and, to the extent consistent therewith, Section 3.01(b)(i) hereof.

Section 5.07 *Tax Covenants.*

(a) *Governmental Lender's Covenants.* The Governmental Lender covenants to and for the benefit of the Funding Lender that it will:

- (i) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Funding Loan or the money and investments held in the funds and accounts in any manner which would cause the Governmental Note to be an "arbitrage bond" under Section 148 of the Code and the regulations issued under Section 148 of the Code (the "**Treasury Regulations**") or which would otherwise cause the interest payable

on the Governmental Note to be includable in the gross income of the holders thereof for federal income tax purposes;

- (ii) enforce or cause to be enforced all obligations of the Borrower under the TEL Regulatory Agreement in accordance with its terms and seek to cause the Borrower to correct any violation of the TEL Regulatory Agreement within a reasonable period after it first discovers or becomes aware of any such violation;
- (iii) not take or cause to be taken any other action or actions, or fail to take any action or actions, if the same would cause the interest payable on the Governmental Note to be includable in the gross income of the holders thereof for federal income tax purposes;
- (iv) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Funding Loan will be excluded from the gross income of the holders thereof for federal income tax purposes, pursuant to the Code, except in the event where the Funding Lender is a “substantial user” of the facilities financed with the Loans or a “related person” within the meaning of the Code; and
- (v) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Governmental Note to be “federally guaranteed” within the meaning of Section 149(b) of the Code and the regulations issued under Section 149 of the Code.

In furtherance of the covenants in this Section 5.07, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is 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, and by its acceptance of this Funding Loan Agreement the Fiscal Agent acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Funding Loan Agreement by this reference and agrees to comply with the terms specifically applicable to it.

(b) *Fiscal Agent's Covenants.* The Fiscal Agent agrees that it will invest funds held under this Funding Loan Agreement in accordance with the covenants and terms of this Funding Loan Agreement and the Tax Certificate. This covenant shall extend through the term of the Funding Loan, to all funds and accounts created under this Funding Loan Agreement and all money on deposit to the credit of any such fund or account. The Fiscal Agent covenants to and for the benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan Agreement or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Governmental Note to be classified as an “arbitrage bond” within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Governmental Note to be includable in the gross income

of the holders thereof for federal income tax purposes; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, the Funding Lender Representative, Bond Counsel or the Rebate Analyst. This covenant shall extend, throughout the term of the Funding Loan, to all funds created under this Funding Loan Agreement and all money on deposit to the credit of any such fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Funding Loan Agreement, the Fiscal Agent obligates itself to comply throughout the term of the Funding Loan with the requirements of Sections 103(b) and 148 of the Code; provided that the Fiscal Agent shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Governmental Lender, Bond Counsel or the Rebate Analyst. The Fiscal Agent further covenants that should the Governmental Lender or the Borrower file with the Fiscal Agent (it being understood that neither the Governmental Lender nor the Borrower has an obligation to so file), or should the Fiscal Agent receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Funding Loan would cause the Governmental Note to become an "arbitrage bond," then the Fiscal Agent will comply with any written instructions of the Governmental Lender, the Borrower, the Funding Lender Representative or Bond Counsel regarding such investment (which shall, in any event, be a Qualified Investment) or use so as to prevent the Governmental Note from becoming an "arbitrage bond," and the Fiscal Agent will bear no liability to the Governmental Lender, the Borrower, the Funding Lender or the Funding Lender Representative for investments made in accordance with such instructions.

Section 5.08 *Representations and Warranties of the Governmental Lender.* The Governmental Lender hereby represents and warrants as follows:

(a) The Governmental Lender is a body corporate and politic duly organized, validly existing and in good standing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to issue the Governmental Note and to execute and deliver this Funding Loan Agreement, the Project Loan Agreement and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

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

(d) The Financing Documents to which the Governmental Lender is a party have been validly authorized, executed and delivered by the Governmental Lender, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Governmental Lender, enforceable against the

Governmental Lender in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF FISCAL AGENT AND FUNDING LENDER

Section 6.01 *Events of Default.* The occurrence of any one or more of the following will constitute an Event of Default with respect to the Funding Loan under this Funding Loan Agreement:

(a) failure to pay the principal of, Prepayment Premium, if any, or interest on the Funding Loan when due, whether on an Funding Loan Payment Date, at the stated maturity thereof, by proceedings for prepayment thereof, by acceleration or otherwise; or

(b) failure to observe the covenants set forth in Section 5.05 hereof; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Governmental Lender (other than those set forth in Sections 5.01 and 5.05 hereof) set forth in this Funding Loan Agreement or in the Governmental Note and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified herein for particular defaults) after written notice thereof to the Governmental Lender from the Fiscal Agent or the Funding Lender Representative specifying such default and requiring the same to be remedied; provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Governmental Lender commences the required cure within such thirty (30) day period and continues the cure with diligence and the Governmental Lender reasonably anticipates that the default could be cured within sixty (60) days, the Governmental Lender shall have sixty (60) days following receipt of such notice to effect the cure; or

(d) receipt by the Fiscal Agent of written notice from the Funding Lender Representative of the occurrence of an "Event of Default" under the Project Loan Agreement or the Continuing Covenant Agreement.

The Fiscal Agent will promptly notify the Governmental Lender, the Equity Investor, the Loan Servicer, the Borrower and the Funding Lender Representative after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default or obtains actual knowledge of the occurrence of an event which would become an Event of Default with the passage of time or the giving of notice or both.

Section 6.02 *Acceleration; Other Remedies Upon Event of Default.* Upon the occurrence of an Event of Default, the Fiscal Agent shall, upon the written request of the Funding Lender Representative, take the following actions:

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Lender Representative, by notice in writing delivered to the Governmental Lender, declare the principal of the Funding Loan and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

At any time after the Funding Loan 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 Fiscal Agent may, but only if directed in writing by the Funding Lender Representative, by written notice to the Governmental Lender, and the Fiscal Agent, rescind and annul such declaration and its consequences if the Governmental Lender or the Borrower shall pay to or deposit with the Fiscal Agent a sum sufficient to pay all principal on the Funding Loan then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on the Funding Loan then due, with interest at the rate borne by the Funding Loan on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and all of the Fiscal Agent 's Extraordinary Fees and Expenses incurred to date shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Financing Documents (collectively, the "Cure Amount") shall have been paid in full, and all other defaults hereunder shall have been made good or cured or waived in writing by the Funding Lender Representative; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon.

Upon the occurrence and during the continuance of an Event of Default, the Fiscal Agent in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Funding Lender, may also proceed to protect and enforce any rights of the Fiscal Agent and, to the full extent that the Funding Lender itself might do, the rights of the Funding Lender under the laws of the State or under this Funding Loan Agreement by such of the following remedies as the Fiscal Agent shall deem most effectual to protect and enforce such rights; provided that, the Fiscal Agent may undertake any such remedy only upon the receipt of the prior written consent of the Funding Lender Representative (which consent may be given in the sole discretion of the Funding Lender Representative):

- (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, Prepayment Premium, if any, or interest on the Funding Loan and to require the Governmental Lender to carry out any covenants or agreements with or for the benefit of the Funding Lender and to perform its duties under the Act, this Funding Loan Agreement, the Project Loan Agreement or the TEL Regulatory Agreement (as applicable) to the extent permitted under the applicable provisions thereof;
 - (ii) by pursuing any available remedies under the Project Loan Agreement, the TEL Regulatory Agreement or any other Financing Document;
 - (iii) by realizing or causing to be realized through sale or otherwise upon the Pledged Security;
- and

- (iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Funding Lender and 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 Fiscal Agent in order to have the claim of the Funding Lender against the Governmental Lender allowed in any bankruptcy or other proceeding.

No remedy by the terms of this Funding Loan Agreement conferred upon or reserved to the Fiscal Agent or to the Funding Lender is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Fiscal Agent or the Funding Lender hereunder or under the Project Loan Agreement, the TEL Regulatory Agreement, the Continuing Covenant Agreement or any other Financing Document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Fiscal Agent or the Funding Lender, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 6.03 *Funding Lender Representative Control of Proceedings.* Notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Funding Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Funding Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender (and in connection therewith the Fiscal Agent shall transfer or assign to the Funding Lender Representative all of its interest in the Pledged Security at the request of the Funding Lender Representative). In no event shall the exercise of any of the foregoing rights result in an acceleration of the Funding Loan without the express written direction of the Funding Lender Representative.

Section 6.04 *Waiver by Governmental Lender.* Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Governmental Lender nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or prepayment laws now or hereinafter 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 through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and prepayment to which it may be entitled under the laws of the State and the United States of America.

Section 6.05 *Application of Money After Default.* All money collected by the Fiscal Agent 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 Fiscal Agent to the Revenue Fund. Such money so credited to the Revenue Fund and all other money from time to time credited to the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article IV hereof and this Section 6.05.

In the event that at any time the money credited to the Revenue Fund, the Loan Payment Fund and the Loan Prepayment Fund available for the payment of interest or principal then due with respect to the Governmental Note shall be insufficient for such payment, such money shall be applied as follows and in the following order of priority:

(a) For payment of all amounts due to the Fiscal Agent incurred in performance of its duties under this Funding Loan Agreement, including, without limitation, the payment of all of the Fiscal Agent's Extraordinary Fees and Expenses incurred in exercising any remedies under this Funding Loan Agreement.

(b) To the extent directed in writing by the Funding Lender Representative, to the reimbursement of any unreimbursed advances made by or on behalf of the Funding Lender pursuant to the Continuing Covenant Agreement or the Security Instrument.

(c) Unless the full principal amount of the Funding Loan shall have become or have been declared due and payable:

FIRST: to the Funding Lender, all installments of interest then due on the Funding Loan in the order of the maturity of such installments; and

SECOND: to the Funding Lender, unpaid principal of and Prepayment Premium, if any, on the Funding Loan which shall have become due, whether at maturity or by call for prepayment, in the order in which they became due and payable.

(d) If the full principal amount of the Governmental Note shall have become or have been declared due and payable, to the Funding Lender for the payment of the principal of, Prepayment Premium, if any, and interest then due and unpaid on the Funding Loan 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.

Section 6.06 Remedies Not Exclusive. No right or remedy conferred upon or reserved to the Fiscal Agent, the Funding Lender or the Funding Lender Representative by the terms of this Funding Loan Agreement is intended to be exclusive of any other right or remedy, but each and every such remedy shall be cumulative and shall be in addition to every other right or remedy given to the Fiscal Agent, the Funding Lender or the Funding Lender Representative under this Funding Loan Agreement or existing at law or in equity or by statute (including the Act).

Section 6.07 Fiscal Agent May Enforce Rights Without Governmental Note. All rights of action and claims, including the right to file proof of claims, under this Funding Loan

Agreement may be prosecuted and enforced by the Fiscal Agent at the written direction of the Funding Lender Representative without the possession of the Governmental Note or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of the Funding Lender Representative to direct proceedings hereunder, any such suit or proceeding instituted by the Fiscal Agent shall be brought in its name as Fiscal Agent without the necessity of joining as plaintiffs or defendants any Funding Lender, and any recovery or judgment shall be for the benefit as provided herein of the Funding Lender.

Section 6.08 *Termination of Proceedings.* In case the Fiscal Agent (at the direction of the Funding Lender Representative) or the Funding Lender Representative shall have proceeded to enforce any right under this Funding Loan Agreement by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower and the Funding Lender shall be restored to their former positions and rights hereunder with respect to the Pledged Security herein conveyed, and all rights, remedies and powers of the Fiscal Agent and the Funding Lender Representative shall continue as if no such proceedings had been taken.

Section 6.09 *Waivers of Events of Default.* The Fiscal Agent shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Funding Loan upon the written direction of the Funding Lender Representative. In case of any such waiver or rescission, or in case any proceeding taken by the Fiscal Agent on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Governmental Lender, the Fiscal Agent, the Borrower, the Loan Servicer, the Funding Lender Representative and the Funding Lender shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.10 *Interest on Unpaid Amounts and Default Rate for Nonpayment.* In the event that principal of or interest payable on the Funding Loan is not paid when due, there shall be payable on the amount not timely paid, on each Funding Loan Payment Date, interest at the Default Rate, to the extent permitted by law. Interest on the Funding Loan shall accrue at the Default Rate until the unpaid amount, together with interest thereon, shall have been paid in full.

Section 6.11 *Assignment of Project Loan; Remedies Under the Project Loan.*

(a) The Funding Lender Representative shall have the right, with respect to the Project Loan, in its sole and absolute discretion, without directing the Fiscal Agent to effect an acceleration of the Funding Loan, to instruct the Fiscal Agent in writing to assign the Project Note, the Security Instrument and the other Project Loan Documents to the Funding Lender Representative, in which event the Fiscal Agent shall do all of the following: (i) endorse and deliver the Project Note to the Funding Lender Representative and assign (in recordable form) the Security Instrument, (ii) execute and deliver to the

Funding Lender Representative all documents prepared by the Funding Lender Representative necessary to assign (in recordable form) all other Project Loan Documents to the Funding Lender Representative, and (iii) execute all such documents prepared by the Funding Lender Representative as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii).

(b) The Fiscal Agent's assignments to the Funding Lender Representative pursuant to this Section 6.11 shall be without recourse or warranty except that the Fiscal Agent shall represent and warrant in connection therewith: (i) that the Fiscal Agent has not previously endorsed or assigned any such documents or instruments, and (ii) that the Fiscal Agent has the corporate authority to endorse and assign such documents and instruments and such endorsements and assignments have been duly authorized.

(c) The Funding Lender Representative shall have the right, in its own name or on behalf of the Governmental Lender or the Fiscal Agent, to declare any default and exercise any remedies under the Project Loan Agreement, the Project Note or the Security Instrument, whether or not the Governmental Note has been accelerated or declared due and payable by reason of an Event of Default or the occurrence of a mandatory prepayment.

Section 6.12 Substitution. Upon receipt of written notice from the Funding Lender Representative and the approval of the Governmental Lender as and to the extent permitted under the TEL Regulatory Agreement, the Fiscal Agent shall exchange the Project Note and the Security Instrument for a new Project Note and Security Instrument, evidencing and securing a new loan (the "**New Project Loan**"), which may be executed by a Person other than the Borrower (the "**New Borrower**"), provided that if the Fiscal Agent, the Funding Lender or a nominee of the Fiscal Agent or the Funding Lender has acquired the Project through foreclosure, by accepting a deed in lieu of foreclosure or by comparable conversion of the Project, no approval from the Governmental Lender of such exchange shall be required. Prior to accepting a New Project Loan, the Fiscal Agent shall have received (i) written evidence that the New Borrower shall have executed and recorded a document substantially in the form of the TEL Regulatory Agreement (or executed and recorded an assumption of all of the Borrower's obligations under the TEL Regulatory Agreement) and that the Project Loan Documents have been modified as necessary to be applicable to the New Project Loan, and (ii) an opinion of Bond Counsel to the effect that such exchange and modification, in and of itself, will not adversely affect the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes.

ARTICLE VII

CONCERNING FISCAL AGENT

Section 7.01 Standard of Care. The Fiscal Agent, prior to an Event of Default as defined in Section 6.01 hereof and after the curing or waiver of all such events which may have occurred,

shall 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. The Fiscal Agent, during the existence of any such Event of Default (which shall not have been cured or waived), shall exercise such rights and powers vested in it by this Funding Loan Agreement and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under similar circumstances in the conduct of such Person's own affairs.

For the avoidance of doubt, the permissive right of the Fiscal Agent to do things enumerated in this Funding Loan Agreement or the Project Loan Agreement shall not be construed as a duty. No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its breach of trust, own negligence or willful misconduct, except that:

(a) prior to an Event of Default hereunder, and after the curing or waiver of all such Events of Default which may have occurred:

(i) the duties and obligations of the Fiscal Agent shall be determined solely by the express provisions of this Funding Loan Agreement, and the Fiscal Agent shall not be liable except with regard to the performance of such duties and obligations as are specifically set forth in this Funding Loan Agreement; and

(ii) in the absence of bad faith on the part of the Fiscal Agent, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Fiscal Agent by the Person or Persons authorized to furnish the same;

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Fiscal Agent shall not be liable for any error of judgment made in good faith by an officer or employee of the Fiscal Agent except for willful misconduct or negligence by the officer or employee of the Fiscal Agent as the case may be; and

(ii) the Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Funding Lender Representative 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.

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

Section 7.02 *Reliance Upon Documents.* Except as otherwise provided in Section 7.01 hereof:

(a) the Fiscal Agent may rely upon the authenticity or truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion (including an opinion of independent counsel), report, notice, notarial seal, stamp, acknowledgment, verification, request, consent, order, bond, or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper party or parties, including any Electronic Instruction and Notice as permitted hereunder or under the Project Loan Agreement;

(b) any notice, request, direction, election, order or demand of the Governmental Lender mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Governmental Lender by an Authorized Officer of the Governmental Lender (unless other evidence in respect thereof be herein specifically prescribed), and any resolution of the Governmental Lender may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by an Authorized Officer of the Governmental Lender;

(c) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by any Authorized Officer of the Borrower (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of the Borrower may be evidenced to the Fiscal Agent by a copy of such resolution duly certified by a secretary or other authorized representative of the Borrower;

(d) any notice, request, certificate, statement, requisition, direction, election, order or demand of the Loan Servicer mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Loan Servicer by an Authorized Officer of the Loan Servicer (unless other evidence in respect thereof be herein specifically prescribed);

(e) any notice, request, direction, election, order or demand of the Funding Lender Representative mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Funding Lender Representative by any Authorized Officer of the Funding Lender Representative (unless other evidence in respect thereof be herein specifically prescribed);

(f) in the administration of the trusts of this Funding Loan Agreement, (i) the Fiscal Agent may execute any of the trusts or powers hereby granted directly or through its agents, custodians, nominees, receivers or attorneys appointed with due care, and the Fiscal Agent may consult with counsel (who may be counsel for the Governmental Lender, the Loan Servicer or the Funding Lender Representative) concerning all matters of trusts hereof and duties hereunder, and (ii) the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel;

(g) whenever in the administration of the trusts of this Funding Loan Agreement, the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), may in the absence of negligence or willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of an officer or authorized agent of the Governmental Lender or the Borrower and such certificate shall in the absence of bad faith on the part of the Fiscal Agent be full warrant to the Fiscal Agent for any action taken or permitted by it under the provisions of this Funding Loan Agreement, but in its discretion the Fiscal Agent may in lieu thereof accept other evidence of such matter or may require such further or additional evidence as it may deem reasonable;

(h) the recitals herein and in the Governmental Note (except the Fiscal Agent's certificate of authentication thereon) shall not be considered as made by or imposing any obligation or liability upon the Fiscal Agent. The Fiscal Agent makes no representations as to the value or condition of the Pledged Security or any part thereof, or as to the title of the Governmental Lender or the Borrower to the Pledged Security, or as to the security of this Funding Loan Agreement, or of the Governmental Note issued hereunder, and the Fiscal Agent shall incur no liability or responsibility in respect of any of such matters;

(i) the Fiscal Agent shall not be personally liable for debts contracted or liability for damages incurred in the management or operation of the Pledged Security except for its own willful misconduct or negligence; and every provision of this Funding Loan Agreement 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 7.02(i);

(j) the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the covenants or agreements (except to the extent they obligate the Fiscal Agent) herein or in any contracts or securities assigned or conveyed to or pledged with the Fiscal Agent hereunder, except Events of Default that are evident under Section 6.01(a) hereof. The Fiscal Agent shall not be required to take notice or be deemed to have notice or actual knowledge of any default or Event of Default specified in Section 6.01 hereof (except defaults under Section 6.01(a) hereof to the extent they are collecting loan payments hereunder) unless the Fiscal Agent shall receive from the Governmental Lender or the Funding Lender Representative written notice stating that a

default or Event of Default has occurred and specifying the same, and in the absence of such notice the Fiscal Agent may conclusively assume that there is no such default. Every provision contained in this Funding Loan Agreement or related instruments or in any such contract or security wherein the duty of the Fiscal Agent depends on the occurrence and continuance of such default shall be subject to the provisions of this Section 7.02(j);

(k) the Fiscal Agent shall be under no duty to confirm, or verify any financial or other statements or reports or certificates furnished pursuant to any provisions hereof, except to the extent such statement or reports are furnished by or under the direction of the Fiscal Agent, and shall be under no other duty in respect of the same except to retain the same in its files and permit the inspection of the same at reasonable times by the Funding Lender; and

(l) the Fiscal Agent shall be under no obligation to exercise those rights or powers vested in it by this Funding Loan Agreement, other than such rights and powers which it shall be obliged to exercise in the ordinary course of acting as Fiscal Agent under the terms and provisions of this Funding Loan Agreement and as required by law, at the request or direction of the Funding Lender Representative pursuant to Section 6.03 hereof, unless the Funding Lender Representative shall have offered to the Fiscal Agent security or indemnity satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in the compliance with such request or direction.

None of the provisions contained in this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Fiscal Agent is authorized and directed to execute in its capacity as Fiscal Agent, the Project Loan Agreement and the TEL Regulatory Agreement and 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 delivery of the Governmental Note and no responsibility for compliance with any state or federal securities laws in connection with the Governmental Note. In acting or omitting to act pursuant to the Project Loan Agreement, the TEL Regulatory Agreement or any other documents executed in connection herewith, Fiscal Agent shall be entitled to all of the rights, immunities and indemnities accorded to it under this Funding Loan Agreement, including, but not limited to, this Article VII.

The Fiscal Agent or any of its affiliates may act as advisor or sponsor with respect to any Qualified Investments.

Any resolution, certification, notice, request, direction, election, order or demand delivered to the Fiscal Agent pursuant to this Section 7.02 shall remain in effect until the Fiscal Agent receives written notice to the contrary from the party that delivered such instrument accompanied by revised information for such party.

The Fiscal Agent shall have no responsibility for the value of any collateral or with respect to the perfection or priority of any security interest in any collateral except as otherwise provided in Section 7.15 hereof.

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.

Section 7.03 Use of Proceeds. The Fiscal Agent shall not be accountable for the use or application of the Governmental Note authenticated or delivered hereunder or of the proceeds of the Funding Loan or any other moneys paid over by the Fiscal Agent in accordance with the provisions of this Funding Loan Agreement, except as provided herein.

Section 7.04 Trust Imposed. All money received by the Fiscal Agent shall, until used or applied as herein provided, be held in trust for the purposes for which it was received.

Section 7.05 Compensation of Fiscal Agent. The Fiscal Agent shall be entitled to its Fiscal Agent's Ordinary Fees and Expenses in connection with the services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties of the Fiscal Agent hereunder or under any Financing Document to the extent money is available therefor, in accordance with Section 4.06 hereof, exclusive of Extraordinary Services. The Fiscal Agent shall be entitled to Fiscal Agent's Extraordinary Fees and Expenses in connection with any Extraordinary Services performed consistent with the duties hereunder or under any of the Financing Documents; provided the Fiscal Agent shall not perform any Extraordinary Services or incur any Fiscal Agent's Extraordinary Fees and Expenses without the consent of the Funding Lender Representative. If any property, other than cash, shall at any time be held by the Fiscal Agent subject to this Funding Loan Agreement, or any supplement hereto, as security for the Funding Loan, the Fiscal Agent, if and to the extent authorized by a receivership, bankruptcy, or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Funding Loan Agreement as such security for the Funding Loan, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other liens or encumbrances thereon. Payment to the Fiscal Agent for its services and reimbursement to the Fiscal Agent for its expenses, disbursements, liabilities and advances, shall be limited to the sources described in the Project Loan Agreement and in Sections 4.06, 4.09 and 6.05 hereof. The Governmental Lender shall have no liability for Fiscal Agent's fees, costs or

expenses. Subject to the provisions of Section 7.08 hereof, the Fiscal Agent agrees that it shall continue to perform its duties hereunder and under the other Financing Documents even in the event that money designated for payment of its fees shall be insufficient for such purposes or in the event that the Borrower fails to pay the Fiscal Agent's Ordinary Fees and Expenses or, if applicable, the Fiscal Agent's Extraordinary Fees and Expenses as required by the Project Loan Agreement.

The Borrower shall indemnify and hold harmless the Fiscal Agent and its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants and servants, past, present or future, from and against all of the following: (a) any and all claims by or on behalf of any Person arising from any cause whatsoever in connection with this Funding Loan Agreement or transactions contemplated hereby, the Project, or the delivery of the Governmental Note or the Loans; (b) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project, or the delivery of the Governmental Note or the Loans; and (c) all costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Borrower shall not be required to indemnify any Person for damages caused by the gross negligence, willful misconduct or unlawful acts of such Person or which arise from events occurring after the Borrower ceases to own the Project. In the event that any action or proceeding is brought or claim made against the Fiscal Agent, or any of its officers, directors, officials, employees, agents, receivers, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses (except for matters attributable to the negligence or willful misconduct of such Person). The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel. The provisions of this Section 7.05 shall survive the termination of this Funding Loan Agreement.

Section 7.06 *Qualifications of Fiscal Agent.* There shall at all times be a Fiscal Agent hereunder which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Fiscal Agent shall have a combined capital and surplus of at least \$50,000,000 (or shall be a wholly-owned subsidiary of an association or corporation that has such combined capital and surplus), and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 7.10 hereof. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section 7.06, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Fiscal Agent shall cease to be eligible in accordance with the provisions of this Section 7.06 and another association or

corporation is eligible, the Fiscal Agent shall resign immediately in the manner and with the effect specified in Section 7.08 hereof.

Section 7.07 *Merger of Fiscal Agent.* Any association or corporation into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any association or corporation resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Fiscal Agent hereunder and vested with all the title to the whole property or Pledged Security and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, and shall also be and become successor Fiscal Agent in respect of the legal interest of the Fiscal Agent in the Loans.

Section 7.08 *Resignation by the Fiscal Agent.* The Fiscal Agent may at any time resign from the trusts hereby created by giving thirty (30) days prior written notice to the Governmental Lender, the Borrower, the Loan Servicer and the Funding Lender Representative. Such notice to the Governmental Lender, the Borrower, the Loan Servicer and the Funding Lender Representative may be served personally or sent by certified mail or overnight delivery service. The resignation of the Fiscal Agent shall not be effective until a successor Fiscal Agent has been appointed as provided herein and such successor Fiscal Agent shall have agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder; provided, however, that after giving notice of resignation, Fiscal Agent may petition any court of competent jurisdiction for appointment of a temporary Fiscal Agent until a successor Fiscal Agent is appointed. The rights of Fiscal Agent to indemnity, compensation and reimbursement of fees and expenses shall survive Fiscal Agent's resignation as set forth herein and in Section 6.01(d) of the Project Loan Agreement.

Section 7.09 *Removal of the Fiscal Agent.* The Fiscal Agent may be removed at any time, either with or without cause, with the consent of the Funding Lender Representative (which consent of the Funding Lender Representative shall not be unreasonably withheld) by a written instrument signed by the Governmental Lender and delivered to the Fiscal Agent, the Loan Servicer and the Borrower. The Fiscal Agent may also be removed by a written instrument signed by the Funding Lender Representative and delivered to the Fiscal Agent, the Loan Servicer, the Governmental Lender, and the Borrower. In each case written notice of such removal shall be given to the Loan Servicer, the Borrower and to the Funding Lender. Any such removal shall take effect on the day specified in such written instrument(s), but the Fiscal Agent shall not be discharged from the trusts hereby created until a successor Fiscal Agent has been appointed and has accepted such appointment and has agreed in writing to be bound by the duties and obligations of the Fiscal Agent hereunder. The rights of Fiscal Agent to indemnity, compensation and reimbursement of fees and expenses shall survive Fiscal Agent's removal as set forth herein and in Section 6.01(d) of the Project Loan Agreement.

Section 7.10 *Appointment of Successor Fiscal Agent.*

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(a) In case at any time the Fiscal Agent shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Fiscal Agent or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Fiscal Agent or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Fiscal Agent hereunder, and the Governmental Lender, with the written consent of the Funding Lender Representative, shall promptly appoint a successor Fiscal Agent. Any such appointment shall be made by a written instrument executed by an Authorized Officer of the Governmental Lender. If the Governmental Lender fails to appoint a successor Fiscal Agent within ten (10) days following receipt of notice of the resignation or removal of the Fiscal Agent pursuant to Section 7.08 or Section 7.09 hereunder, as applicable, the Funding Lender Representative may appoint a successor Fiscal Agent.

(b) If, in a proper case, no appointment of a successor Fiscal Agent shall be made pursuant to subsection (a) of this Section 7.10 within sixty (60) days following delivery of all required notices of resignation given pursuant to Section 7.08 hereof or of removal of the Fiscal Agent pursuant to Section 7.09 hereof, the retiring Fiscal Agent may petition any court of competent jurisdiction to appoint a successor Fiscal Agent. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent.

Section 7.11 Concerning Any Successor Fiscal Agent. Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Governmental Lender a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Pledged Security and the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Governmental Lender, the Borrower or the Funding Lender Representative, or of its successor, and upon payment of all amounts due such predecessor, including but not limited to fees and expenses of counsel, execute and deliver such instruments as may be appropriate to transfer to such successor Fiscal Agent all the Pledged Security and the rights, powers and trusts of such predecessor hereunder; and every predecessor Fiscal Agent shall deliver all securities and money held by it as Fiscal Agent hereunder to its successor. Should any instrument in writing from the Governmental Lender be required by a successor Fiscal Agent for more fully and certainly vesting in such successor the Pledged Security and all rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Governmental Lender. The resignation of any Fiscal Agent and the instrument or instruments removing any Fiscal Agent and appointing a successor hereunder, together with all other instruments provided for in this Article VII, shall be filed and/or recorded by the successor Fiscal Agent in each recording office where this Funding Loan Agreement shall have been filed and/or recorded. Each successor Fiscal Agent shall mail

notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Funding Lender.

Section 7.12 *Successor Fiscal Agent.* In the event of a change in the office of Fiscal Agent, the predecessor Fiscal Agent which shall have resigned or shall have been removed shall cease to be Fiscal Agent with respect to the Governmental Note, and the successor Fiscal Agent shall become such Fiscal Agent.

Section 7.13 *Appointment of Co-Fiscal Agent or Separate Fiscal Agent.* It is the intent of the Governmental Lender and the Fiscal Agent that there shall be no violation of any law 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 or connected with this Funding Loan Agreement, the Project Loan Agreement or any of the other Financing Documents, and, in particular, in case of the enforcement of any remedies 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 or therein granted to the Fiscal Agent or hold title to the properties in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent, with the consent of the Governmental Lender and the Funding Lender Representative, appoint an additional individual or institution as a co-fiscal agent or separate fiscal agent.

In the event that the Fiscal Agent appoints an additional individual or institution as a co-fiscal agent or separate fiscal agent, in the event of the incapacity or lack of authority of the Fiscal Agent, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies granted to the Fiscal Agent herein or to hold title to the Pledged Security or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement to be imposed upon, exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be imposed upon, exercisable by and vest in such separate fiscal agent or co-fiscal agent, but only to the extent necessary to enable such co-fiscal agent or separate fiscal agent to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such co-fiscal agent or separate fiscal agent shall run to and be enforceable by either of them, subject to the remaining provisions of this Section 7.13. Such co-fiscal agent or separate fiscal agent shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Governmental Lender and the Fiscal Agent.

Should any instrument in writing from the Governmental Lender be required by the co-fiscal agent or separate fiscal agent so 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, be executed, acknowledged and delivered by the Governmental Lender, the Fiscal Agent and the Borrower. If the Governmental Lender shall fail to deliver the same within thirty (30) days of such request, the

Fiscal Agent is hereby appointed attorney-in-fact for the Governmental Lender to execute, acknowledge and deliver such instruments in the Governmental Lender's name and stead. In case any co-fiscal agent or separate 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 co-fiscal agent or separate fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a new Fiscal Agent or successor to such co-fiscal agent or separate fiscal agent.

Every co-fiscal agent or separate fiscal agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) the Governmental Note shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Funding Loan Agreement conferred upon the Fiscal Agent in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Fiscal Agent;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Fiscal Agent shall be conferred or imposed upon or exercised or performed by the Fiscal Agent, or by the Fiscal Agent and such co-fiscal agent, or separate fiscal agent jointly, as shall be provided in the instrument appointing such co-fiscal agent or separate fiscal agent, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Fiscal Agent shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-fiscal agent or separate fiscal agent;

(c) any request in writing by the Fiscal Agent to any co-fiscal agent or separate fiscal agent to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-fiscal agent or separate fiscal agent;

(d) any co-fiscal agent or separate fiscal agent to the extent permitted by law shall delegate to the Fiscal Agent the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Fiscal Agent at any time by an instrument in writing with the concurrence of the Governmental Lender evidenced by a certified resolution may accept the resignation of or remove any co-fiscal agent or separate fiscal agent appointed under this Section 7.13 and in case an Event of Default shall have occurred and be continuing, the Fiscal Agent shall have power to accept the resignation of or remove any such co-fiscal agent or separate fiscal agent without the concurrence of the Governmental Lender, and upon the request of the Fiscal Agent, the Governmental Lender shall join with the Fiscal Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-fiscal

agent or separate fiscal agent so resigned or removed may be appointed in the manner provided in this Section 7.13;

(f) no Fiscal Agent or co- fiscal agent hereunder shall be personally liable by reason of any act or omission of any other Fiscal Agent hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Funding Lender Representative and delivered to the Fiscal Agent shall be deemed to have been delivered to each such co- fiscal agent or separate fiscal agent; and

(h) any money, papers, securities or other items of personal property received by any such co- fiscal agent or separate fiscal agent hereunder shall forthwith, so far as may be permitted by law, be turned over to the Fiscal Agent.

The total compensation of the Fiscal Agent and any co fiscal agent or separate fiscal agent shall be as, and may not exceed the amount, provided in Section 7.05 hereof.

Section 7.14 *Notice of Certain Events.* The Fiscal Agent shall give written notice to the Governmental Lender, the Loan Servicer and the Funding Lender Representative of any failure by the Borrower to comply with the terms of the TEL Regulatory Agreement or any Determination of Taxability of which a Responsible Officer has actual knowledge.

Section 7.15 *Filing of Financing Statements.* The Fiscal Agent shall, at the expense of the Borrower, file or record or cause to be filed or recorded all continuation statements for financing statement that have been delivered to the Fiscal Agent on which the Fiscal Agent is named as secured party or additional secured party for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed on or approximately on the Delivery Date in connection with the security for the Funding Loan pursuant to the authority of the Uniform Commercial Code. Upon the filing of any such continuation statement the Fiscal Agent shall immediately notify the Governmental Lender, the Borrower, the Funding Lender Representative and the Loan Servicer that the same has been done. If direction is given by the Loan Servicer or the Funding Lender Representative, the Fiscal Agent shall file all continuation statements in accordance with such directions.

Notwithstanding anything to the contrary contained herein, the Fiscal Agent 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 Fiscal Agent shall have been notified by the Funding Lender that any such initial filing or description of collateral was or has become defective, the Fiscal Agent shall be fully protected in (i) relying on such initial filing and descriptions in filing any continuation statements or modifications thereto pursuant to this Section 7.15 and (ii) filing any

continuation statements in the same filing offices as the initial filings were made. The Borrower shall be responsible for the reasonable costs incurred by the Fiscal Agent in the preparation and filing of all continuation statements hereunder.

Section 7.16 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. 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 VIII

AMENDMENTS OF CERTAIN DOCUMENTS

Section 8.01 Amendments to this Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Note may be amended or waived only by an instrument signed by the Fiscal Agent and the Governmental Lender, and with the prior written consent of the Funding Lender Representative.

Section 8.02 Amendments to Financing Documents Require Consent of Funding Lender Representative. Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of any Financing Document without the prior written consent of the Funding Lender Representative. The Fiscal Agent shall enter into such amendments to the Financing Documents as shall be directed by the Funding Lender Representative. In the event that the parties agree to amend the Funding Loan Amortization Schedule, the Loan Servicer or the Funding Lender Representative shall promptly deliver such amended Funding Loan Amortization Schedule to the Fiscal Agent.

Section 8.03 Opinion of Bond Counsel Required. No amendment to this Funding Loan Agreement, the Governmental Note, the Project Loan Agreement, the Project Note, the Security Instrument or the TEL Regulatory Agreement shall become effective unless and until all of the following have occurred: (i) the Funding Lender Representative shall have consented to the same in writing in its sole discretion and (ii) the Funding Lender Representative, the Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower, (A) an opinion of Bond Counsel to the effect that such amendment, change or modification will not, in and of itself, cause interest on the Governmental Note to be includable in gross income of the holders thereof for federal income tax purposes, and (B) an opinion of counsel acceptable to the Funding Lender Representative to the effect that any such proposed such amendment, change or modification 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 IX

SATISFACTION AND DISCHARGE OF FUNDING LOAN AGREEMENT

Section 9.01 *Discharge of Lien.*

- (a) These presents and the estates and rights hereby granted shall cease, determine and be void if Governmental Lender shall:
- (i) pay or cause to be paid to the Funding Lender the principal, interest and Prepayment Premium, if any, to become due with respect to the Funding Loan at the times and in the manner stipulated herein and in the Governmental Note, in any one or more of the following ways:
 - (a) by the payment of all unpaid principal of (including Prepayment Premium, if any) and interest on the Funding Loan; or
 - (b) prior to the Window Period, by the deposit to the account of the Fiscal Agent, in trust, of money or securities in the necessary amount to pay the principal, Prepayment Premium and interest to the Maturity Date; or
 - (c) by the delivery of the Governmental Note by the Funding Lender to the Fiscal Agent for cancellation; and
 - (ii) have paid all amounts due and owing under the other Financing Documents;
 - (iii) have paid all fees and expenses of and any other amounts due to the Fiscal Agent, the Loan Servicer and the Rebate Analyst; and
 - (iv) keep, perform and observe all and singular the covenants and promises in the Governmental Note and in this Funding Loan Agreement expressed as to be kept, performed and observed by it or on its part.

(b) Upon satisfaction of each of the requirements of Section 9.01(a), Fiscal Agent shall cancel and discharge the lien of this Funding Loan Agreement and execute and deliver to Governmental Lender such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to Governmental Lender the estate hereby conveyed, and assign and deliver to Governmental Lender any interest in property at the time subject to the lien of this Funding Loan Agreement which may then be in its possession, except amounts held by Fiscal Agent for the payment of principal of, interest and Prepayment Premium, if any, on the Governmental Note, and the payment of any amounts owed to the United States of America pursuant to Section 4.10 hereof.

(c) Prior to the Window Period and subject to the satisfaction of the conditions set forth in Section 4.04(c) of the Project Loan Agreement, the Funding Loan shall, prior to the Maturity Date, be deemed to have been paid within the meaning and with the effect expressed in Section 9.01(a) based on a deposit of moneys or securities with the Fiscal Agent pursuant to Section 9.01(a)(i)(b) if, under circumstances which do not cause interest on the Governmental Note to become includable in the holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled:

(i) there shall be on deposit with the Fiscal Agent either money or noncallable and nonprepayable direct obligations of the United States of America (or other defeasance securities constituting Qualified Investments approved in writing by the Funding Lender Representative) in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal and interest due and to become due on the Funding Loan up to and on the Maturity Date;

(ii) the Fiscal Agent shall have received a verification report of a firm of certified public accountants or financial analyst reasonably acceptable to the Fiscal Agent and the Funding Lender Representative as to the adequacy of the amounts or securities so deposited to fully pay the Funding Loan;

(iii) the Fiscal Agent and the Funding Lender Representative shall have received a written opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Borrower, any general partner, member or guarantor of the Borrower, or the Governmental Lender were to become a debtor in a proceeding under the Bankruptcy Code (x) payment of such money to the Funding Lender would not constitute a voidable preference under Section 547 of the Bankruptcy Code and (y) the automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Funding Loan;

(iv) the Fiscal Agent and the Funding Lender Representative shall have received an opinion of Bond Counsel to the effect that the defeasance of the Funding Loan is in accordance with the provisions of the Funding Loan Agreement and that such defeasance will not adversely affect the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes; and

(v) the Fiscal Agent shall have received written confirmation that all fees, expenses or reimbursement of any advances due to the Funding Lender and the Loan Servicer under the Financing Documents have been fully paid.

Section 9.02 Discharge of Liability on Funding Loan. Upon the deposit with the Fiscal Agent, in trust, on or before the Maturity Date, of money or securities in the necessary amount (as provided in Section 9.01 above) to pay or prepay the Funding Loan (whether upon or prior to the Maturity Date or the prepayment date of the Funding Loan) provided that, if the Funding Loan is to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as provided in Article III or provision satisfactory to the Fiscal Agent shall have been made

for the giving of such notice, all liability of the Governmental Lender in respect of the Funding Loan shall cease, terminate and be completely discharged, except only that thereafter the Funding Lender shall be entitled to payment by the Governmental Lender, and the Governmental Lender shall remain liable for such payment, but only out of the money or securities deposited with the Fiscal Agent as aforesaid for their payment, subject, however, to the provisions of Section 9.03 hereof.

Section 9.03 *Payment of Funding Loan After Discharge of Funding Loan Agreement.* Notwithstanding any provisions of this Funding Loan Agreement, and subject to applicable unclaimed property laws of the State, any money deposited with the Fiscal Agent or any paying agent in trust for the payment of the principal of, interest or Prepayment Premium, if any, on the Governmental Note remaining unclaimed for five (5) years after the maturity or earlier payment date: (a) shall be reported and disposed of by the Fiscal Agent in accordance with applicable unclaimed property laws; or (b) to the extent permitted by applicable law, shall be paid to the Borrower, whereupon all liability of the Governmental Lender and the Fiscal Agent with respect to such money shall cease, and the Funding Lender shall thereafter look solely to the Borrower for payment of any amounts then due. All money held by the Fiscal Agent and subject to this Section 9.03 shall be held uninvested and without liability for interest thereon.

ARTICLE X

MISCELLANEOUS

Section 10.01 *Servicing of the Loans.* The Funding Lender Representative may appoint a Servicer (which may be the Funding Lender Representative if the Funding Lender Representative elects to service the Loans) to service the Loans as provided in Section 3.02 of the Project Loan Agreement.

Section 10.02 *Limitation of Rights.* With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Funding Loan Agreement or the Governmental Note is intended or shall be construed to give to any Person other than the Parties hereto, the Funding Lender, the Funding Lender Representative, the Loan Servicer and the Borrower, any legal or equitable right, remedy or claim under or in respect to this Funding Loan Agreement or any covenants, conditions and provisions hereof.

Section 10.03 *Construction of Conflicts; Severability.* Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Funding Loan, the interest on which is excluded from the gross income of the holders thereof for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Project Loan Documents, then the Project Loan Documents shall be controlling in all respects. If any provision of this Funding Loan Agreement shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all

cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Funding Loan Agreement contained, shall not affect the remaining portions of this Funding Loan Agreement, or any part thereof.

Section 10.04 Notices.

- (a) Whenever in this Funding Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Loan Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below or as may be required or permitted by this Funding Loan Agreement by Electronic Instruction and Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower or the Loan Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Governmental Lender: Housing Finance Authority of Broward County, Florida
110 NE 3rd Street, Suite 300
Fort 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 E. Ashton, Esq.
Email: aashton@broward.org
Telephone: (954) 357-7600

The Fiscal Agent: The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Corporate Trust Department
Email: caroline.cowart@bnymellon.com
Telephone: 904-645-1919
Facsimile: 904-886-1125

The Borrower: Woodsdale Oaks, LLC
1015 Fillmore Street, PMB 31735
San Francisco, California 94115
Attention: Robert Lee
Email: robert@spiraequitypartners.com
Telephone: (604) 716-6225

with a copy to (which copy shall not constitute notice to Borrower):
Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 W. Flagler Street
Miami, Florida 33130
Attention: Brooker Russ Perlyn, Esq.
Email: bperlyn@stearnsweaver.com
Telephone: (305)-789-4107

with a copy to the Equity Investor: [INSERT INVESTOR NOTICE ADDRESS]

with a copy to: [INSERT INVESTOR COUNSEL NOTICE ADDRESS]

Funding Lender Representative
(as of Freddie Mac Purchase Date):

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to (which copy shall not constitute notice to Funding Lender Representative):

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

Initial Funding Lender and Servicer:

Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Servicing – Executive Vice President

The Governmental Lender

Servicer: [INSERT GOVERNMENTAL LENDER SERVICER NOTICE ADDRESS]

A duplicate copy of each notice or other communication given hereunder by any party to the Loan Servicer shall also be given to the Funding Lender Representative and by any party to the Funding Lender Representative to the Loan Servicer.

The Fiscal Agent agrees to accept and act upon Electronic Instruction and Notice pursuant to this Funding Loan Agreement.

- (b) The Fiscal Agent shall provide to the Funding Lender Representative and the Loan Servicer (i) prompt notice of the occurrence of any Event of Default pursuant to Section 6.01 hereof and (ii) any written information or other written communication received by the Fiscal Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative and the Loan Servicer for any such information or other communication.

Section 10.05 *Funding Lender Representative.*

- (a) The Initial Funding Lender is the initial Funding Lender Representative with respect to the Governmental Note. Upon the Freddie Mac Purchase Date, Freddie Mac shall be the Funding Lender Representative. The Funding Lender Representative shall be entitled to all the rights and privileges of the Funding Lender hereunder and under the other Financing Documents.

(b) The Funding Lender Representative may provide written notice to the Fiscal Agent designating particular individuals or Persons authorized to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative, and such notice may be amended or rescinded by the Funding Lender Representative at any time by subsequent written notice. The Funding Lender Representative may be removed and a successor appointed by a written notice in the form of Exhibit B hereto given by the Funding Lender to the Fiscal Agent, the Governmental Lender, the Loan Servicer and the Borrower. The removal and reappointment shall be effective immediately upon receipt of such notice by the Fiscal Agent. The Funding Lender may appoint any Person to act as Funding Lender Representative, including, without limitation, the Loan Servicer. If, for any reason, a Funding Lender Representative resigns by written notice provided to the Fiscal Agent, the Funding Lender, the Governmental Lender, the Loan Servicer and the Borrower, all references to Funding Lender Representative herein and in the other Financing Documents shall be deemed to refer to the Funding Lender until a successor Funding Lender Representative is appointed by the Funding Lender.

(c) Whenever pursuant to this Funding Loan Agreement or any other Financing Document, the Funding Lender Representative exercises any right given to it to approve or disapprove, any arrangement or term hereof, the decision of the Funding Lender Representative to approve or disapprove or to decide whether arrangements or terms are acceptable or not acceptable shall be in the sole discretion of the Funding Lender Representative, except as otherwise specifically indicated.

(d) Each Funding Lender, by their purchase or other acquisition of the Funding Loan, shall be deemed to have acknowledged and agreed to the provisions of this Funding Loan Agreement and the other Financing Documents with respect to the Funding Lender Representative and the rights and privileges thereof, including but not limited to the right to control all remedies in respect of the Governmental Note and the Loans.

Section 10.06 *Payments Due on Non-Business Days.* In any case where a date of payment with respect to the Funding Loan shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period after such date provided that payment is made on such next succeeding Business Day.

Section 10.07 *Counterparts.* This Funding Loan 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 10.08 *Laws Governing Funding Loan Agreement.* The effect and meanings of this Funding Loan Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the internal laws of the State without regard to conflicts of laws principles.

Section 10.09 No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Funding Loan Agreement or in the Governmental Note shall be had against any member, officer, commissioner, director or employee (past, present or future) of the Governmental Lender, either directly or through the Governmental Lender or its governing body or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, or otherwise, of any sum that may be due and unpaid by the Governmental Lender or its governing body upon the Governmental 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, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Funding Lender or otherwise of any sum that may remain due and unpaid with respect to the Funding Loan hereby secured is, by the acceptance hereof, 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 Note.

Section 10.10 Successors and Assigns. All the covenants and representations contained in this Funding Loan Agreement by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Governmental Lender, the Initial Funding Lender and the Fiscal Agent have caused this Funding Loan Agreement to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

GOVERNMENTAL LENDER:

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**, as the
Governmental Lender

By: _____
Colleen LaPlant, Chair

[GOVERNMENTAL LENDER'S SIGNATURE PAGE TO WOODSDALE OAKS FUNDING LOAN
AGREEMENT]

INITIAL FUNDING LENDER:

BERKADIA COMMERCIAL MORTGAGE LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

[FUNDING LENDER'S SIGNATURE PAGE TO WOODSDALE OAKS FUNDING LOAN AGREEMENT]

FISCAL AGENT:

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

By: _____

Name: _____

Title: Vice President

[FISCAL AGENT'S SIGNATURE PAGE TO WOODSDALE OAKS FUNDING LOAN AGREEMENT]

EXHIBIT A

FORM OF GOVERNMENTAL NOTE

THIS GOVERNMENTAL NOTE MAY ONLY BE TRANSFERRED PURSUANT TO THE TERMS OF THE FUNDING LOAN AGREEMENT.

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING MORTGAGE REVENUE NOTE, SERIES 2024
(WOODSDALE OAKS)**

US \$ _____

December ____, 2024

FOR VALUE RECEIVED, the undersigned, **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “**Obligor**”), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of **BERKADIA COMMERCIAL MORTGAGE LLC**, a Delaware limited liability company (the “**Funding Lender**”), and its assigns, the principal sum of _____ DOLLARS (US \$ _____), plus Prepayment Premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks) (this “**Governmental Note**”) is being delivered pursuant to that certain Funding Loan Agreement dated as of December 1, 2024 (together with any and all amendments, modifications, supplements and restatements, the “**Funding Loan Agreement**”), among the Funding Lender, the Obligor and The Bank of New York Mellon Trust Company, N.A. (the “**Fiscal Agent**”), pursuant to which the Obligor has incurred a loan in the original principal amount of \$ _____ (the “**Funding Loan**”), and this Governmental Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to Woodsdale Oaks, LLC, a Florida limited liability company (the “**Borrower**”) pursuant to the Project Loan Agreement dated as of December 1, 2024 (the “**Project Loan Agreement**”), among the Obligor, the Borrower and the Fiscal Agent.

1. **Defined Terms.** As used in this Governmental Note, (i) the term “**Funding Lender**” means the holder of this Governmental Note, and (ii) the term “**Indebtedness**” means the principal of, Prepayment Premium, if any, and interest on or any other amounts due at any time under this Governmental Note or the Funding Loan Agreement. “**Event of Default**” and other capitalized terms used but not defined in this Governmental Note shall have the meanings given to such term in the Funding Loan Agreement.

2. **Payments of Principal and Interest.** The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) on the first calendar day of each month commencing [January] 1, 2025, interest on this Governmental Note at the rate of [_____] % per annum (or such higher rate of interest borne by the Funding Loan upon any default) (the “**Interest Rate**”) on the outstanding principal balance of this Governmental Note, and shall also pay interest on this Governmental Note at the Interest Rate on the date of any optional or mandatory prepayment or acceleration of all or part of the Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Governmental Note subject to prepayment. Interest on this Governmental Note shall be computed on the basis of a 360-day year and the actual number of days elapsed.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Governmental Note in full on [January 1, 2041] (the “**Maturity Date**”) and in monthly installments on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto in an amount equal to the corresponding amounts set forth thereon, or at such earlier times and in such amounts as may be required, in the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

3. **Manner of Payment.** All payments under this Governmental Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Funding Loan Agreement.

4. **Application of Payments.** If at any time the Funding Lender receives any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Funding Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Funding Lender, in the Funding Lender’s discretion. Neither the Funding Lender’s acceptance of a payment in an amount that is less than all amounts then due and payable nor the Funding Lender’s application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security.** The Indebtedness is secured by, among other things, the Pledged Security pledged pursuant to the Funding Loan Agreement.

6. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Governmental Note shall at once become due and payable, at the option of the Funding Lender, as governed by the Funding Loan Agreement, without any prior notice to the Obligor (unless required by applicable law). The Funding Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Prepayment; Prepayment Premium.** This Governmental Note is subject to prepayment as specified in the Funding Loan Agreement. Prepayment Premium shall be payable as specified in the Funding Loan Agreement.

8. **Forbearance.** Any forbearance by the Funding Lender in exercising any right or remedy under this Governmental Note or any other document evidencing or securing the Funding Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Funding Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Funding Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Funding Lender of any security for the obligations under this Governmental Note shall not constitute an election by the Funding Lender of remedies so as to preclude the exercise of any other right or remedy available to the Funding Lender.

9. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Governmental Note and all other third-party obligors.

10. **Loan Charges.** Neither this Governmental Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the maximum amount of interest allowed by applicable law (the "**Maximum Interest Rate**"). If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Governmental Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Governmental Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Governmental Note.

11. **Governing Law.** This Governmental Note shall be governed by the internal law of the State of Florida (the "**Property Jurisdiction**").

12. **Captions.** The captions of the paragraphs of this Governmental Note are for convenience only and shall be disregarded in construing this Governmental Note.

13. **Address for Payment.** All payments due under this Governmental Note shall be payable at the principal office of the Funding Lender as designated by the Funding Lender in writing to the Fiscal Agent and the Loan Servicer.

14. **Default Rate.** So long as (a) any monthly installment under this Governmental Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Governmental Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the “**Default Rate**”) equal to the lesser of (i) the Interest Rate otherwise in effect notwithstanding the default plus four percent (4%) per annum or (ii) the Maximum Interest Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate.

15. **Limited Obligation.** This Governmental Note shall be a limited obligation of the Obligor. This Governmental Note and the interest hereon and redemption premium, if any, shall not be deemed to constitute or create an indebtedness, liability or obligation of the Obligor, the City, the State or any political subdivision or agency thereof within the meaning of any State constitutional provision or statutory limitation or a pledge of the faith and credit or the taxing power of the State or any such political subdivision or agency. This Governmental Note and the interest hereon are payable solely from and secured by the Pledged Security, all as described in and subject to limitations set forth in the Funding Loan Agreement, for the equal and ratable benefit of the Owner, from time to time, of this Governmental Note.

[Signature page follows]

IN WITNESS WHEREOF, the Obligor has caused this Governmental Note to be duly executed by the manual or facsimile signature of its Chair.

SEAL

**HOUSING FINANCE AUTHORITY
BROWARD COUNTY, FLORIDA**

By: _____
Colleen LaPlant, Chair

CERTIFICATE OF AUTHENTICATION

This Governmental Note is issued under the provisions of and described in the within-mentioned Funding Loan Agreement.

Date of Authentication: _____, 2024

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

By: _____
Authorized Signer

SCHEDULE 1
FUNDING LOAN AMORTIZATION SCHEDULE

EXHIBIT B

**FORM OF NOTICE OF APPOINTMENT
OF FUNDING LENDER REPRESENTATIVE**

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attn: Corporate Trust Department

Woodsdale Oaks, LLC
1015 Fillmore Street, PMB 31735
San Francisco, California 94115
Attention: Robert Lee

Housing Finance Authority of Broward County, Florida
110 NE 3rd Street, Suite 300
Fort Lauderdale, Florida 33301
Attn: Finance Director

Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Servicing – Executive Vice President

Re: Woodsdale Oaks

Ladies and Gentlemen:

The undersigned is the holder (the "**Funding Lender**") of the Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks) dated December 1, 2024 (the "**Governmental Note**") delivered pursuant to the Funding Loan Agreement dated as of December 1, 2024 (the "**Funding Loan Agreement**"), among Berkadia Commercial Mortgage LLC, in its capacity as Initial Funding Lender (the "**Initial Funding Lender**"), the Housing Finance Authority of Broward County, Florida (the "**Governmental Lender**") and The Bank of New York Mellon Trust Company, N.A. (the "**Fiscal Agent**"). Pursuant to Section 10.05 of the Funding Loan Agreement, you are hereby notified that, effective immediately upon receipt of this notice by the Fiscal Agent, the Funding Lender Representative appointed under Section 10.05 of the Funding Loan Agreement shall be [_____]. The Person previously appointed as Funding Lender Representative shall upon the effectiveness of this notice no longer have any further rights or obligations as Funding Lender Representative.

The following individual or individuals shall have the authority to execute any consent, waiver, approval, direction or other instrument on behalf of the Funding Lender Representative and the signature(s) set forth next to his/her (their) name(s) is (are) his/her (their) true and correct signature(s).

NAME	SIGNATURE
_____	_____
_____	_____
_____	_____
_____	_____

Additional individuals may be given such authority by written notice to you from the Funding Lender Representative or from the Funding Lender.

This notice is dated as of the _____ day of _____, 20__.

[FUNDING LENDER SIGNATURE BLOCK]

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF TRANSFEREE REPRESENTATIONS LETTER

[To be prepared on letterhead of transferee]

December ____, 2024

Housing Finance Authority of Broward County, Florida
110 NE 3rd Street, Suite 300
Fort Lauderdale, Florida 33301
Attn: Finance Director

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attn: Corporate Trust Department

Re: Woodsdale Oaks

Ladies and Gentlemen:

The undersigned (the "Funding Lender") hereby acknowledges receipt of the Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks) dated December __, 2024 (the "Governmental Note") delivered pursuant to the Funding Loan Agreement dated as of December 1, 2024 (the "Funding Loan Agreement"), among Berkadia Commercial Mortgage LLC, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the Housing Finance Authority of Broward County, Florida (the "Governmental Lender") and The Bank of New York Mellon Trust Company, N.A. (the "Fiscal Agent"). Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Funding Loan Agreement.

In connection with the [origination/purchase] of the Funding Loan by the Funding Lender, the Funding Lender hereby makes the following representations upon which you may rely:

1. The Funding Lender has authority to [originate/purchase] the Funding Loan and to execute this letter, and any other instruments and documents required to be executed by the Funding Lender in connection with the [origination/purchase] of the Funding Loan.

2. The Funding Lender is an "accredited investor" under Regulation D of the Securities Act of 1933 (the "Act") or a "qualified institutional buyer" under Rule 144(a) of said Act (such "accredited investor" or "qualified institutional buyer", a "Qualified Transferee"), and therefore, has sufficient knowledge and experience in financial and business matters, including

purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Funding Loan.

3. The Funding Lender acknowledges that it is [originating/purchasing] the Funding Loan for investment for its own account and not with a present view toward resale or the distribution thereof (except as set forth below), in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Funding Loan (except as set forth below); provided, however, that the Funding Lender may, notwithstanding the foregoing and the terms of Paragraph 4 below, (i) transfer the Funding Loan to any affiliate or other party related to the Funding Lender that is a Qualified Transferee or (ii) sell or transfer the Funding Loan to a special purpose entity, a trust or a custodial or similar pooling arrangement from which the Funding Loan or securitized interests therein are not expected to be sold except to (x) owners or beneficial owners thereof that are Qualified Transferees or (y) in circumstances where secondary market credit enhancement is provided for such securitized interests resulting in a rating thereof of at least "A" or better [provided, however, the Funding Lender has originated and funded the Funding Loan with the expectation that the Funding Loan will be sold to the Federal Home Loan Mortgage Corporation ("Freddie Mac") pursuant to the commitment dated [_____], 2024 (the "Freddie Mac Commitment")].

4. In addition to the right to sell or transfer the Funding Loan as set forth in Paragraph 3 above, the Funding Lender further acknowledges its right to sell or transfer the Funding Loan, subject, as required under the Funding Loan Agreement, to the delivery to the Fiscal Agent of a transferee representations letter from the transferee to substantially the same effect as this Transferee Representations Letter or in such other form authorized by the Funding Loan Agreement with no revisions except as may be approved in writing by the Governmental Lender.

5. The Funding Lender understands that the Governmental Note is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Governmental Note (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

6. The Funding Lender understands that (a) the Funding Loan is not secured by any pledge of any moneys received or to be received from taxation by the State of Florida or any political subdivision thereof and that the Governmental Lender has no taxing power, (b) the Funding Loan does not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Governmental Lender, the State of Florida or any political subdivision thereof; and (c) the liability of the Governmental Lender with respect to the Funding Loan is limited to the Pledged Security as set forth in the Funding Loan Agreement.

7. The Funding Lender has either been supplied with or been given access to information, including financial statements and other financial information, which it considers

necessary to make an informed decision in connection with the [origination/purchase] of the Funding Loan. The Funding Lender has not relied upon the Governmental Lender for any information in connection with its purchase of the Funding Loan.

8. The Funding Lender has made its own inquiry and analysis with respect to the Funding Loan and the security therefor, and other material factors affecting the security and payment of the Funding Loan. The Funding Lender is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Funding Loan.

9. The Funding Lender acknowledges that the Governmental Lender, its counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the Borrower and the Project contained in any disclosure document, if any, related to the purchase of the Governmental Note.

All agreements, representations and warranties made herein shall survive the execution and delivery of this letter agreement and, notwithstanding any investigation heretofore or hereafter, shall continue in full force and effect.

[SIGNATURE BLOCK]

By: _____
Name: _____
Title: _____

EXHIBIT D

**COSTS OF ISSUANCE FUND REQUISITION
(Costs of Issuance Fund)**

The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent
Jacksonville, Florida

Re: Woodsdale Oaks

Fiscal Agent:

You are requested to disburse funds from the Costs of Issuance Fund pursuant to Section 4.11 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (the "**Requisition**"). The terms used in this requisition shall have the meaning given to those terms in the Funding Loan Agreement (the "**Funding Loan Agreement**"), dated as of December 1, 2024, by and among Berkadia Commercial Mortgage LLC, in its capacity as Initial Funding Lender (the "Initial Funding Lender"), the Housing Finance Authority of Broward County, Florida and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent, securing the Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks) dated December __, 2024 (the "**Governmental Note**").

REQUISITION NO.:

PAYMENT DUE TO:

AMOUNT TO BE DISBURSED: \$

The undersigned, on behalf of Woodsdale Oaks, LLC, a limited liability company duly organized and existing under the laws of the State of Florida (the "**Borrower**"), certifies that:

(a) the expenditures for which money is requisitioned by this Requisition represent proper charges against the Costs of Issuance Fund, have not been included in any previous requisition and are set forth in the Schedule attached to this Requisition, with invoices attached for any sums for which reimbursement is requested; and

(b) the money requisitioned is not greater than those necessary to meet obligations due and payable or to reimburse the applicable party for funds actually advanced for Costs of Issuance.

Attached to this Requisition is a Schedule, together with copies of invoices or bills of sale covering all items for which payment is being requested.

Date of Requisition: [_____]

WOODSDALE OAKS, LLC, a Florida limited liability company

By: Spira Woodsdale Oaks, LP, a Florida limited partnership, its manager

By: Spira Woodsdale Oaks GP, Inc., a British Columbia corporation, its general partner

By: _____
Robert Lee, Director

EXHIBIT E

PROJECT LOAN FUND REQUISITION
(Project Loan Fund)

The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent
Jacksonville, Florida

Re: Woodsdale Oaks

You are requested to disburse funds from the Project Loan Fund pursuant to Section 4.02 of the Funding Loan Agreement 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 Funding Loan Agreement (the “**Funding Loan Agreement**”), dated as of December 1, 2024, by and among Berkadia Commercial Mortgage LLC, in its capacity as Initial Funding Lender (the “**Initial Funding Lender**”), the Housing Finance Authority of Broward County, Florida (the “**Governmental Lender**”) and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the “**Fiscal Agent**”), securing the Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks) dated December __, 2024 (the “**Governmental Note**”).

REQUISITION NO.:

PAYMENT DUE TO:

AMOUNT(S) TO BE DISBURSED: \$[_____] from the Project Account
\$[_____] from the Borrower Equity Account

The undersigned Borrower hereby represents and warrants that the following information and certifications provided in connection with this Requisition are true and correct as of the date hereof and authorizes Loan Servicer to submit this Requisition to the Fiscal Agent on behalf of Borrower:

1. Purposes for which disbursement is requested and the party or parties to whom the disbursements shall be made are specified in the **attached Schedule 1** (and may include the undersigned in the case of reimbursement for advances and payments made or cost incurred for work done by the undersigned); provided, however, that no reimbursement shall be made for advances and payments made prior to [____], 20[__].
2. Attached hereto as Schedule 2 is a report setting out the progress of the Rehabilitation and all other reports or information relating to the completion of the Rehabilitation requested by Initial Funding Lender, if any.
3. Attached hereto as Schedule 3 are copies of any applicable invoices, bills, and appropriate lien waivers for the prior period for which disbursement was made,

executed by all contractors and suppliers supplying labor or materials for the Rehabilitation.

4. Attached hereto as Schedule 4 is a report prepared by the professional engineer employed by Initial Funding Lender as to the status of the Rehabilitation, unless Initial Funding Lender has waived this requirement in writing.
5. The undersigned certifies that:
 - a. the conditions precedent to disbursement set forth in the Continuing Covenant Agreement have been satisfied;
 - b. the disbursement requested pursuant to this Requisition: (i) will be used solely to pay a cost or costs allowable under the Funding Loan Agreement and the Continuing Covenant Agreement and (ii) is substantially in accordance with the proforma draw schedules previously delivered to and accepted by the Initial Funding Lender;
 - c. none of the items for which disbursement is requested pursuant to this Requisition has formed the basis for any disbursement previously made from the Project Loan Fund and all such items have been properly recorded in Borrower's books and are set forth on Schedule 1 attached hereto, along with paid invoices attached for any sum for which reimbursement is requested and invoices or bills of sales for all other items;
 - d. all labor and materials for which disbursements have been requested have been incorporated into the Project in accordance with reasonable and standard building practices, the Continuing Covenant Agreement and all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Project;
 - e. the materials, supplies and equipment furnished or installed for the Improvements are not subject to any lien or security interest or that the funds to be disbursed pursuant to this Requisition are to be used to satisfy any such lien or security interest;
 - f. all of the funds being requisitioned are being used in compliance with all tax covenants set forth in the Funding Loan Agreement, the Project Loan Agreement, the TEL Regulatory Agreement and the Tax Certificate, including that none of the proceeds of the Funding Loan (including investment earnings thereon) will be used to provide an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, health club facility or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;

- g. with respect to amounts from the Project Account of the Project Loan Fund, not less than 95% of the sum of:
 - (A) the amounts requisitioned by this Requisition; plus
 - (B) all amounts previously requisitioned and disbursed from the Project Account of the Project Loan Fund;

have been or will be applied by Borrower to pay the Costs of the Project;
- h. Borrower is not in default under the Project Loan Agreement, the Continuing Covenant Agreement or any other Project Loan Document to which it is a party and nothing has occurred to the knowledge of Borrower that would prevent the performance of its obligations under such documents;
- i. no amounts being requisitioned hereby will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the delivery of the Governmental Note or pay debt service with respect to the Loans;
- j. Funds deposited with Borrower for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit and Borrower reasonably expects such funds will be disbursed from its account within five Business Days of such deposit; and
- k. Borrower has not requested any disbursement pursuant to this Requisition for stored items.

[Following items may not be required for Initial Disbursement]

- 6. Estimated costs of completing the uncompleted Rehabilitation (as defined in the Continuing Covenant Agreement) as of the date of this Requisition: [_____].
- 7. Percent of the Rehabilitation completed as of the date this request: [_____]%
- 8. The Borrower certifies that monthly occupancy for the month preceding this Requisition was [_____], as indicated by the **rent roll** attached as Schedule 5 hereto which is true, correct and complete.
- 9. The Borrower certifies that net operating income for the month preceding this Requisition was [_____], as indicated by the **operating statement** attached as Schedule 6 hereto.

IN WITNESS WHEREOF, the undersigned has executed this Requisition as of the day and date first above written.

Date:[_____]

WOODSDALE OAKS, LLC, a Florida limited liability company

By: Spira Woodsdale Oaks, LP, a Florida limited partnership, its manager

By: Spira Woodsdale Oaks GP, Inc., a British Columbia corporation, its general partner

By: _____
Robert Lee, Director

APPROVED:

BERKADIA COMMERCIAL MORTGAGE LLC

By: _____
Name: _____
Title: _____

EXHIBIT "B"
FORM OF
PROJECT LOAN AGREEMENT
[ATTACHED]

PROJECT 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

**WOODSDALE OAKS, LLC,
as Borrower**

Dated as of December 1, 2024

Relating to

**MULTIFAMILY HOUSING MORTGAGE REVENUE NOTE, SERIES 2024
(WOODSDALE OAKS)**

All of the right, title and interest of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (except for its Unassigned Rights) in and to this Project Loan Agreement 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 December 1, 2024 by and among the Governmental Lender, the Initial Funding Lender named therein and the Fiscal Agent.

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PROJECT LOAN AGREEMENT

THIS PROJECT LOAN AGREEMENT (this “**Project Loan Agreement**”) dated as of December 1, 2024, is made by and among the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA** (the “**Governmental Lender**”), a public body corporate and politic 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 (together with any successor Fiscal Agents appointed under the Funding Loan Agreement, the “**Fiscal Agent**”), and **WOODSDALE OAKS, LLC**, a limited liability company duly organized and existing under the laws of the State of Florida (together with its successors and assigns permitted hereunder, the “**Borrower**”).

RECITALS

A. Pursuant to 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**”), Ordinance 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the “**Board**”) on June 20, 1979, as amended, and this Project Loan Agreement, the Governmental Lender is agreeing to make a mortgage loan to the Borrower in the original principal amount of \$[22,000,000] (the “**Project Loan**”) to provide for the financing of the acquisition, rehabilitation and equipping of a multifamily residential housing development located at [2573] NW 49th Avenue in Lauderdale Lakes, Florida 33313 and known as Woodsdale Oaks. The Land, Improvements, and Fixtures (each as defined in the Security Instrument) are collectively referred to herein as the “**Project**”.

B. The Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan incurred by Governmental Lender pursuant to the Funding Loan Agreement dated as of the date hereof (the “**Funding Loan Agreement**”), among Berkadia Commercial Mortgage LLC, a Delaware limited liability company, in its capacity as initial holder of the Governmental Note (the “**Initial Funding Lender**”), the Governmental Lender, and Fiscal Agent, in the original principal amount of \$[22,000,000] (the “**Funding Loan**” and together with the Project Loan, the “**Loans**”). The Funding Loan is being originated and funded by the Initial Funding Lender under the Funding Loan Agreement and is evidenced by the Governmental Lender’s Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks), dated December 1, 2024 (the “**Delivery Date**”), delivered by the Governmental Lender to the Initial Funding Lender (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto, the “**Governmental Note**”).

C. The Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“**Freddie Mac**”), has entered into a commitment with the Initial Funding Lender dated [_____], 2024 (as the same may be amended, modified or supplemented from time to time, the “**Freddie Mac Commitment**”) whereby Freddie Mac has agreed to purchase the Funding Loan from Initial Funding Lender on the date of satisfaction of the conditions set forth therein (the “**Freddie Mac Purchase Date**”). On the Freddie Mac Purchase Date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, the Funding Loan Agreement, the Continuing Covenant Agreement and the other Financing Documents to Freddie Mac.

D. The Borrower has agreed to use the proceeds of the Project Loan to finance the acquisition and rehabilitation of the Project.

E. The Borrower’s payment obligations in respect of the Project Loan will be evidenced by a Project Note dated the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto, the “**Project Note**”), delivered to Governmental Lender, which Project Note will be endorsed by Governmental Lender to Fiscal Agent as security for the Funding Loan.

F. To secure the Borrower’s obligations under the Project Note, the Borrower will execute and deliver to the Governmental Lender a Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Security Instrument**”), granting a first priority mortgage and security interest in the Project in favor of the Governmental Lender.

G. All of the right, title and interest of Governmental Lender (except for its Unassigned Rights) in and to this Project Loan Agreement, the Security Instrument, and the other Financing Documents are being assigned to Fiscal Agent as security for the Funding Loan pursuant to the Assignment.

H. As a condition to the initial funding of the Funding Loan on the Delivery Date, and the subsequent purchase of the Funding Loan by Freddie Mac on the Freddie Mac Purchase Date, the Borrower is entering into a Continuing Covenant Agreement dated as of the Delivery Date (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Continuing Covenant Agreement**”) with the Initial Funding Lender, to set forth various other requirements with respect to the Loans and the Project, which will be assigned to Freddie Mac on the Freddie Mac Purchase Date.

I. On and after the Freddie Mac Purchase Date, Freddie Mac will act as Funding Lender Representative with respect to the Loans. Berkadia Commercial Mortgage LLC will act as initial Loan Servicer for the Loans on behalf of the Funding Lender Representative.

J. The Governmental Lender has determined that all things necessary to incur the Funding Loan and to make the Governmental Note, when executed by the Governmental Lender and authenticated by the Fiscal Agent and issued in accordance with this Funding Loan Agreement, the valid, binding and legal obligation of the Governmental Lender and to constitute this Funding Loan Agreement a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the principal of, Prepayment Premium, if any, and interest on, the Governmental Note, have been duly taken, and the creation, execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Note, subject to the terms of this Funding Loan Agreement, have been duly authorized by the Governmental Lender.

H. The Fiscal Agent has the power and authority to enter into this Funding Loan Agreement, including corporate trust powers to accept the trusts hereunder and to accept and assume its other responsibilities hereunder as Fiscal Agent as evidenced by its execution of this Funding Loan Agreement.

NOW, THEREFORE, for and in consideration of the premises and of the origination and funding of the Project Loan by the Governmental Lender, and for other good and valuable consideration mutual covenants and representations hereinafter contained, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

Section 1.01 Definitions. The terms used in this Project Loan Agreement (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Project Loan Agreement and of any amendment or supplement hereto shall have the respective meanings specified below. Terms used herein (including when used in the Recitals) not otherwise defined shall have the respective meanings set forth in the Funding Loan Agreement and the Continuing Covenant Agreement.

“Act” is defined in the Recitals of this Project Loan Agreement.

“Additional Loans” is defined in Section 8.13 of this Project Loan Agreement.

“Borrower” means the entity identified as “Borrower” in the Recitals of this Project Loan Agreement, together with any of its permitted successors and assigns, as owner of the Project.

“Continuing Covenant Agreement” is defined in the Recitals of this Project Loan Agreement.

"Delivery Date" means the date identified as "Delivery Date" in the Recitals of this Project Loan Agreement, which is the date of funding of the Funding Loan and the delivery of the Governmental Note by Governmental Lender to Initial Funding Lender.

"Event of Default" means the occurrence of any event listed in Section 7.01 hereof.

"Fee Component" means the regular, ongoing fees due from time to time to the Governmental Lender, the Fiscal Agent, and the Rebate Analyst, if any, expressed as a flat, fixed amount or in terms of a percentage of the unpaid principal amount of the Funding Loan on an annual basis.

"Fiscal Agent" means the entity identified as "Fiscal Agent" on Page 1 of this Project Loan Agreement, together with any successor Fiscal Agents appointed under the Funding Loan Agreement.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"Freddie Mac Commitment" is defined in the Recitals of this Project Loan Agreement.

"Freddie Mac Purchase Date" is defined in the Recitals of this Project Loan Agreement.

"Funding Loan" is defined in the Recitals of this Project Loan Agreement.

"Funding Loan Agreement" is defined in the Recitals of this Project Loan Agreement.

"Governmental Lender" means the entity identified as "Governmental Lender" on Page 1 of this Project Loan Agreement.

"Governmental Note" is defined in the Recitals of this Project Loan Agreement.

"Initial Funding Lender" is defined in the Recitals of this Project Loan Agreement.

"Loans" is defined in the Recitals of this Project Loan Agreement.

"Project" is defined in the Recitals of this Project Loan Agreement.

"Project Loan" is defined in the Recitals of this Project Loan Agreement.

"Project Loan Agreement" means this Project Loan Agreement, together with any amendments hereto.

“Project Loan Amortization Schedule” means the Project Loan Amortization Schedule attached as Schedule 1 to the Project Note.

“Project Loan Payment” means each payment of the Project Loan on each Project Loan Payment Date pursuant to the Project Note and this Project Loan Agreement.

“Project Loan Payment Date” means (a) the first day of each calendar month, commencing [January] 1, 2025, or (b) any other date on which the Project Loan is prepaid or paid, whether at scheduled maturity or upon prepayment or acceleration of the maturity thereof; provided, however, that if a Project Loan Payment Date is not a Business Day, payment shall be made on the first Business Day following such Project Loan Payment Date, as provided in Section 4.01(c) hereof.

“Project Note” is defined in the Recitals of this Project Loan Agreement.

“Security Instrument” is defined in the Recitals of this Project Loan Agreement.

“Servicing Fee” means the ordinary fee payable to the Loan Servicer in connection with the servicing of the Loans payable monthly in an amount equal to one twelfth of [____]% of the outstanding principal balance of the Project Loan, computed on the basis of a 360-day year and the actual number of days elapsed.

“Taxes” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or as income taxes.

Section 1.02 Interpretation. The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Project Loan Agreement; the term “heretofore” means before the date of execution of this Project Loan Agreement; and the term “hereafter” means after the date of execution of this Project Loan Agreement. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. Words importing persons include firms, partnerships, limited liability companies, joint ventures, associations and corporations. 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. The headings of this Project Loan Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 *Representations, Warranties and Covenants of the Governmental Lender.*

The Governmental Lender makes the following representations, warranties and covenants for the benefit of the Borrower, the Fiscal Agent, the Funding Lender and the Loan Servicer:

(a) The Governmental Lender is a body corporate and politic duly created and organized, validly existing and in good standing under the laws of the State.

(b) The Governmental Lender has all necessary power and authority to incur the indebtedness of the Funding Loan evidenced by the Governmental Note and to make the Project Loan from the proceeds thereof, and to execute, and deliver this Project Loan Agreement, the Funding Loan Agreement, and the other Financing Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The Governmental Lender has taken all action on its part to incur the Funding Loan evidenced by the Governmental Note and make the Project Loan from the proceeds thereof and for the sale, execution and delivery thereof.

(d) Each of the Financing Documents to which the Governmental Lender is a party has been duly and validly authorized, executed and delivered by the Governmental Lender and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Governmental Lender, enforceable against the Governmental Lender in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

(e) The Governmental Lender has complied with the provisions of the laws of the State, including, but not limited to, the Act, which are prerequisites to the consummation of the transactions on the part of the Governmental Lender described or contemplated in the Financing Documents. The execution and delivery of the Governmental Note and the Financing Documents to which the Governmental Lender is a party, the consummation of the transactions on the part of the Governmental Lender contemplated thereby and the fulfillment of or compliance with the terms and conditions thereof do not conflict with or result in the breach of any of the terms, conditions or provisions of any agreement or instrument or judgment, order or decree to which the Governmental Lender is now a party or by which it is bound, nor do they constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of the Governmental Lender under the terms of any instrument or agreement.

(f) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained, is required for the due execution and delivery by the Governmental Lender of, and performance by the Governmental Lender of its obligations under, the Financing Documents.

(g) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender by or before any court, governmental agency or public board or body, nor, to the Governmental Lender's knowledge, is there any basis therefor, which (i) affects or questions the existence or the territorial jurisdiction of the Governmental Lender or the title to office of any member of the governing body of the Governmental Lender; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any Financing Documents or the issuance, sale, execution or delivery of the Governmental Note; (iii) affects or questions the validity or enforceability of the Governmental Note or any Financing Document; (iv) questions the tax-exempt status of the Governmental Note; or (v) questions the power or authority of the Governmental Lender to perform its obligations under the Governmental Note or any Financing Document, or to carry out the transactions contemplated by the Governmental Note and the Financing Documents.

(h) No officer or other official of the Governmental Lender has any personal financial interest in the Project or the Borrower or in the transactions contemplated by this Project Loan Agreement.

(i) Upon the discovery by the Governmental Lender of any noncompliance by the Borrower with this Project Loan Agreement, the Tax Certificate or the TEL Regulatory Agreement, the Governmental Lender will promptly notify, in writing, the Borrower, the Fiscal Agent, the Loan Servicer and the Funding Lender Representative of such noncompliance and will, subject to the provisions of Article VII hereof and after giving notice and the expiration of all application cure periods, promptly institute action, or cause the Fiscal Agent to institute action, to correct such noncompliance, will diligently pursue such action and will attempt to correct such noncompliance within sixty (60) days after such discovery, subject to the provisions of the Funding Loan Agreement, this Project Loan Agreement, the Tax Certificate and the TEL Regulatory Agreement.

It is expressly acknowledged that the Governmental Lender makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the Borrower in connection with the issuance, sale, execution and delivery of the Governmental Note, or as to the correctness, completeness or accuracy of such statements.

Section 2.02 Representations, Warranties and Covenants of the Borrower. The Borrower makes the following representations, warranties and covenants, all of which, together with the other representations and agreements of the Borrower contained in this Project Loan Agreement, are relied upon by the Governmental Lender, the Funding Lender, the Loan Servicer, and the Fiscal Agent and serve as a basis for the undertakings of the Governmental Lender, the Loan Servicer, and the Fiscal Agent contained in this Project Loan Agreement:

(a) The Borrower is a Florida limited liability company duly organized, validly existing and in good standing under the laws of the State, is duly qualified to conduct its business under the laws of the State and in every other state in which the nature of its business requires such qualification, has full legal right, power and authority to enter into this Project Loan Agreement and the other Financing Documents to which it is a party, and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents to which it is a party, and by proper action has duly authorized the execution, delivery and performance of this Project Loan Agreement and the other Financing Documents to which it is a party. All members and managers, if any, of the Borrower are duly organized and in good standing under the laws of their respective states of organization and are duly qualified to transact business in the State as either domestic or foreign corporations, partnerships, or limited liability companies, as applicable.

(b) The Borrower has the legal right, power and authority to (i) own its properties and assets, including, but not limited to, the Project, (ii) to carry on its business as now being conducted and the Borrower contemplates it to be conducted with respect to the Project and (iii) execute and deliver, carry out its obligations under, and close the transactions provided for in, the Financing Documents to which it is a party.

(c) Each of the Financing Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(d) No authorization, consent, approval, order, registration, declaration or withholding of objection on the part of, or filing of or with any governmental authority, other than those already obtained or those necessary to be obtained during the course of rehabilitation of the Project, is required for the due execution and delivery or approval, as the case may be, by the Borrower of, and the performance by the Borrower of its obligations under, the Financing Documents.

(e) None of the execution and delivery of the Financing Documents to which the Borrower is a party, the consummation of the transactions provided for in the Financing Documents, or the Borrower's fulfillment of or compliance with the terms and conditions of the Financing Documents (i) violates or will violate any law, rule or regulation of any governmental agency or body having jurisdiction over the Borrower, or any of its activities or properties, or any judgment, order, writ, injunction or decree to which the Borrower is subject, or any of the organizational or other governing documents of the Borrower, (ii) conflicts or will conflict with any agreement, instrument or license to which the Borrower is now a party or by which it or any of its properties or assets is bound or results or will result in a breach of, or constitutes or will constitute a default (with due notice or the passage of time or both) under, any such agreement, instrument or license, (iii) contravenes or will contravene any such law, rule or regulation or any such judgment, order, writ, injunction or decree, or (iv) 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 any lien, charge or encumbrance permitted under the terms of the Financing Documents.

(f) There is no action, suit, proceeding, inquiry or investigation pending or, to the Borrower's knowledge, threatened against or affecting the Borrower or any of its properties (including, without limitation, the Project), which, if adversely determined, would (i) impair the right of the Borrower to carry on its business substantially as now conducted and as contemplated by the Financing Documents, (ii) adversely affect the financial condition of the Borrower, (iii) prohibit, restrain or enjoin the making of the Funding Loan or the Project Loan or the execution and delivery of any of the Financing Documents, (iv) adversely affect the validity or enforceability of any of the Financing Documents, or (v) adversely affect the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes.

(g) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform (or in the event they do not conform, are legally nonconforming) and, following completion of the rehabilitation of the Project, will continue to conform (or in the event they do not conform, are legally nonconforming) in all material respects with the requirements of the Act as well as all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project.

(h) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(i) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement

or instrument to which it is a party which default would materially adversely affect the transactions contemplated by the Financing Documents or the operations of the Borrower or the enforceability of the Financing Documents to which the Borrower is a party or the ability of the Borrower to perform all obligations thereunder.

(j) The Borrower agrees to pay all costs of maintenance and repair, all Taxes and assessments, insurance premiums (including public liability and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project.

(k) If the Borrower is a partnership, all of the partnership interests in Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. If the Borrower is a limited liability company, all of the ownership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Project Loan Agreement shall prevent the Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.

(l) The representations and warranties of the Borrower contained in the Tax Certificate and TEL Regulatory Agreement are true and accurate in all material respects.

(m) The information, statements or reports furnished in writing to the Governmental Lender, the Loan Servicer and the Funding Lender Representative by the Borrower in connection with this Project Loan Agreement or the consummation of the transactions contemplated hereby do not, as of the Delivery Date, contain any untrue statement of a material 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; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Delivery Date, are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and any estimates or assumptions contained in any certificate of the Borrower delivered as of the Delivery Date are reasonable.

(n) To the knowledge of the Borrower, no commissioner, member, officer or employee of the Governmental Lender 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

Financing 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 Financing Documents.

(o) 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, other than as contemplated in the Borrower's operating agreement.

(p) The Project is located wholly within the boundaries of Broward County.

(q) The Borrower shall make no changes to the Project or to the operation thereof which would affect the qualification of the Project under the Act or impair the exclusion of interest on the Governmental Note from the gross income of the holders thereof for federal income tax purposes of the interest on the Governmental Note. The Borrower shall operate the Project as required by the TEL Regulatory Agreement.

(r) The Funding Loan Agreement has been submitted to the Borrower for examination, and the Borrower, by execution of this Project Loan Agreement, acknowledges and agrees that it has participated in the drafting of the Funding Loan Agreement and that it is bound by, shall adhere to the provisions of, covenants and agrees to perform all obligations required of the Borrower pursuant to, and shall have the rights set forth by the applicable terms and conditions of, the Funding Loan Agreement.

(s) The Borrower will have a fee simple interest in the land and improvements on the Project, subject only to liens permitted under the Security Instrument.

(t) The Borrower acknowledges that (i) it understands the nature and structure of the transactions relating to the financing of the Project, (ii) it is familiar with the provisions of all of the documents and instruments relating to the financing, (iii) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (iv) it has not relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative, or the Loan Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Financing Documents or otherwise relied on the Governmental Lender, the Fiscal Agent, Freddie Mac, the Funding Lender, the Funding Lender Representative, or the Loan Servicer in any manner.

(u) The Borrower covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the U.S. Government, (including, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC")), the United Nations Security Council, the

European Union, HM Treasury, or other relevant sanctions authority (collectively “Sanctions”).

(v) The Borrower covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers will use any payments made pursuant to this Project Loan Agreement, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

Section 2.03 *Representations and Warranties of the Fiscal Agent.* The Fiscal Agent makes the following representations and warranties for the benefit of the Governmental Lender, the Borrower, the Funding Lender, and the Loan Servicer:

(a) The Fiscal Agent is a national banking association, duly organized and existing under the laws of the United States of America. The Fiscal Agent is duly authorized to act as a fiduciary and to execute the trust created by the Funding Loan Agreement, and meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(b) The Fiscal Agent has complied with the provisions of law which are prerequisite to the consummation of, and has all necessary power (including trust powers) and authority (i) to execute and deliver this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) to perform its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) to consummate the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(c) The Fiscal Agent has duly authorized (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which it is a party, (ii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, and (iii) the actions of the Fiscal Agent contemplated by this Project Loan Agreement and the other Financing Documents to which it is a party.

(d) Each of the Financing Documents to which the Fiscal Agent is a party has been duly executed and delivered by the Fiscal Agent and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the Fiscal Agent, enforceable against the Fiscal Agent in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The Fiscal Agent meets the qualifications to act as Fiscal Agent under the Funding Loan Agreement.

(f) The Fiscal Agent has complied with the provisions of law which are prerequisites to the consummation of the transactions on the part of the Fiscal Agent described or contemplated in the Financing Documents.

(g) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Fiscal Agent as a prerequisite to (i) the execution and delivery of this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party, (ii) the authentication or delivery of the Governmental Note, (iii) the performance by the Fiscal Agent of its obligations under this Project Loan Agreement and the other Financing Documents to which it is a party, or (iv) the consummation of the transactions contemplated by this Project Loan Agreement and the other Financing Documents to which the Fiscal Agent is a party. The Fiscal Agent makes no representation or warranty relating to compliance with any federal or state securities laws.

Section 2.04 *Arbitrage and Rebate Fund Calculations.* The Borrower shall (a) take or cause to be taken all actions necessary or appropriate in order to fully and timely comply with Section 4.10 of the Funding Loan Agreement, and (b) if required to do so under Section 4.10 of the Funding Loan Agreement, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Governmental Lender for the purpose of making any and all calculations required under Section 4.10 of the Funding Loan Agreement. Such calculations, if required, shall be made in the manner and at such times as specified in Section 4.10 of the Funding Loan Agreement. The Borrower shall cause the Rebate Analyst to provide such calculations to the Fiscal Agent and the Governmental Lender at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Funding Loan Agreement and the Tax Certificate and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

Section 2.05 *Tax Covenants of the Borrower.* The Borrower covenants and agrees that:

(a) It will at all times comply with the terms of the Tax Certificate and the TEL Regulatory Agreement;

(b) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Governmental Note to be included in the gross income of the Funding Lender, for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but

not limited to, the filing of all reports and certifications required by the TEL Regulatory Agreement);

(c) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Governmental Note;

It will comply with the requirements of Section 148 of the Code and the Treasury Regulations issued thereunder throughout the term of the Funding Loan and the Project Loan and will not make any use of the proceeds of the Funding Loan or the Project Loan, or of any other funds which may be deemed to be proceeds of the Governmental Note under the Code and the Treasury Regulations, which would cause the Governmental Note to be “arbitrage bonds” within the meaning of Section 148 of the Code; and

(d) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Governmental Note becoming includable in gross income of the holders thereof for federal income tax purposes, it will promptly give written notice of such circumstance, event or condition to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Loan Servicer.

(e) The full amount of each disbursement of proceeds of the Project Loan will be applied to pay or to reimburse the Borrower for the payment of Costs of the Project and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Governmental Note (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Governmental Note will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Governmental Note (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital;

(f) The Borrower will cause all of the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the TEL Regulatory Agreement;

(g) All leases will comply with all applicable laws and the TEL Regulatory Agreement;

(h) In connection with any lease or grant by the Borrower of the use of the Project, the Borrower will require that the lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in this Project Loan Agreement or the TEL Regulatory Agreement;

(i) No proceeds of the Funding Loan shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds;

(j) From the proceeds of the Funding Loan and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Funding Loan, will be used for Costs of Issuance of the Governmental Note, all within the meaning of Section 147(g)(1) of the Code; and

(k) No proceeds of the Funding Loan shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

In the event of a conflict between the terms and requirements of this Section 2.05 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

ARTICLE III

THE PROJECT LOAN

Section 3.01 *Conditions to Funding the Project Loan.* On the Delivery Date, the Governmental Lender shall cause the proceeds of the Funding Loan to be deposited with the Fiscal Agent in accordance with Section 2.11 of the Funding Loan Agreement and Section 3.03 hereof. The Fiscal Agent shall disburse a portion of the proceeds of the Funding Loan pursuant to the Closing Memorandum, provided that no such disbursements of proceeds shall be made until the following conditions have been met:

(a) The Borrower shall have executed and delivered to the Governmental Lender the Project Note and the Governmental Lender shall have endorsed the Project Note to the Fiscal Agent;

(b) The Security Instrument and the Assignment, with only such changes therein as shall be approved in writing by Funding Lender Representative, shall have been executed and delivered by the Borrower and the Governmental Lender, respectively, and delivered to the Title Company for recording in the appropriate office

for officially recording real estate documents in the jurisdiction in which the Project is located (the “**Recorder’s Office**”);

(c) The TEL Regulatory Agreement shall have been executed and delivered by the parties thereto and shall have been delivered to the Title Company for recording in the Recorder’s Office, and the Fiscal Agent shall have received evidence satisfactory to it of such delivery;

(d) All other Financing Documents not listed above shall have been executed and delivered by all parties thereto and copies thereof delivered to the Fiscal Agent; and

(e) The Borrower shall have delivered to the Fiscal Agent, the Governmental Lender, the Funding Lender Representative and the Loan Servicer a certificate confirming, as of the Delivery Date, the matters set forth in Section 2.02 hereof and an opinion of its counsel or other counsel satisfactory to the Fiscal Agent, the Governmental Lender, Bond Counsel, the Funding Lender Representative, Freddie Mac and the Loan Servicer.

Section 3.02 *Terms of the Project Loan; Servicing.*

(a) The Project Loan shall (i) be evidenced by the Project Note; (ii) be secured by the Security Instrument; (iii) be in the original principal amount of \$[22,000,000]; (iv) bear interest as provided in the Project Note; (v) provide for principal and interest payments in accordance with the Project Note; and (vi) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided herein and in the Project Note.

(b) The Funding Lender Representative may appoint a Loan Servicer to service the Loans for all or a portion of the term of the Loans. The initial Loan Servicer of the Loans is Berkadia Commercial Mortgage LLC who shall service the Loans pursuant to the terms of the Freddie Mac Commitment and the Guide. The Funding Lender Representative may remove a Loan Servicer or appoint a replacement Loan Servicer, in its discretion, by written notice provided to the Governmental Lender, the Fiscal Agent and the Borrower. Any successor Loan Servicer shall signify its acceptance of the duties and obligations imposed upon it by the Funding Loan Agreement and this Project Loan Agreement by executing such instrument(s) as shall be acceptable to the Funding Lender Representative, a copy of which shall be provided to the parties hereto.

(c) During any period that the Loan Servicer services the Loans, the Borrower shall make all payments in connection with the Project Loan to the Loan Servicer, and the Loan Servicer will:

(i) retain the allocable portion of the monthly Servicing Fee, if any, for its own account;

- (ii) remit to the Funding Lender all payments of principal of, Prepayment Premium, if any, and interest due with respect to the Funding Loan, together with any other amounts due to the Funding Lender,
- (iii) remit to Fiscal Agent the Fiscal Agent's Ordinary Fees and Expenses, together with any other amounts due to the Fiscal Agent, collected by the Loan Servicer from the Borrower, and
- (iv) remit to the Fiscal Agent, for payment to the Governmental Lender, the Governmental Lender Fee, together with any other amounts due to the Governmental Lender, collected by the Loan Servicer from the Borrower.

During a period in which there is no Loan Servicer, all notices to be sent to the Loan Servicer shall be sent to the Funding Lender Representative (to the extent not already provided) and all amounts to be paid to the Loan Servicer by the Borrower shall be paid directly to the Fiscal Agent (unless otherwise directed by the Funding Lender Representative).

(d) The Governmental Lender, the Fiscal Agent and the Borrower hereby acknowledge and agree that:

- (i) the Funding Lender Representative has appointed the Loan Servicer to service and administer the Project Loan;
- (ii) the selection or removal of any Loan Servicer is in the sole and absolute discretion of the Funding Lender Representative;
- (iii) none of the Governmental Lender, the Fiscal Agent or the Borrower shall terminate or attempt to terminate any Loan Servicer as the servicer for the Project Loan or appoint or attempt to appoint a substitute servicer for the Project Loan,
- (iv) the *Guide* is subject to amendment without the consent of the Fiscal Agent, the Governmental Lender or the Borrower; and
- (v) none of the Fiscal Agent, the Governmental Lender or the Borrower shall have any rights under, or be a third party beneficiary of, the *Guide*.

Section 3.03 Initial Deposits. (a) On the Delivery Date, proceeds of the Funding Loan shall be deposited in the Project Account of the Project Loan Fund. In addition, on the Delivery Date, Borrower will deposit (i) with Fiscal Agent, the sum of (A) \$[_____] for credit to the Costs of Issuance Fund; and (B) \$[_____] for credit to the Borrower Equity Account of the Project Loan Fund and (ii) with Loan Servicer the Stub Payment Amount. Subject to the conditions listed in Section 3.01 hereof, amounts on deposit in the Project Loan

Fund are to be disbursed to Borrower or otherwise as provided in Section 2.11(d) of the Funding Loan Agreement.

(b) To the extent that amounts in the Costs of Issuance Fund from the above-mentioned sources are insufficient to pay all costs of closing the Loans, the Borrower shall cause the payment of such additional costs of closing the Loans to be made on its behalf as such amounts become due.

Section 3.04 *Pledge and Assignment to Fiscal Agent.* The parties hereto acknowledge, and the Borrower consents to, the pledge and assignment by the Governmental Lender to the Fiscal Agent pursuant to the Funding Loan Agreement of all of the Governmental Lender's right, title and interest in this Project Loan Agreement (excluding the Unassigned Rights), the Project Loan, the Project Note, the Security Instrument, the other Project Loan Documents and the Revenues as security for the payment of the principal of, Prepayment Premium, if any, and interest on the Governmental Note and the payment of any other amounts due under the Financing Documents.

Section 3.05 *Investment of Funds.* Except as otherwise provided in the Funding Loan Agreement, any money held as a part of any fund or account established under the Funding Loan Agreement shall be invested or reinvested by the Fiscal Agent in Qualified Investments in accordance with Section 4.07 of the Funding Loan Agreement. The Fiscal Agent may conclusively rely upon the written instructions of the Governmental Lender or Borrower as to both the suitability and legality of the directed investments. The Borrower acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur, to the extent permitted by law, the Borrower specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Fiscal Agent hereunder, that no brokerage confirmations need be sent relating to the security transactions as they occur.

Section 3.06 *Damage; Destruction and Eminent Domain.* If, prior to payment in full of the Project Loan, the Project or any portion thereof is destroyed or damaged in whole or in part by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall have been taken by the exercise of the power of eminent domain, and the Governmental Lender, the Borrower, the Fiscal Agent or the Loan Servicer receives Net Proceeds from insurance or any condemnation award in connection therewith, such Net Proceeds shall be utilized as provided in the Project Loan Documents and the Funding Loan Agreement.

Section 3.07 *Enforcement of Financing Documents.* The Fiscal Agent or the Funding Lender Representative may enforce and take all reasonable steps, actions and the proceedings necessary for the enforcement of all terms, covenants and conditions of the Funding Loan Agreement and the other Financing Documents as and to the extent set forth herein and therein.

ARTICLE IV

LOAN PAYMENTS

Section 4.01 *Payments Under the Project Note; Independent Obligation of Borrower.*

(a) **Payment Obligations.** The Borrower agrees to repay the Project Loan on each Project Loan Payment Date as provided in the Project Note, and in all instances at the times and in the amounts necessary to enable the Fiscal Agent, on behalf of the Governmental Lender, or the Loan Servicer to pay all amounts payable with respect to the Funding Loan, when due, whether at maturity or upon prepayment (with Prepayment Premium, if applicable), acceleration or otherwise. To ensure such timely payment, the Loan Servicer shall collect from the Borrower, and the Borrower shall provide to the Loan Servicer the foregoing payments not less than two (2) Business Days prior to each respective Project Loan Payment Date.

The obligation of the Borrower to make the payments set forth in this Article IV shall be an independent obligation of the Borrower, separate from its obligation to make payments under the Project Note, provided that in all events payments made by the Borrower under and pursuant to the Project Note shall be credited against the Borrower's obligations hereunder on a dollar for dollar basis. If for any reason the Project Note or any provision of the Project Note shall be held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Project Note or such provision of the Project Note shall be deemed to be the obligation of the Borrower pursuant to this Project Loan Agreement to the full extent permitted by law and such holding shall not invalidate or render unenforceable any of the provisions of this Article IV and shall not serve to discharge any of the Borrower's payment obligations hereunder or eliminate the credit against such obligations to the extent of payments made under the Project Note.

(b) **Obligations Unconditional; No Set-Off.** The obligation of the Borrower to repay the Project Loan, to perform all of its obligations under the Project Loan Documents, to provide indemnification pursuant to Section 6.01 hereof, to pay costs, expenses and charges pursuant to Section 4.02 hereof and to make any and all other payments required by this Project Loan Agreement, the Funding Loan Agreement or any other documents contemplated by this Project Loan Agreement or by the Project Loan Documents shall, subject to the limitations set forth in Section 4.06 hereof, and except as set forth in the Project Loan Documents, be absolute and unconditional, and shall be paid or performed without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Borrower's use thereof, the eviction or constructive

eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Governmental Lender's legal organization or status, or any default of the Governmental Lender or the Fiscal Agent hereunder or under any other Financing Document, and regardless of the invalidity of any action of the Governmental Lender or the invalidity of any portion of this Project Loan Agreement.

(c) **Payments from Borrower to Fiscal Agent or Loan Servicer.** Each payment by the Borrower hereunder or under the Project Note shall be made in immediately available funds to the Loan Servicer on each Project Loan Payment Date or such other date when such payment is due; provided, however, such Project Loan Payment shall be made directly to the Fiscal Agent if there is no Loan Servicer or if the Borrower is so directed in writing by the Funding Lender Representative. Each such payment shall be made to the Fiscal Agent or the Loan Servicer, as applicable, by deposit to such account as the Fiscal Agent or the Loan Servicer may designate by written notice to the Borrower. Whenever any Project Loan Payment or any other payment under this Project Loan Agreement or under the Project Note shall be stated to be due on a day that is not a Business Day, such payment shall be made on the first Business Day immediately thereafter.

Section 4.02 Additional Payments Under the Project Note and this Project Loan Agreement.

(a) In addition to the payments set forth in Section 4.01 hereof, payments to be made by the Borrower under the Project Note include certain money to be paid in respect of, among other things, the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents, as set forth in subsection (b) of this Section 4.02. To the extent that any portion of the Fee Component, the Servicing Fee, and amounts required to be deposited pursuant to the Continuing Covenant Agreement and the other Project Loan Documents remain due and owing at any time, such amounts remaining due and owing shall be payable from money on deposit in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement or from other money of the Borrower, to the extent that money in the Administration Fund is insufficient for such purposes. All other fees and expenses shall be payable from money of the Borrower as provided in subsection (b) of this Section 4.02.

(b) In addition to the funding of the initial deposits required of the Borrower described in Section 3.03 hereof, the Borrower shall pay or cause to be paid by the Loan Servicer or the Fiscal Agent (to the extent paid from money on deposit in the Administration Fund or the Costs of Issuance Fund, as applicable), in consideration of the funding of the Project Loan, the following fees, expenses and other money payable in connection with the Loans:

(i) On the Delivery Date, from money on deposit in the Costs of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to Freddie Mac, all third party and out-of-pocket expenses of Freddie Mac

(including but not limited to the fees and expenses of counsel to Freddie Mac) in connection with the Loans.

(ii) On the Delivery Date, from money on deposit in the Costs of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Governmental Lender, an initial financing fee in an amount equal to \$[_____], together with all third party and out-of-pocket expenses of the Governmental Lender (including but not limited to the fees and expenses of Bond Counsel and counsel to the Governmental Lender) in connection with the Loans and the issuance of the Governmental Note.

(iii) On the Delivery Date, from money on deposit in the Costs of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Loan Servicer, its commitment fees and application fees, together with all third party and out of pocket expenses of the Loan Servicer (including but not limited to the fees and expenses of counsel to the Loan Servicer, if any) in connection with the Loans.

(iv) On the Delivery Date, from money on deposit in the Costs of Issuance Fund or, to the extent such money is insufficient for such purpose, from other money of the Borrower, to the Fiscal Agent, an acceptance fee in an amount equal to \$[2,500] together with all third party and out-of-pocket expenses of the Fiscal Agent (including but not limited to the fees and expenses of counsel to the Fiscal Agent) in connection with the Loans and the issuance of the Governmental Note.

(v) To the Fiscal Agent, the Fiscal Agent's Ordinary Fees and Expenses and the Fiscal Agent's Extraordinary Fees and Expenses when due from time to time.

(vi) To the Fiscal Agent, for payment to the Governmental Lender, the Governmental Lender Fee when due and any extraordinary expenses not covered by the Governmental Lender Fee the Governmental Lender may incur in connection with the Financing Documents or the Project from time to time.

(vii) To the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Funding Loan Agreement and this Project Loan Agreement when due from time to time.

(viii) To the Funding Lender Representative, any amount due and owing the Funding Lender Representative from time to time but unpaid under the Continuing Covenant Agreement.

(ix) To the Loan Servicer, the amount of any portion of the Servicing Fee remaining unpaid and any fees, costs and expenses of the Loan Servicer as provided in the Continuing Covenant Agreement.

(x) To the Loan Servicer, the amounts required to be deposited in respect of reserves and impounds required under the Continuing Covenant Agreement and the other Project Loan Documents.

(xi) If the Fiscal Agent is collecting and remitting loan payments under the Funding Loan Agreement, to the Fiscal Agent, within two (2) Business Days of receipt from the Fiscal Agent of a notice of deficiency in the Administration Fund as provided in Section 4.06 of the Funding Loan Agreement, the amount of any such deficiency in the Administration Fund.

Section 4.03 *Payments to Rebate Fund.* The Borrower shall pay when due to the Fiscal Agent at the Principal Office of the Fiscal Agent any amount required to be deposited in the Rebate Fund in accordance with Section 4.10 of the Funding Loan Agreement.

Section 4.04 *Prepayment.*

(a) **Optional Prepayment of the Project Loan.** The Borrower shall have the option to prepay the Project Loan in whole, together with all accrued and unpaid interest thereon, as provided in the Project Note.

(b) **Mandatory Prepayment of the Project Loan.** The Borrower shall be required to pay all or a portion of the outstanding principal balance of the Project Loan, together with accrued interest thereon, and together with any Prepayment Premium due under the Project Note, as provided in the Project Note.

(c) **Defeasance of the Funding Loan.** In addition, prior to the Window Period, the Borrower may cause a defeasance of the Funding Loan resulting in a release of the Pledged Security by satisfying the conditions set forth hereunder and in Article IX of the Funding Loan Agreement. In connection therewith, the Borrower will give written notice (a “**Defeasance Notice**”) to the Funding Lender Representative, the Loan Servicer, the Governmental Lender and the Fiscal Agent of the date the Borrower desires to defease the Funding Loan (the “**Defeasance Date**”). The Defeasance Date may not be more than 60 calendar days, nor less than 30 calendar days, after the delivery of the Defeasance Notice. In connection with the delivery of the Defeasance Notice, the Borrower shall cause to be paid to the Funding Lender Representative the Defeasance Fee set forth in the Continuing Covenant Agreement. In addition to, and not in limitation of any other provisions of this Project Loan Agreement, the Borrower shall pay all fees, costs and expenses in connection with any defeasance whether or not such defeasance occurs. Following such defeasance in accordance with the terms and conditions hereof and the Funding Loan Agreement, the Project Loan shall be deemed paid in full, and the Borrower shall be entitled to the release of the Security Instrument, the Pledged

Security and other security provided by it for the Project Loan, subject to the terms and conditions hereof and the other Financing Documents.

Section 4.05 *Borrower's Obligations Upon Prepayment.* In the event of any prepayment, the Borrower will timely pay, or cause to be paid through the Loan Servicer, an amount equal to the principal amount of the Funding Loan or portion thereof called for prepayment, together with interest accrued to the prepayment date and Prepayment Premium, if any. In addition, the Borrower will timely pay all fees, costs and expenses associated with any prepayment of the Funding Loan.

Section 4.06 *Limits on Personal Liability.*

(a) Except as otherwise set forth in Section 9 of the Project Note and subsection 4.06(b) below, the obligations of the Borrower under this Project Loan Agreement and the other Financing Documents are non-recourse liabilities of the Borrower which shall be enforced only against the Project and other property of the Borrower encumbered by the Financing Documents and not personally against the Borrower or any member of the Borrower or any successor or assign of the Borrower. However, nothing in this Section 4.06 shall limit the right of the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative to proceed against the Borrower to recover any fees owing to any of them or any actual out-of-pocket expenses (including but not limited to actual out-of-pocket attorneys' fees incurred by any of them) incurred by any of them in connection with the enforcement of any rights under this Project Loan Agreement or the other Financing Documents. Nothing in this Section 4.06 shall limit any right that the Loan Servicer or the Funding Lender Representative may have to enforce the Project Note, the Security Instrument, or any other Financing Document in accordance with their terms.

(b) Notwithstanding anything contained in any other provision of this Project Loan Agreement to the contrary (but subject to the provisions of Section 7.06 hereof), the following obligations of the Borrower shall be and remain the joint and several full recourse obligations of the Borrower and the Borrower's managing member or manager: (i) the Borrower's obligations to the Governmental Lender and the Fiscal Agent under subsections (b)(ii), (b)(iv), (b)(v), and (b)(vi) of Section 4.02 hereof; (ii) the Borrower's obligations under Sections 2.05 and 6.01 of this Project Loan Agreement; (iii) the Borrower's obligation to pay any and all rebate amounts that may be or become owing with respect to the Funding Loan and fees and expenses of the Rebate Analyst as provided in Sections 2.04, 4.02(b)(vii) and 4.03 of this Project Loan Agreement and the Tax Certificate; and (iv) the Borrower's obligation to pay legal fees and expenses under Section 7.04 hereof.

ARTICLE V

SPECIAL COVENANTS OF BORROWER

Section 5.01 *Performance of Obligations.* The Borrower shall keep and faithfully perform all of its covenants and undertakings contained herein and in the Financing Documents, including, without limitation, its obligations to make all payments set forth herein and therein in the amounts, at the times and in the manner set forth herein and therein.

Section 5.02 *Compliance With Applicable Laws.* All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter.

Section 5.03 *Funding Loan Agreement Provisions.* The execution of this Project Loan Agreement shall constitute conclusive evidence of approval of the Funding Loan Agreement by the Borrower. Whenever the Funding Loan Agreement 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 Funding Loan Agreement, and the Borrower shall carry out and perform all of its obligations under the Funding Loan Agreement as fully as if the Borrower were a party to the Funding Loan Agreement.

Section 5.04 *Borrower to Maintain Its Existence; Certification of No Default.*

(a) The Borrower agrees to maintain its existence and maintain its current legal status with authority to own and operate the Project.

(b) In addition to performing all other similar requirements under the Financing Documents to which the Borrower is a party, the Borrower shall, within 30 days after the end of each calendar year, render to the Fiscal Agent a certificate executed by an Authorized Officer of the Borrower to the effect that the Borrower is not, as of the date of such certificate, in default of any of its covenants, agreements, representations or warranties under any of the Financing Documents to which the Borrower is a party and that, to the best of the Borrower's knowledge, after reasonable investigation, there has occurred no default or Event of Default (as such terms are defined in each respective Financing Document) under any of the Financing Documents.

Section 5.05 *Borrower to Remain Qualified in State and Appoint Agent.* The Borrower will remain duly qualified to transact business in the State and will maintain an agent in the State on whom service of process may be made in connection with any actions against the Borrower.

Section 5.06 *Sale or Other Transfer of Project.* The Borrower may convey and transfer the Project only upon strict compliance with the provisions of the Financing Documents, and

upon receipt of the prior written consent of the Governmental Lender and the Funding Lender Representative.

Section 5.07 *Right to Perform Borrower's Obligations.* In the event the Borrower fails to perform any of its obligations under this Project Loan Agreement, the Governmental Lender, the Fiscal Agent, the Loan Servicer and/or the Funding Lender Representative, after giving requisite notice, if any, and subject to Section 5.05 of the Funding Loan Agreement, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced shall become an additional obligation of the Borrower hereunder, payable on demand and if not paid on demand with interest thereon at the default rate of interest payable under the Project Loan Documents.

Section 5.08 *Notice of Certain Events.* The Borrower shall promptly advise the Governmental Lender, the Fiscal Agent, the Funding Lender Representative and the Loan Servicer in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice or both, would constitute an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 5.09 *Survival of Covenants.* The provisions of Sections 2.04, 2.05, 4.02, 4.03, 6.01 and 7.04 hereof shall survive the expiration or earlier termination of this Project Loan Agreement and, with regard to the Fiscal Agent, the resignation or removal of the Fiscal Agent.

Section 5.10 *Access to Project; Records.* Subject to reasonable notice and the rights of tenants at the Project, the Governmental Lender, the Fiscal Agent, the Loan Servicer and the Funding Lender Representative, and the respective duly authorized agents of each, shall have the right (but not any duty or obligation) at all reasonable times and during normal business hours to do any of the following: (a) to enter the Project and any other location containing the records relating to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; (b) to inspect and audit any and all of the Borrower's records or accounts pertaining to the Borrower, the Project, the Loans and the Borrower's compliance with the terms and conditions of the Financing Documents; and (c) to require the Borrower, at the Borrower's sole expense, (i) to furnish such documents to the Governmental Lender, the Fiscal Agent, the Loan Servicer, and the Funding Lender Representative, as the Governmental Lender, the Fiscal Agent, the Loan Servicer, or the Funding Lender Representative, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Financing Documents have been complied with and (ii) to make copies of any records that the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative or the respective duly authorized agents of each, may reasonably require. The Borrower shall make available to the Governmental Lender, the Fiscal Agent, the Loan Servicer, and the Funding Lender Representative, such information concerning the Project, the Security Instrument and the Financing Documents as any of them may reasonably request.

Section 5.11 TEL Regulatory Agreement. The covenants of the Borrower in the TEL Regulatory Agreement shall be deemed to constitute covenants of the Borrower running with the land and an equitable servitude for the benefit of the Governmental Lender and the Funding Lender and shall be binding upon any owners of the Project until such time as such restrictions expire as provided in the TEL Regulatory Agreement. The Borrower covenants to file of record in the Recorder's Office the TEL Regulatory Agreement and such other documents, and to take such other steps as are necessary in order to assure that the restrictions contained in the TEL Regulatory Agreement will, subject to the terms of the TEL Regulatory Agreement, be binding upon all owners of the Project. The Borrower covenants to include such restrictions or a reference to such restrictions in any documents transferring any interest in the Project to another to the end that such transferee has notice of, and is bound by, the TEL Regulatory Agreement. Subject to the provisions of Section 7.06 of this Project Loan Agreement, the Governmental Lender and the Fiscal Agent shall have the right to seek specific performance of or injunctive relief to enforce the requirements of any covenants of the Borrower contained in the TEL Regulatory Agreement.

Section 5.12 Damage, Destruction and Condemnation. If prior to payment in full of the Funding Loan (or provision for payment in full of the Funding Loan in accordance with the provisions of the Funding Loan Agreement) the Project or any portion of it is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion of it shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or shall be transferred pursuant to an agreement or settlement in lieu of eminent domain proceedings, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in this Project Loan Agreement and in the Project Note to the extent the Project Loan is not prepaid in full in accordance with the terms of the Project Loan Documents.

Section 5.13 Obligation of the Borrower To Rehabilitate the Project. The Borrower shall proceed with reasonable dispatch (and in no event later than required under the Financing Documents) to complete the rehabilitation, development and equipping of the Project as required by the Financing Documents. If amounts on deposit in the Project Loan Fund designated for the Project and available to be disbursed to the Borrower are not sufficient to pay the costs of such acquisition, rehabilitation, development and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Governmental Lender, the Fiscal Agent, the Loan Servicer, the Funding Lender Representative, or the Funding Lender in respect of any such additional costs or to any diminution or abatement in the repayment of the Project Loan. None of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative, or the Loan Servicer makes any representation or warranty, either express or implied, that money, if any, which will be paid into the Project Loan Fund or otherwise made available to the Borrower will be sufficient to complete the rehabilitation of the Project, and none of the Fiscal Agent, the Governmental Lender, the Funding Lender, the Funding Lender Representative, or

the Loan Servicer shall be liable to the Borrower or any other person if for any reason the rehabilitation of the Project is not completed.

Section 5.14 *Filing of Financing Statements.* The Borrower shall file or record or cause to be filed or recorded on or prior to the Delivery Date all UCC financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to the priority of the Project Loan, the Funding Loan, the Pledged Security and the Security Instrument, and the rights and powers of the Governmental Lender, the Fiscal Agent and the Funding Lender in connection with such security interests. The Borrower shall cooperate with the Fiscal Agent in connection with the filing of any continuation statements for the purpose of continuing without lapse the effectiveness of such financing statements.

[Notwithstanding anything to the contrary contained herein, the Fiscal Agent 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 the Fiscal Agent shall, at the expense of the Borrower, file or cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Project which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Fiscal Agent. In addition, unless the Fiscal Agent shall have been notified in writing by the Governmental Lender or the Funding Lender that any such initial filing or description of collateral was or has become defective, the Fiscal Agent shall be fully protected in (i) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 5.15 and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Borrower shall be responsible for the reasonable costs incurred by the Fiscal Agent in the preparation and filing of all continuation statements hereunder.]

Section 5.15 *Reporting Requirements.* The Borrower will furnish to the Governmental Lender 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 Governmental Lender or Borrower throughout the term of this Project Loan 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 Governmental Lender in order to perform the service.

(ii) Provide the public with access to public records on the same terms and conditions that the Governmental Lender 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 Governmental Lender all public records in possession of the Fiscal Agent upon termination of this Project Loan Agreement 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 Governmental Lender in a format that is compatible with the information technology systems of the Governmental Lender.

A request for public records regarding this Project Loan Agreement must be made directly to the Governmental Lender, who will be responsible for responding to any such public records requests. The Borrower will provide any requested records to the Governmental Lender to enable the Governmental Lender to respond to the public records request.

Any material submitted to the Governmental Lender 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 Governmental Lender for records designated by the Borrower as Trade Secret Materials, the Governmental Lender 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 Governmental Lender 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 PROJECT LOAN AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (954) 357-4900, JKOTSIORIS@BROWARD.ORG, 110 NE 3RD STREET, SUITE 300, FORT LAUDERDALE, FLORIDA 33301.

ARTICLE VI

INDEMNIFICATION

Section 6.01 *Indemnification.*

(a) **Indemnified Losses.** To the fullest extent permitted by law, the Borrower hereby agrees to indemnify, hold harmless and defend the Governmental Lender, the Fiscal Agent, the Loan Servicer, the Funding Lender and each of their respective officers, governing commissioners, members, directors, officials, employees, attorneys and agents (collectively, the “**Indemnified Parties**”), against any and all losses, damages (including, but not limited to, consequential and punitive damages), claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) 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 (collectively, “**Losses**”), to the extent arising, directly or indirectly, out of or based upon or in any way relating to any of the following (but excepting therefrom any Losses as a result of the Fiscal Agent’s gross negligence or intentional misconduct):

(i) any breach by the Borrower of its obligations under the Financing Documents (excluding the payment of principal and interest under the Project Note) or the execution, amendment, restructuring or enforcement thereof, or in connection with transactions contemplated thereby, including the issuance, sale, transfer or resale of the Governmental Note;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Project 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, installation, rehabilitation or equipping of, the Project or any part thereof;

(iii) any accident, injury to, or death of persons or loss of or damage to property occurring in, on or about the Project or any part thereof;

(iv) any lien (other than liens permitted under the Continuing Covenant Agreement) or charge upon payments by the Borrower to the Governmental Lender, the Fiscal Agent or the Loan Servicer hereunder, or any Taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Fiscal Agent in respect of any portion of the Project (other than income and similar taxes on fees received or earned in connection therewith);

(v) any violation of any environmental law, rule or regulation with respect to, or the release of any hazardous materials from, the Project or any part thereof;

(vi) the enforcement of, or any action taken by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative related to remedies under this Project Loan Agreement, the Funding Loan Agreement or any other Financing Document;

(vii) any untrue statement of a material fact or alleged untrue statement of a material fact by the Borrower contained in any offering statement or document for the Governmental Note or any of the Financing Documents to which the Borrower is a party, or any omission or alleged omission by the Borrower of a material fact from any offering statement or document for the Governmental Note necessary to be stated therein in order to make the statements made therein by the Borrower, in the light of the circumstances under which they were made, not misleading;

(viii) any declaration of taxability of interest on the Governmental Note or allegations (or regulatory inquiry) that interest on the Governmental Note is includable in the gross income of the holders thereof for federal income tax purposes;

(ix) any audit or inquiry by the Internal Revenue Service with respect to the Project and/or the tax-exempt status of the Governmental Note; or

(x) the Fiscal Agent's acceptance or administration of the trust of the Funding Loan Agreement, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Governmental Note to which it is a party; 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 Losses are found by a court of competent jurisdiction in a final judgment to have been caused by the negligence, unlawful acts, or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Loan Servicer, the Funding Lender or the Governmental Lender or any of their respective officers, commissioners, members, directors, officials, employees, attorneys and agents, to the extent such Losses are caused by the gross negligence or willful misconduct of such Indemnified Party.

(b) **Procedures.** 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 such Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected or 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 such Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, which review and approval or disapproval shall not be unreasonably delayed or 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 employ separate counsel at the expense of the Borrower only if, in such Indemnified Party's good faith judgment, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(c) **Borrower to Remain Obligated.** Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Project Loan Agreement, the Continuing Covenant Agreement, the Security Instrument and the TEL Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer unless (i) such subsequent owner assumed in writing at the time of such transfer all obligations of the Borrower under this Section 6.01 (including obligations under this Section 6.01 for Losses with respect to any claims based on actions or events occurring prior to the date of such transfer) and (ii) any such transfer is in compliance with the requirements of the Financing Documents.

(d) **Survival.** The provisions of this Section 6.01 shall survive the termination of this Project Loan Agreement.

Section 6.02 *Limitation With Respect to the Funding Lender.* Notwithstanding anything in this Project Loan Agreement to the contrary, in the event that the Funding Lender (or its nominee) shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure, or comparable conversion of the Project Loan, the Funding Lender (or its nominee) shall not be liable for any breach or default of any prior owner of the Project under this Project Loan Agreement and shall only be responsible for defaults and obligations incurred or occurring during the period that the Funding Lender (or its nominee) is the owner of the Project. Accordingly, during any period that the Funding Lender (or its nominee) owns the Project and that this Article VI is applicable to the Funding Lender (or its nominee), the Funding Lender's (or its nominee's) obligations under this Article VI shall be limited to acts and omissions of the Funding Lender (or its nominee) occurring during the period of the Funding Lender's (or its nominee's) ownership of the Project.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01 *Events of Default.* The occurrence of any one or more of the following will constitute an Events of Default under this Project Loan Agreement:

(a) Any representation or warranty made by the Borrower in the Financing Documents or any certificate, statement, data or information furnished by the Borrower

in connection therewith or included by the Borrower in its application to the Governmental Lender for assistance proves at any time to have been incorrect when made in any material respect;

(b) Failure by the Borrower to pay any amounts due under this Project Loan Agreement, the Project Note or the Security Instrument at the times and in the amounts required by this Project Loan Agreement, the Project Note and the Security Instrument, as applicable (subject to any applicable notice, grace and cure periods expressly provided for therein);

(c) The Borrower shall fail to observe or perform any other term, covenant, condition or agreement (after taking into account any applicable cure period) set forth in this Project Loan Agreement, which failure continues for a period of thirty (30) days after notice of such failure by the Governmental Lender, the Fiscal Agent or the Funding Lender Representative to the Borrower (unless such default cannot with due diligence be cured within thirty (30) days but can be cured within a reasonable period and will not, in the Funding Lender Representative's sole discretion, adversely affect the Funding Lender or result in impairment of this Project Loan Agreement or any other Financing Document, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the default or Event of Default within thirty (30) days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods shall apply in the case of any such failure which could, in the Funding Lender Representative's judgment, absent immediate exercise by the Funding Lender Representative of a right or remedy under this Project Loan Agreement, result in harm to the Funding Lender, impairment of this Project Loan Agreement or any other Financing Document; and

(d) The occurrence of a default under the Continuing Covenant Agreement or the Security Instrument (after taking into account any applicable cure period thereunder) shall at the discretion of the Funding Lender Representative constitute an Event of Default under this Project Loan Agreement but only if the Fiscal Agent is provided written notice by the Funding Lender Representative that an Event of Default has occurred under such Financing Document and the Fiscal Agent is instructed by the Funding Lender Representative that such default constitutes an Event of Default hereunder. The occurrence of an Event of Default hereunder shall in the discretion of the Funding Lender Representative constitute a default under the other Financing Documents.

Nothing contained in this Section 7.01 is intended to amend or modify any of the provisions of the Financing Documents or to bind the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative to any notice and cure periods other than as expressly set forth in the Financing Documents.

Section 7.02 Remedies on Default. Subject to Section 7.06 hereof, whenever any Event of Default hereunder shall have occurred and be continuing, the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), may take any one or more of the following remedial steps:

(a) Such action, 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 Project Loan to be immediately due and payable (including, without limitation, declaring the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Project Note to be immediately due and payable).

(b) Without being required to give any notice (other than to the Governmental Lender or the Fiscal Agent, as applicable), except as provided herein, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(c) Whatever action at law or in equity may appear necessary or desirable to collect the payments under this Project Loan Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Project Loan Agreement.

In addition, subject to Section 7.06 hereof, the Governmental Lender and the Fiscal Agent may pursue rights and remedies with respect to the Unassigned Rights. Any amounts collected pursuant to Article IV hereof and any other amounts which would be applicable to payment of principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Funding Loan collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the provisions of the Funding Loan Agreement.

Section 7.03 No Remedy Exclusive. Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available against the Borrower hereunder or under the Financing Documents or otherwise at law or in equity may be exercised by the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender), at any time and from time to time, whether or not the Funding Lender has accelerated the Project Loan, 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 Financing Documents. No remedy conferred upon or reserved to the Funding Lender or the Fiscal Agent by this Project 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 this Project Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Funding Lender (or the Fiscal Agent at the direction of the Funding Lender) 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 expressly required by this Project Loan Agreement.

Section 7.04 *Agreement to Pay Attorneys' Fees and Expenses.* In the event the Borrower shall default under any of the provisions of this Project Loan Agreement and the Governmental Lender, the Fiscal Agent, the Loan Servicer or the Funding Lender Representative shall employ attorneys or incur other expenses for the collection of loan payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in this Project Loan Agreement or in the Project Note or in the TEL Regulatory Agreement, the Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.05 *No Additional Waiver Implied by One Waiver.* In the event any agreement contained in this Project Loan Agreement shall be breached by any party and thereafter waived by the other parties, 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 *Control of Proceedings.*

(a) Notwithstanding anything to the contrary herein, the Funding Lender Representative shall have the sole and exclusive right at any time to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Project Loan Agreement, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of this Project Loan Agreement. In addition, the Funding Lender Representative shall have the sole and exclusive right at any time to directly enforce all rights and remedies hereunder and under the other Financing Documents with or without the involvement of the Fiscal Agent or the Governmental Lender. In no event shall the exercise of any of the foregoing rights result in an acceleration of the Project Loan without the express direction of the Funding Lender Representative.

(b) The Governmental Lender and the Fiscal Agent covenant that they will not, without the prior written consent of the Funding Lender Representative, take any of the following actions:

- (i) prosecute any action with respect to a lien on the Project; or
- (ii) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Project Loan; or
- (iii) interfere with or attempt to influence the exercise by the Funding Lender Representative of any of its rights under the Financing Documents upon the occurrence of any default by the Borrower under the Financing Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Project Loan or the Funding Loan.

(c) Notwithstanding Sections 7.06(a) and 7.06(b) hereof, the Governmental Lender or the Fiscal Agent may take one or both of the following actions:

(i) specifically enforce the tax covenants of the Borrower specified in Sections 2.04 and 2.05 hereof or seek injunctive relief against acts which may be in violation thereof;

(ii) specifically enforce the TEL Regulatory Agreement or seek injunctive relief against acts which may be in violation of the TEL Regulatory Agreement or are otherwise inconsistent with the operation of the Project in accordance with applicable requirements of the Internal Revenue Code and state law (but in neither the case of subsection (c)(i) above or this subsection (c)(ii) may the Governmental Lender or the Fiscal Agent seek any form of monetary damages from the Borrower in connection with such enforcement).

In addition, notwithstanding Sections 7.06(a) and 7.06(b) hereof, the Governmental Lender and the Fiscal Agent may seek specific performance of the other Unassigned Rights (provided no monetary damages are sought), and nothing herein shall be construed to limit the rights of the Governmental Lender, the Fiscal Agent or any Indemnified Party related to the Governmental Lender or the Fiscal Agent under Section 6.01 (each a "Related Indemnified Party") to enforce their respective rights against the Borrower under Sections 4.02, 4.03, 6.01 and 7.04 hereof, provided that no obligation of the Borrower to the Governmental Lender, the Fiscal Agent or any Related Indemnified Party under such sections shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party, and all such obligations are and shall be subordinate in priority, in right to payment and in all other respects to all other obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Financing Documents (except for the Fiscal Agent's right to receive payment of Fiscal Agent's Extraordinary Fees and Expenses pursuant to Section 6.05(a) of the Funding Loan Agreement after an Event of Default with respect to the Funding Loan, which Fiscal Agent's Extraordinary Fees and Expenses shall be payable as provided thereunder). Accordingly, none of the Governmental Lender, the Fiscal Agent or any Related Indemnified Party shall have the right to enforce any monetary obligation arising under such sections other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause 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, construction, composition, reorganization, conservation or other similar law in effect now or in the future.

Section 7.07 Assumption of Obligations. In the event that the Fiscal Agent or the Funding Lender or their respective 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 this Project Loan Agreement, the Project Note, the TEL Regulatory Agreement, and any other Financing Documents to which the Borrower is a party or with respect to which it is a third-party beneficiary. 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.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices.

(a) Whenever in this Project Loan Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower, the Equity Investor, or the Loan Servicer shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth in Section 10.04 of the Funding Loan Agreement or as required or permitted by this Project Loan Agreement by Electronic Instruction and Notice. The Governmental Lender, the Fiscal Agent, the Funding Lender Representative, the Borrower, the Equity Investor, or the Loan Servicer may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

A duplicate copy of each notice or other communication given hereunder by any party to the Loan Servicer shall also be given to the Funding Lender Representative and a duplicate copy of each notice or other communication given hereunder by any party to the Funding Lender Representative shall be given to the Loan Servicer, and the Equity Investor.

The Fiscal Agent agrees to accept and act upon Electronic Instruction and Notice of written instructions and/or directions pursuant to this Project Loan Agreement.

(b) The Fiscal Agent shall provide to the Funding Lender Representative, the Equity Investor and the Loan Servicer (i) prompt notice of the occurrence of any Event of Default hereunder and (ii) any written information or other communication received by the Fiscal

Agent hereunder within ten (10) Business Days of receiving a written request from the Funding Lender Representative for any such information or other communication.

Section 8.02 *Concerning Successors and Assigns.* All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding. Whenever in this Project Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Project Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Governmental Lender, the Fiscal Agent, the Loan Servicer, the Funding Lender and the Funding Lender Representative, as applicable.

Section 8.03 *Governing Law.* This Project Loan Agreement shall be construed in accordance with and governed by the internal laws of the State and, where applicable, the laws of the United States of America.

Section 8.04 *Modifications in Writing.* Modification or the waiver of any provisions of this Project Loan Agreement or consent to any departure by the parties therefrom, shall in no event be effective unless the same shall be in writing approved by the parties hereto and shall require the prior written consent of the Funding Lender Representative and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice or demand in the same circumstances.

Section 8.05 *Further Assurances and Corrective Instruments.* The Governmental Lender, the Fiscal Agent 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 (including such supplements or further instruments requested by the Funding Lender Representative) for correcting any inadequate or incorrect description of the performance of this Project Loan Agreement.

Section 8.06 *Captions.* The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Project Loan Agreement.

Section 8.07 *Severability.* The invalidity or unenforceability of any provision of this Project Loan Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 8.08 Counterparts. This Project Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.09 Amounts Remaining in Loan Payment Fund or Other Funds. It is agreed by the parties hereto that any amounts remaining in the Loan Payment Fund or other funds and accounts established under the Funding Loan Agreement upon expiration or sooner termination of the term hereof (and the repayment in full of the Project Loan and all other amounts owing under the Project Loan Documents), shall be paid in accordance with the Funding Loan Agreement.

Section 8.10 Effective Date and Term. This Project Loan Agreement shall become effective upon its execution and delivery by the parties hereto, shall be effective and remain in full force from the effective date, and, subject to the provisions hereof, shall expire on such date as the Funding Loan Agreement shall terminate.

Section 8.11 Cross References. Any reference in this Project Loan Agreement to an "Exhibit," an "Article," a "Section," a "Subsection" or a "Paragraph" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit attached to this Project Loan Agreement, an article of this Project Loan Agreement, a section of this Project Loan Agreement, a subsection of the section of this Project Loan Agreement in which the reference appears and a paragraph of the subsection within this Project Loan Agreement in which the reference appears. All schedules and exhibits attached to or referred to in this Project Loan Agreement are incorporated by reference into this Project Loan Agreement.

Section 8.12 Funding Lender Representative and Loan Servicer as Third-Party Beneficiaries. The parties hereto agree and acknowledge that the Funding Lender Representative and the Loan Servicer are third party beneficiaries of this Project Loan Agreement.

Section 8.13 Supplemental Financings. The Governmental Lender and the Fiscal Agent each acknowledges that Loan Servicer (or another originating lender that is generally approved by Freddie Mac to sell mortgages to Freddie Mac) may make additional loans to Borrower secured by additional mortgages on the Project ("**Additional Loans**"); provided however that no such Additional Loans may be made without the prior written consent of Governmental Lender. Additional Loans must be subordinate to the repayment of the Project Loan by Borrower.

Section 8.14 Non-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 Revenues and other money and assets received by the Fiscal Agent on behalf of the Governmental Lender pursuant to this Project Loan Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Governmental Lender or any member is pledged to the payment of the principal

(or Prepayment Premium) or interest on the Funding Loan. 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 Project Loan Agreement, the Funding Loan or the Funding Loan Agreement, except only to the extent amounts are received for the payment thereof from the Borrower under this Project Loan Agreement.

The Borrower hereby acknowledges that the Governmental Lender's sole source of money to repay the Funding Loan will be provided by the payments made by the Borrower pursuant to this Project Loan Agreement and the Project 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) 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) or interest, 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.

Section 8.15 *No Liability of Officers.* No recourse under or upon any obligation, covenant, or agreement or in the Governmental Note, or under any judgment obtained against the Governmental Lender, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, director, commissioner, employee, agent or officer, as such, past, present, or future, of the Governmental Lender, either directly or through the Governmental Lender, or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may be due and unpaid by the Governmental Lender upon the Funding Loan. 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 incorporator, member, director, commissioner, employee, agent or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Governmental Lender or any receiver thereof, or for or to the Funding Lender, of any sum that may remain due and unpaid upon the Funding Loan, is hereby expressly waived and released as a condition of and consideration for the execution of this Project Loan Agreement and the issuance of the Governmental Note.

Section 8.16 *Capacity of the Fiscal Agent.* The Fiscal Agent is entering into this Project Loan Agreement solely in its capacity as Fiscal Agent and shall be entitled to the rights, protections, limitations from liability and immunities afforded it as Fiscal Agent under the Funding Loan Agreement. The Fiscal Agent shall be responsible only for the duties of the Fiscal Agent expressly set forth herein and in the Funding Loan Agreement.

Section 8.17 *Reliance.* The representations, covenants, agreements and warranties set forth in this Project Loan Agreement may be relied upon by the Governmental Lender, the Fiscal Agent, Bond Counsel, the Loan Servicer, the Funding Lender and the Funding Lender Representative. In performing their duties and obligations under this Project Loan Agreement and under the Funding Loan Agreement, the Governmental Lender and the Fiscal Agent may rely upon statements and certificates of the Borrower, upon certificates of tenants believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Governmental Lender and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender or the Fiscal Agent under this Project Loan Agreement and under the Funding Loan Agreement in good faith and in conformity with the opinion of such counsel. In acting or omitting to act pursuant to this Project Loan Agreement, the TEL Regulatory Agreement, the Arbitrage Rebate Agreement, or any other documents executed in connection herewith, the Fiscal Agent shall be entitled to all of the rights, immunities and indemnities accorded to it under the Funding Loan Agreement, including, but not limited to, Article VII thereof. It is expressly understood and agreed by the parties to this Project Loan Agreement (other than the Governmental Lender) that:

(a) the Governmental Lender may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Governmental Lender by the Fiscal Agent, the Funding Lender or the Borrower as to the existence of a fact or state of affairs required under this Project Loan Agreement to be noticed by the Governmental Lender;

(b) the Governmental Lender shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Fiscal Agent, the Funding Lender Representative, the Loan Servicer or the Borrower, as applicable; and

(c) none of the provisions of this Project Loan Agreement shall require the Governmental Lender or the Fiscal Agent to expend or risk its own funds (apart from the proceeds of Funding Loan issued under the Funding Loan Agreement) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Project Loan Agreement, unless it shall first have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Project Loan Agreement, all as of the date first set forth above.

GOVERNMENTAL LENDER:

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

By: _____
Colleen LaPlant, Chair

[GOVERNMENTAL LENDER'S SIGNATURE PAGE TO WOODSDALE OAKS PROJECT LOAN AGREEMENT]

FISCAL AGENT:

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

By: _____

Name: _____

Title: Vice President

[FISCAL AGENT'S SIGNATURE PAGE TO WOODSDALE OAKS PROJECT LOAN AGREEMENT]

BORROWER:

WOODSDALE OAKS, LLC, a Florida limited liability company

By: Spira Woodsdale Oaks, LP, a Florida limited partnership, its manager

By: Spira Woodsdale Oaks GP, Inc., a British Columbia corporation, its general partner

By: _____
Robert Lee, Director

[BORROWER'S SIGNATURE PAGE TO WOODSDALE OAKS PROJECT LOAN AGREEMENT]

EXHIBIT "C"
FORM OF
LAND USE RESTRICTION AGREEMENT
[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

LAND USE RESTRICTION AGREEMENT

Owner's

Name and Address:

WOODSDALE OAKS, LLC
1015 Fillmore Street, PMB 31735
San Francisco, California 94115

Location of Property:

[2543-2595] NW 49th Avenue
Lauderdale Lakes, Florida 33313

Name of Project:

Woodsdale Oaks

Governmental Lender'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 December 1, 2024, 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 "Governmental Lender"); 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 fiscal agent (the "Fiscal Agent"), pursuant to the Funding Loan Agreement dated as of December 1, 2024, among Berkadia Commercial Mortgage LLC, a Delaware limited liability company, as the Funding Lender ("Funding Lender"), the Governmental Lender, and the Fiscal Agent (the "Funding Loan Agreement"), authorizing and securing the issuance of the Governmental Lender's \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks) (the "Governmental Note"), and WOODSDALE OAKS, 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, rehabilitate and equip 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 Governmental Lender has authorized the issuance and delivery of the Governmental Note in the original principal amount of \$[22,000,000] pursuant to the Funding Loan Agreement under which the Funding Lender will advance funds in the amount of \$[22,000,000] to or for the account of the Governmental Lender (the "Funding Loan"), who will use such Funding Loan proceeds in order to make a loan to the Owner (the "Project Loan" and, together with the Funding Loan, the "Loans") pursuant to a Project Loan Agreement, dated as of December 1, 2024 (the "Project Loan Agreement"), by and among the Governmental Lender, the Fiscal Agent and the Owner, to finance the acquisition, rehabilitation and equipping of the Project (as hereinafter defined) and certain costs incurred in connection with the issuance of the Governmental Note, all under and in accordance with the Constitution and laws of the State of Florida (the "State"); and

WHEREAS, the Funding Loan Agreement and the Project 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 Governmental Lender, the Fiscal Agent 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 the property subject to and in accordance with the terms contained herein.

NOW THEREFORE, in consideration of providing the financing by the Governmental Lender 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 Governmental Note, 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 Funding Loan Agreement):

"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.

"Certificate of Continuing Program Compliance" means the certificate required to be delivered by the Owner to the Governmental Lender pursuant to Section 4(e) of this Agreement.

"Closing Date" means the delivery date of the Governmental Note.

"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 Governmental Lender, and thereafter such other organization subsequently designated by the Governmental Lender 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 Governmental Lender 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 Governmental Lender may determine to employ, as adjusted by the Governmental Lender 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.

"Funding Lender" means the owner of the Governmental Note, which shall initially be Berkadia Commercial Mortgage LLC, a Delaware limited liability company.

"Funding Loan Agreement" means the Funding Loan Agreement, dated as of December 1, 2024, among the Governmental Lender, the Fiscal Agent and the Funding Lender relating to the making of the Funding Loan and issuance of the Governmental Note, as amended or supplemented from time to time.

"Governmental Lender'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 Governmental Lender) to be paid by or on behalf of the Owner to the Governmental Lender, 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 Governmental Lender requirements remain in force, the Governmental Note is no longer outstanding. Such fee will be due in a lump sum payment on the date the Governmental Note is paid in full. The fee will be calculated for the period commencing on the date the Governmental Note is 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 Governmental Lender requirements remain in force after the Governmental Note is no longer outstanding.

"Governmental Note" means the \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Note, Series 2024 (Woodsdale Oaks), dated December __, 2024, made by the Governmental Lender in favor of the Funding Lender.

"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.

"Investor Member" means [CREA Woodsdale Oaks, LLC], a Delaware limited liability company, the investor member of the Owner and its successors and assigns as permitted herein.

"Land" shall have the meaning given that term in the Recitals of this Agreement.

"Loan Documents" means, collectively, all documents referred to and defined as "Financing Documents" and "Project Loan Documents" in the Funding Loan Agreement, and any and all other documents executed in connection with the issuance of the Governmental Note and the making of the Project Loan to the Owner by the Governmental Lender.

"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 Multifamily Mortgage, Assignment of Rents and Security Agreement with respect to the Project, given by the Owner in favor of the Governmental Lender and assigned by the Governmental Lender to the Fiscal Agent for the benefit of the Funding Lender, securing the repayment of the Project Note given in connection with the issuance and delivery of the Governmental Note, as such Mortgage may be amended from time to time.

"Project" means the acquisition, rehabilitation and equipping of a multifamily residential rental housing project known as Woodsdale Oaks, located on the Land and financed with proceeds of the Project Loan pursuant to the Project Loan Agreement. The Project consists of 172 units and will be occupied by Lower-Income Persons and Eligible Persons.

"Project Loan" means the loan made by the Governmental Lender to the Owner in connection with the issuance and delivery of the Governmental Note, as such Project Loan is evidenced by the Project Note and further described in the Project Loan Agreement.

"Project Loan Agreement" means that certain Project Loan Agreement entered into between the Owner and the Governmental Lender dated as of December 1, 2024, as amended or supplemented from time to time.

"Project Note" means that certain \$[22,000,000] Project Note executed by the Owner in favor of the Governmental Lender, and endorsed to the Fiscal Agent for the benefit of the Funding Lender, to evidence the Owner's obligation to repay the Project Loan.

"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 Governmental Note, 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.

"Tax 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 Governmental Lender.

"Transition Period" means a period of up to twelve (12) months beginning on the issue date of the Governmental Note.

(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, 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 (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. 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 Governmental Note (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 Governmental Note (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 Governmental Lender and the Fiscal Agent 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), Governmental Lender 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."

During the Transition Period, the failure to satisfy the set-aside requirements in this paragraph (a) for Lower-Income Persons will not cause the Project to fail to qualify as a "qualified residential rental project" within the meaning of Section 142 of the Code. However, failure on the part of the Owner to have satisfied the set-aside requirements described in this paragraph (a) as of the end of such Transition Period shall cause the Project to not qualify as a "qualified residential rental project."

- (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 Governmental Lender'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 Governmental Lender on the advice of Tax 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 Governmental Lender, shall be submitted to the Governmental Lender (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 Governmental Lender or the Fiscal Agent, which may be as often as may be necessary, in the opinion of Tax Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Governmental Lender, such submissions may be made electronically.

- (b) The Owner shall file with the Governmental Lender, 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 Governmental Lender or the Fiscal Agent 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, subject to the Transition Period provisions in Section 3(a) hereof, and on the tenth (10th) day of each month thereafter, to the Governmental Lender, rent rolls and a Certificate of Continuing Program Compliance in the form and content approved by the Governmental Lender, 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 Governmental Lender transfers responsibility for compliance monitoring to the Fiscal Agent or a newly designated Compliance Agent under Section 23 hereof, the Governmental Lender may direct the Owner to provide and the Owner shall provide to the Fiscal Agent 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 Fiscal Agent or the newly designated Compliance Agent in connection with such responsibilities. Upon the designation of the Fiscal Agent (and acceptance of such designation by the Fiscal Agent) or the Compliance Agent as the compliance monitor under this Agreement, all references herein to the Governmental Lender as the recipient of reports and filings shall be deemed to be the Fiscal Agent and/or the Compliance Agent, as applicable.

- (h) The Owner shall immediately notify the Fiscal Agent and the Governmental Lender of any change in the management of the Project.
- (i) If at any time during the term of this Agreement the Governmental Note is no longer outstanding (as provided in the Funding Loan Agreement), the Owner shall pay the Governmental Lender'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 Governmental Lender 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 Governmental Lender has no affirmative duty to make such inspection.
- (k) The Owner will 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 Governmental Lender) 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 Governmental Lender, the County and the Fiscal Agent 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 Funding Loan, the Project or the sale of the Governmental Note to finance the Funding Loan or the making of the Project 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 sale of the Governmental Note 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 Governmental Lender, the County the Fiscal Agent 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 Governmental Lender, the County or the Fiscal Agent to evidence the indemnification provided for in this Section 5. At the request of the Governmental Lender 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 Governmental Lender and the Fiscal Agent from (a) any lien or charge upon payments by the Owner to the Governmental Lender and the Fiscal Agent 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 Governmental Lender or the Fiscal Agent 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 Fiscal Agent and/or the Governmental Lender in enforcing the provisions hereof.

Section 6. Reliance. The Governmental Lender 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 Governmental Note, the County, Tax Counsel and the other parties to

transactions involving the issuance, sale or remarketing of the Governmental Note and their respective counsel. In performing their duties and obligations hereunder, the Governmental Lender and the Fiscal Agent 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 Governmental Lender and the Fiscal Agent 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 Governmental Lender or the Fiscal Agent 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 Governmental Lender or the Funding Lender from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Governmental Lender, the Funding Lender or the Fiscal Agent. Failure to keep such lists and applications or to make them available to the Governmental Lender, the Funding Lender or Fiscal Agent 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 Fiscal Agent, the Funding Lender or the Governmental Lender, 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 December 1, 2024 (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 Governmental Lender, which consent shall not be unreasonably withheld or delayed, (ii) in the event the Governmental Note remains outstanding, the Fiscal Agent, the Governmental Lender and the Funding Lender having received an opinion of Tax 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 Governmental Note, 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 Governmental Lender 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 Governmental Lender to the Owner in the event the Governmental Lender 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 Governmental Note 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 Governmental Note 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 Governmental Note 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 Governmental Note 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 Governmental Lender 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 Project 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 Project 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 Fiscal Agent a document in form and substance reasonably satisfactory to the Governmental Lender and the Funding Lender pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of this Agreement.

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 Governmental Lender (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Governmental Lender 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 Governmental Lender and, for so long as the Project Loan is outstanding, the Funding Lender, with respect to assuming the obligations of the Owner under this Agreement, (f) the Funding Lender, if the Governmental Note is outstanding, and the Governmental Lender 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 Governmental Lender, the Funding Lender, if the Governmental Note is outstanding, and the Fiscal Agent to the effect that such purchaser or assignee will comply with the terms and conditions of this Agreement, the Project Loan Agreement and the other Loan Documents, (i) the Fiscal Agent, the Funding Lender, if the Governmental Note is outstanding, and the Governmental Lender shall receive an opinion of counsel reasonably acceptable to the Governmental Lender to the effect that the purchaser's or assignee's obligations under this Agreement, the Project Loan Agreement and other Loan Documents relating to the Governmental Note are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Fiscal Agent, the Funding Lender, if the Governmental Note is outstanding, and the Governmental Lender shall have received an opinion of Tax 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 Governmental Note, 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 Project Loan Agreement. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Project Loan, the Project Loan Agreement and this Agreement, the Owner shall be released from its obligations thereunder and hereunder, other than its obligations hereunder and under the Project 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 Project 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 Project 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 Governmental Lender from enforcing the provisions hereof, or condemnation or a similar event (as determined by Tax Counsel), but only if within a reasonable period thereafter (i) the Governmental Note is 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 Tax 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 Governmental Lender, the Fiscal Agent 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. 2024-0__, adopted by the Governmental Lender on September 18, 2024, the Chair and Secretary of the Governmental Lender 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 Governmental Lender, the Funding Lender, if the Governmental Note is outstanding, and the Fiscal Agent an opinion of Tax Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Governmental Note from gross income for federal income tax purposes). After the Fiscal Agent learns of such failure, the Fiscal Agent shall attempt with reasonable diligence to notify the Owner and the Governmental Lender 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 Tax Counsel addressed to the Governmental Lender, the Owner, the Funding Lender, if the Governmental Note is outstanding, and the Fiscal Agent, 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 Governmental Note 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 Tax Counsel to effectuate the intent of this Section 15.

Section 16. Burden and Benefit. The Governmental Lender, the Fiscal Agent 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 Fiscal Agent, the Governmental Lender 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 Governmental Note was 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 Governmental Note issued by the Governmental Lender to finance the Project 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. Subject to the provisions of the Project 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 Governmental Lender and the Fiscal Agent and its successors, the holder of the Governmental Note and their successors and assigns to the extent permitted by the Funding Loan Agreement, 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 Project Loan may be paid in full, and whether or not the Governmental Note is 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 Governmental Lender and the Fiscal Agent 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 Governmental Lender 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 Project Loan Agreement, which new manager shall be acceptable to the Funding Lender, in Funding Lender's reasonable discretion, and take all actions necessary, in the reasonable judgment of the Governmental Lender, 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 Governmental Note was issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Governmental Note 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 Governmental Lender 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 Governmental Note 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 Governmental Lender or the Fiscal Agent 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 Tax Counsel, in order for interest on the Governmental Note 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 Governmental Note remains exempt from federal income taxes. Any such amendment, revision or termination shall be effected only in accordance with the Funding Loan Agreement.

Section 23. Fiscal Agent or Compliance Agent to Monitor Compliance Upon Request of Governmental Lender. If the Governmental Lender requests in writing that the Fiscal Agent (and the Fiscal Agent agrees in writing to such request) or Compliance Agent assume the role of compliance monitoring, the Fiscal Agent 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 Governmental Lender or the Fiscal Agent or Compliance Agent hereunder and shall notify the Governmental Lender promptly of non-compliance with this Agreement. In such event the Fiscal Agent 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 Fiscal Agent or Compliance Agent indicates the Owner has failed to comply with any of the requirements contained in this Agreement. The Fiscal Agent 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 Governmental Lender or the Owner to the others, shall also be given to the Fiscal Agent and the Investor Member. Copies of all notices sent pursuant to this Agreement shall be sent in accordance with Section 10.04 of the Funding Loan Agreement.

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 Fiscal Agent. Notwithstanding anything in this Agreement to the contrary, on and after the date the Governmental Note is no longer outstanding under the Funding Loan Agreement, the Fiscal Agent 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 Fiscal Agent shall be of no further force and effect. If any approval or consent of the Fiscal Agent is required, such approval or consent shall be obtained from the Governmental Lender; 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 Fiscal Agent's rights to indemnification provided for in the Funding Loan Agreement, the Project Loan Agreement and this Agreement shall survive such release and discharge.

Section 28. Freddie Mac Rider. For so long as the Governmental Note (or any portion thereof) is outstanding, the provisions of this Agreement are subject to the provisions of the Freddie Mac Rider to Regulatory Agreement attached as Exhibit "C" hereto and made a part hereof. In the event of a conflict between provisions of the Freddie Mac Rider and the provisions of this Agreement, the provisions of the Freddie Mac Rider shall control[; provided, however, nothing in the Freddie Mac Rider shall limit the rights of the Governmental Lender or the Fiscal Agent to specifically enforce this Agreement or to seek injunctive relief in order to provide for the operation of the Project in accordance with the requirements of the Code and state law].

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE FOR
LAND USE RESTRICTION AGREEMENT**

(Woodsdale Oaks)

IN WITNESS WHEREOF, the Governmental Lender, the Fiscal Agent, 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.

GOVERNMENTAL LENDER:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

[SEAL]

By: _____
Colleen LaPlant, Chair

ATTEST:

Ruth T. Cyrus, 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 _____, 2024, by COLLEEN LAPLANT and RUTH T. CYRUS, 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**

(Woodsdale Oaks)

IN WITNESS WHEREOF, the Governmental Lender, the Fiscal Agent, 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.

FISCAL AGENT:

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

WITNESSES:

Print: _____
Address: _____

By: _____
Name: _____
Title: _____

Print: _____
Address: _____

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 _____, 2024, by _____, as Trust Officer of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, on behalf of said national banking association. 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**

(Woodsdale Oaks)

IN WITNESS WHEREOF, the Governmental Lender, the Fiscal Agent, 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:

WOODSDALE OAKS, LLC, a Florida limited liability company

WITNESSES:

Print: _____

Address: _____

Print: _____

Address: _____

By: Spira Woodsdale Oaks, LP, a Florida limited partnership, its manager

By: Spira Woodsdale Oaks GP, Inc., a British Columbia corporation, its general partner

By: _____
Robert Lee, Director

Address: 1015 Fillmore Street, PMB 31735
San Francisco, California 94115

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2024, by ROBERT LEE, as Director of SPIRA WOODSDALE OAKS GP, Inc., a British Columbia corporation, the general partner of SPIRA WOODSDALE OAKS, LP, a Florida limited partnership, the manager of WOODSDALE OAKS, LLC, a Florida limited liability company, on behalf of said corporation, limited partnership and limited liability company. 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
(Woodsdale Oaks)

EXHIBIT "B"
FORM OF
NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT
(Woodsdale Oaks)

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 fiscal agent (the "Fiscal Agent"), and _____, a Florida _____ (the "Current Owner").

1. That certain Land Use Restriction Agreement dated as of _____, 2024 and recorded _____, 2024, 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 Fiscal Agent 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**

(Woodsdale Oaks)

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: _____
Address: _____

By: _____
Name: _____
Title: _____

Print: _____
Address: _____

Address: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2024, 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**

(Woodsdale Oaks)

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: _____

Address: _____

By: _____

Chair

Print: _____

Address: _____

WITNESSES:

[SEAL]

Print: _____

Address: _____

Attest:

By: _____

Secretary

Print: _____

Address: _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2024, 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**

(Woodsdale Oaks)

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.

FISCAL AGENT:

WITNESSES:

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

Print: _____

Address: _____

Print: _____

Address: _____

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 _____, 2024, 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): _____

EXHIBIT C

FREDDIE MAC RIDER TO REGULATORY AGREEMENT

(Revised 6-27-2023)

THIS FREDDIE MAC RIDER (“**Rider**”) is attached to and forms a part of the Land Use Restriction Agreement (“**Regulatory Agreement**”), dated as of December 1, 2024, by and among Housing Finance Authority of Broward County, Florida (“**Governmental Lender**”), The Bank of New York Mellon Trust Company, N.A., as fiscal agent (together with any successor in such capacity, the “**Fiscal Agent**”), and Woodsdale Oaks, LLC (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “**Borrower**”).

- 1. Definitions.** The terms used in this Rider (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings specified below. Terms used herein not otherwise defined shall have the respective meanings set forth in the Regulatory Agreement and the Funding Loan Agreement, as applicable.

“**Delivery Date**” means December [___], 2024.

“**Freddie Mac**” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

“**Funding Lender**” means any Person who is the holder of the Governmental Note, initially the Initial Funding Lender and on the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

“**Funding Loan Agreement**” means the Funding Loan Agreement, dated as of December 1, 2024, by and among Governmental Lender, Initial Funding Lender, and Fiscal Agent, as such Funding Loan Agreement may be amended, restated, supplemented or otherwise modified from time to time.

“**Governmental Note**” means the Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, Series 2024 (Woodsdale Oaks), dated the Delivery Date, executed by Governmental Lender and authenticated by Fiscal Agent in favor of Initial Funding Lender, pursuant to the Funding Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all addenda thereto.

“**Initial Funding Lender**” means Berkadia Commercial Mortgage LLC.

“**Loan Servicer**” means any entity appointed by Funding Lender Representative to service the Loans and any successor in such capacity as appointed by Funding Lender

Representative pursuant to Section 3.02 of the Project Loan Agreement. Initially, Loan Servicer shall be Berkadia Commercial Mortgage LLC.

“**Project**” means, collectively, the Land, Improvements, and Fixtures (each as defined in the Security Instrument).

“**Project Loan**” means the loan from Governmental Lender to Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to Fiscal Agent as security for the Funding Loan.

“**Project Loan Agreement**” means the Project Loan Agreement, dated as of December 1, 2024, among Borrower, Governmental Lender, and Fiscal Agent, as such Project Loan Agreement may be amended, restated, supplemented or otherwise modified from time to time.

“**Project Loan Documents**” means the Security Instrument, the Project Note, the Project Loan Agreement, the Regulatory Agreement, the Assignment, the Continuing Covenant Agreement, any Subordination Agreement(s) and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Project Loan or any portion thereof.

“**Project Note**” means the Project Note, dated the Delivery Date, executed by Borrower in favor of Governmental Lender, evidencing Borrower’s payment obligations in respect of the Project Loan, and endorsed by Governmental Lender to Fiscal Agent as security for the Funding Loan, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto.

“**Security Instrument**” means the Multifamily Mortgage, Assignment of Rents and Security Agreement, dated as of the Delivery Date, granting a first priority mortgage and security interest in the Project in favor of Governmental Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time, or any note executed in substitution therefor, as such substitute note may be amended, restated, supplemented or otherwise modified from time to time, and together with all riders and addenda thereto.

2. **Applicability.** The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.
3. **Indemnification.** Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither Funding Lender nor any successor in interest to Funding Lender will assume or take subject to any liability for

the indemnification obligations of Borrower for acts or omissions of Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to Funding Lender. Funding Lender shall indemnify Governmental Lender following acquisition of the Project by Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that Funding Lender owns and operates the Project, provided that Funding Lender's liability shall be strictly limited to acts and omissions of Funding Lender occurring during the period of ownership and operation of the Project by Funding Lender. Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to Funding Lender.

4. **Sale or Transfer.** None of the following shall apply to any transfer of title to the Project to Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan:
- (a) Restrictions on sale or transfer of the Project or of any interest in Borrower.
 - (b) Governmental Lender or Fiscal Agent consents.
 - (c) Transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like.

No transfer of the Project shall operate to release Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires Borrower to obtain the consent of Funding Lender 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 Borrower, excluding transfers permitted by the Security Instrument. No covenant obligating Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to Funding Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by Funding Lender, or to any subsequent transfer by Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

5. **Enforcement.** Notwithstanding anything contained in the Regulatory Agreement to the contrary:
- (a) The occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents.

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

No person other than Funding Lender shall have the right either to declare the principal balance of the Project Note to be immediately due and payable or commence foreclosure or other like action with respect to the Security Instrument. Governmental Lender and, if the Fiscal Agent is party to the Regulatory Agreement, Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Regulatory Agreement is subject to the provisions of the Project Loan Documents.

[The foregoing prohibitions and limitations are not intended to limit the rights of the Governmental Lender or the Fiscal Agent to specifically enforce the Regulatory Agreement or to seek injunctive relief in order to provide for the operation of the Project in accordance with the requirements of the Internal Revenue Code and state law. Accordingly, upon any default by the Borrower, the Governmental Lender or the Fiscal Agent may seek specific performance of the Regulatory Agreement or enjoin acts which may be in violation of the Regulatory Agreement or unlawful, but neither the Governmental Lender nor the Fiscal Agent may seek any form of monetary recovery from the Borrower, although the Governmental Lender may seek to enforce a claim for indemnification, provided that no obligation of the Borrower under the Regulatory Agreement, including, without limitation, any indemnification obligation, any other obligation for the payment of money, any claim and any judgment for monetary damages against the Borrower, occasioned by breach or alleged breach by the Borrower of its obligations under the Regulatory Agreement or otherwise, shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Governmental Lender, the Fiscal Agent or any other person, and all such obligations shall be, and by this Rider are, subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Project Loan Documents. Accordingly, neither the Governmental Lender nor the Fiscal Agent shall have the right to enforce any monetary obligation other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause 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.]

6. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, Governmental Lender or, if the Fiscal Agent is party to the Regulatory Agreement and required to provide such notice, Fiscal Agent shall, by notice in writing to Borrower, Loan Servicer and Funding Lender, inform Borrower, Loan Servicer and Funding Lender of each of the following:

- (a) The occurrence of such violation.
- (b) The nature of the violation.

- (c) Whether the violation (i) has been cured, (ii) has not been cured, but is curable within a reasonable period of time, or (iii) is incurable.

Notwithstanding the occurrence of such violation, neither Governmental Lender nor Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note, or to foreclose on the Security Instrument.

7. **Amendments.** The Regulatory Agreement shall not be amended without the prior written consent of Funding Lender.
8. **Fees; Penalties.** Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.
9. **Subordination.** The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 2 through 3, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.
10. **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 Funding Lender and are entered into for the benefit of various parties, including Funding Lender. Funding Lender shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with Governmental Lender or, if the Fiscal Agent is party to the Regulatory Agreement, Fiscal Agent, or to cause Governmental Lender or, if applicable, Fiscal Agent to enforce, the terms of the Regulatory Agreement. In addition, Funding Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.
11. **Notices.** Copies of all notices under the Regulatory Agreement shall be sent to Loan Servicer at the address set forth below or to such other address as Loan Servicer may from time to time designate:

Berkadia Commercial Mortgage LLC
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Servicing – Executive Vice President

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: guy_nelson@freddiemac.com
Telephone: (703) 903-2000

EXHIBIT "D"
FORM OF
ASSIGNMENT OF MORTGAGE
[ATTACHED]

R+C Draft – August 10, 2024

Recording Requested By, and
When Recorded Return To:

Patrick L. Evatt
Robinson & Cole LLP
7910 Woodmont Avenue, Suite 750
Bethesda, MD 20814

ASSIGNMENT OF SECURITY INSTRUMENT - TEL

(Revised 9-30-2019)

Freddie Mac Loan Number: _____
Property Name: Woodsdale Oaks Apartments

ASSIGNMENT OF SECURITY INSTRUMENT - TEL

(Revised 9-30-2019)

FOR VALUABLE CONSIDERATION, **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic existing under the laws of the State of Florida (“**Assignor**”), having its principal place of business at 110 NE 3rd Street, Suite 300, Fort Lauderdale, Florida 33301, hereby assigns, grants, sells and transfers to 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 (“**Assignee**”), having a corporate trust office at 4655 Salisbury Road, Suite 300, Jacksonville, Florida 32256, and Assignee’s successors, transferees and assigns forever, all of the right, title and interest of Assignor in and to the Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of **[December]** **[]**, 2024, entered into by **WOODSDALE OAKS, LLC**, a Florida limited liability company (“**Borrower**”) for the benefit of Assignor, securing an indebtedness of Borrower to Assignor in the principal amount of \$**[PAR AMOUNT]** previously recorded in the land records of Broward County, Florida immediately prior hereto (“**Security Instrument**”), which indebtedness is secured by the property described in Exhibit A attached to this Assignment and incorporated into it by this reference.

Together with the Note or other obligation described in the Security Instrument and all obligations secured by the Instrument now or in the future.

IN WITNESS WHEREOF, Assignor has executed this Assignment on _____, 2024, to be effective as of the date of the Security Instrument.

[INSERT SIGNATURES, SEALS AND ACKNOWLEDGMENTS]

EXHIBIT A
DESCRIPTION OF THE PROPERTY

[To be inserted.]

EXHIBIT "E"
FORM OF
PROJECT NOTE ASSIGNMENT
[ATTACHED]

Freddie Mac Loan Number: _____

Property Name: Woodsdale Oaks Apartments

Project Note – Fixed Rate – TEL (Immediate)

(Revised 7-30-2024)

Borrower: WOODSDALE OAKS, LLC

Governmental Lender: HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

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

Effective Date: [DECEMBER] [], 2024

FOR VALUE RECEIVED, Borrower (jointly and severally if more than one), promises to pay to the order of Governmental Lender (and its assigns) the Project Loan Amount shown below, plus Prepayment Premium, if any, and interest thereon, and to pay the other amounts owing from time to time hereunder, according to the terms provided in this Project Note (“**Project Note**”).

This Project Note is being delivered pursuant to that certain Project Loan Agreement, dated as of [December] 1, 2024, among Governmental Lender, Fiscal Agent and Borrower (together with any and all amendments, modifications, supplements and restatements, the “**Project Loan Agreement**”) pursuant to which Governmental Lender is making the Project Loan in the Project Loan Amount to Borrower, and this Project Note is entitled to the benefits of the Project Loan Agreement and is subject to the terms, conditions and provisions thereof. The Project Loan was funded from proceeds of a separate loan (the “**Funding Loan**”) incurred by Governmental Lender pursuant to the Funding Loan Agreement, dated as of [December] 1, 2024, among Initial Funding Lender (as defined below), Governmental Lender, and Fiscal Agent. This Project Note will be deemed to be fully advanced as of the Effective Date, which is the date of initial funding of the Funding Loan and the delivery of the Governmental Note by Governmental Lender to the Initial Funding Lender.

Capitalized terms used but not defined in this Project Note, including those set forth in the paragraphs above and the tables in Section 1 of this Project Note, will have the meanings given to such terms in the Project Loan Agreement, the Funding Loan Agreement or the Continuing Covenant Agreement by and between Borrower and **BERKADIA COMMERCIAL MORTGAGE LLC**, a Delaware limited liability company, as Initial Funding Lender (“**Initial Funding Lender**”), effective as of the Effective Date (as amended, modified, or supplemented from time to time, the “**Continuing Covenant Agreement**”).

1. Key Note Terms

“Project Loan Amount” : US \$[PAR AMOUNT]		“First Project Loan Payment Date” ¹ : [January 1, 2030]
“Interest-Only Period” : (choose one)		
<input checked="" type="checkbox"/>	The period from the Effective Date until the Amortization Commencement Date “Amortization Commencement Date” ² : [February 1, 2030]	
<input type="checkbox"/>	The period from the Effective Date until the Scheduled Maturity Date	
<input type="checkbox"/>	Not applicable	
“Amortization Period” ³ : [480] months		
¹ Insert the first day of the first calendar month following the Effective Date.		

²For partial term interest-only Project Loans, insert the date that is the number of months of interest-only payments (12, 24 or 36 months) after the First Project Loan Payment Date.

³If the Project Loan is interest-only for the entire term, insert "0".

"Scheduled Maturity Date": [January 1, 2041]

ASSIGNMENT

Pay to the order of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, without recourse or warranty, as Fiscal Agent under the Funding Loan Agreement referred to in the attached Project Note.

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

By: _____
Name: _____
Title: _____

EXHIBIT "F"
FORM OF
PLACEMENT AGENT AGREEMENT
[ATTACHED]

PLACEMENT AGENT AGREEMENT

THIS PLACEMENT AGENT AGREEMENT dated as of December 1, 2024 (herein, the “Agreement”), is by and between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic organized under Part IV of Chapter 159, Florida Statutes, as amended and supplemented (together with its permitted successors and assigns, the “Governmental Lender”), and RAYMOND JAMES & ASSOCIATES, INC. and RBC CAPITAL MARKETS, LLC, as Placement Agents (herein, collectively, the “Agents”), in connection with the issuance of the Note (as defined below) and consented to by WOODSDALE OAKS, LLC, a Florida limited liability company (together with its successors and permitted assigns, the “Borrower”) with respect to the below-defined Note.

A. Background.

The Governmental Lender proposes to issue its Housing Finance Authority of Broward County, Florida Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks), in one or more series, in the aggregate principal amount of \$[22,000,000] (the “Note”) to provide financing to the Borrower for the acquisition, rehabilitation and equipping of a 172-unit multifamily residential rental development in Broward County, Florida (the “County”) known as Woodsdale Oaks (the “Development”).

The Note will initially be (i) acquired directly by Berkadia Commercial Mortgage LLC, a Delaware limited liability company (the “Funding Lender”) pursuant to the requirements of the Governmental Lender’s administrative code and policies (herein, collectively the “Governmental Lender’s Requirements”), and (ii) booked as a loan in the Funding Lender’s portfolio.

Upon satisfaction of certain conditions subsequent and in compliance with the Governmental Lender’s Requirements, future investment banking services may be required in connection with the Note (herein, the “Future Services”).

B. Role of Agents.

In connection with the initial issuance of the Note, the Agents have performed, at the request of and on behalf of the Governmental Lender, the following services on or before the closing of the Note:

1. Assisted in the determination of the readiness to proceed of the Note issuance with regard to the granting of private activity allocation to the financing which is to be issued on a tax-exempt basis.
2. Created a distribution list for the financing participants and financing timetable and coordinated the processing of the transaction.
3. Continuously consulted with the financing participants to ensure that the timetable was being met, and scheduled and hosted conference calls.

4. Consulted with the Governmental Lender's staff regarding policy issues that arose in connection with the financing.

On a limited basis, reviewed and commented on the financing documents to ensure that the Governmental Lender's Requirements were reflected therein and to improve the structure of the transaction.

Assisted in the coordination of all aspects of the financing as it relates to the Governmental Lender or the County.

The foregoing is hereby collectively referred to as the "Agents' Services".

C. Limitations of Agents' Role; No Liability. The Governmental Lender and Borrower acknowledge and agree that: (i) the Agents' Services contemplated by this Agreement are an arm's length, commercial transaction between the Governmental Lender and the Agents in which the Agents are not acting as a municipal advisor, financial advisor or fiduciary to the Borrower or Governmental Lender; (ii) the Agents have not assumed any advisory or fiduciary responsibility to the Borrower or Governmental Lender with respect to the services contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Agents have provided other services or are currently providing other services to the Borrower or Governmental Lender on other matters); (iii) the only obligations the Agents have to the Governmental Lender or Borrower with respect to the services contemplated hereby expressly are set forth in this Agreement; and (iv) the Governmental Lender and Borrower have consulted their respective legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Notwithstanding the Agents' Services described above, the Agents have not done any of the following nor do they assume any responsibility or liability for such actions:

1. Advised the Funding Lender on the financial feasibility of the Development.
2. Prepared or disseminated any offering materials.
3. Investigated or determined the credit worthiness or accreditation of the Funding Lender. In that regard the Governmental Lender will receive an accredited investor letter.
4. Provided any advice regarding obtaining a rating or credit enhancement for the transaction.
5. Taken any action in connection with the issuance of the Note to effect a financial transaction as contemplated by the USA Patriot Act.

It should be noted that the Governmental Lender has retained the services of a registered financial advisor in connection with the issuance of the Note. The Agents are not acting

as a financial advisor for the Governmental Lender or Borrower for purposes of Rule G-23 of the Municipal Securities Rulemaking Board, nor acting as a municipal advisor to either the Governmental Lender or the Borrower. Neither of the Agents shall be responsible or liable for any negligence or willful misconduct of the other Agent.

D. Fees for Agents' Services.

Simultaneously with the closing of the Note, the Borrower will pay the Agents for the Agents' Services rendered a fee equal to \$35,000, plus reasonable, documented out-of-pocket expenses.

E. Future Services of Agents.

In the event the Borrower and the Governmental Lender determine that there will be Future Services relating to the Note, the Agents will act, on behalf of the Governmental Lender, as placement agent, remarketing agent or underwriter, as the structure so dictates. The fees and expenses associated with any future engagement will be (i) determined at such time that the details of such engagement and scope of service are identified, and (ii) subject to the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

To the extent the Agents are (i) unable to perform any of the Future Services, or (ii) no longer on the Governmental Lender's underwriting team, the Governmental Lender may, in its sole discretion, and upon written notice to the Borrower and the Agents, assign Future Services to an entity on its then-current underwriting team.

F. Governing Law; Multiple Counterparts.

This Agreement shall be governed by Florida Law and may be signed in multiple counterparts.

G. Amendments; Modifications.

This Agreement may not be amended or modified except by written agreement signed by all parties hereto.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE FOR PLACEMENT AGENT AGREEMENT

(Woodsdale Oaks)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names by their duly authorized representatives as of the day and year first set forth above.

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

By: _____
Scott Ehrlich, Vice Chair

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: _____
Title: _____

RBC CAPITAL MARKETS, LLC

By: _____
Name: _____
Title: _____

WOODSDALE OAKS, LLC, a Florida limited liability company

By: Spira Woodsdale Oaks, LP, a Florida limited partnership, its manager

By: Spira Woodsdale Oaks GP, Inc., a British Columbia corporation, its general partner

By: _____
Robert Lee, Director

EXHIBIT "G"
FORM OF
FISCAL AGENT FEE AGREEMENT
[ATTACHED]

FISCAL AGENT FEE AGREEMENT

Between

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

and

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

DATED AS OF DECEMBER 1, 2024

PROVIDING FOR

A FEE SCHEDULE FOR SERVICES RENDERED BY THE FISCAL AGENT FOR

[\$22,000,000]

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING MORTGAGE REVENUE NOTE, SERIES 2024
(WOODSDALE OAKS)

FISCAL AGENT FEE AGREEMENT

This FISCAL AGENT FEE AGREEMENT (the "Agreement") dated as of December 1, 2024, by and between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Governmental Lender"), 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 fiscal agent (the "Fiscal Agent").

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, the Governmental Lender and the Fiscal Agent agree as follows:

ARTICLE I PREAMBLE

1.1 The Fiscal Agent submitted certain proposals to serve as trustee or in a similar capacity for all financings of the Governmental Lender during calendar year 2024, including the Governmental Lender's \$[22,000,000] Housing Finance Authority of Broward County, Florida Multifamily Housing Mortgage Revenue Note, Series 2024 (Woodsdale Oaks) (the "Note"). All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Funding Loan Agreement (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 Fiscal Agent's corporate qualifications and capabilities.

1.3 The Fiscal Agent is willing to provide the services described in its proposals and in the loan documents pertaining to the Note at the rates set forth in said proposals, and the Governmental Lender is willing to accept the services of the Fiscal Agent set forth in the Fiscal Agent's proposals at the rates provided therein. The Governmental Lender and the Fiscal Agent desire to enter into this Agreement to establish the terms of said proposals for the services of the Fiscal Agent with respect to the Note.

ARTICLE II SCOPE OF SERVICES AND FEES

The Fiscal Agent hereby accepts all of the duties, responsibilities and obligations imposed on it as Fiscal Agent under the terms of the Funding Loan Agreement dated as of December 1, 2024, among the Governmental Lender, the Fiscal Agent and Berkadia Commercial Mortgage LLC, a Delaware limited liability company (the "Funding Loan Agreement") and hereby confirms the accuracy of all of the representations and warranties, if any, of the Fiscal Agent contained therein. 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 Fiscal Agent and the fees and costs to be charged by the Fiscal Agent for such services. The fees and charges set

forth in Exhibit "A" include all expenses incurred by the Fiscal Agent in connection with the execution and delivery and closing of the Note. 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 Governmental Lender and the Fiscal Agent for so long as the Funding Loan Agreement is in effect.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE TO
FISCAL AGENT FEE AGREEMENT**

(Woodsdale Oaks)

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

GOVERNMENTAL LENDER:

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

By: _____
Colleen LaPlant, Chair

ATTEST:

By: _____
Ruth T. Cyrus, Secretary

**COUNTERPART SIGNATURE PAGE TO
FISCAL AGENT FEE AGREEMENT**

(Woodsdale Oaks)

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

FISCAL AGENT:

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

By: _____

Name: _____

Title: _____

EXHIBIT “A”

Services to be provided by Fiscal Agent:

The Fiscal Agent shall provide all services required of the Fiscal Agent as set forth in (i) the Funding Loan Agreement, and (ii) all other documents executed in connection with the Note to which the Fiscal Agent is a party.

Fees and Expenses of Fiscal Agent:

The fees and expenses of the Fiscal Agent shall be all such fees and expenses of the Fiscal Agent set forth in the Funding Loan Agreement and all other documents executed in connection with the Note, and shall be paid by the Borrower (as defined in the Funding Loan Agreement) at the times and in the manner set forth in the Funding Loan Agreement and the Project Loan Agreement (as defined in the Funding Loan Agreement).

EXHIBIT "H"
TERM SHEET
[ATTACHED]

BERKADIATM

August 2, 2024

Robert Lee
Spira Equity Partners
Managing Partner
Four Bentall Centre
1055 Dunsmuir Street, Suite 310
Vancouver, BC V7X 1L3

**RE: APPLICATION FOR A FIXED RATE TAX EXEMPT MORTGAGE LOAN (TEL PROGRAM)
FREDDIE MAC MULTIFAMILY TAX EXEMPT LOAN PROGRAM
PROPERTY: WOODSDALE OAKS APARTMENTS
BERKADIA LOAN NUMBER: 466368**

Dear Mr. Lee:

This letter, once returned countersigned by you, will constitute an application ("Application") to Berkadia Commercial Mortgage LLC ("Funding Lender") to make a loan ("Funding Loan") to the TBD (the "Governmental Lender") pursuant to the Federal Home Loan Mortgage ("Freddie Mac") Multifamily Direct Purchase of Tax-Exempt Loan Program (the "TEL Program"). The Funding Loan is requested by Spira Equity Partners ("Sponsor") on behalf of a to-be-formed entity (the "Borrower") in connection with the acquisition and rehabilitation of the property identified above ("Property") pursuant to requirements of 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 Funding Lender to the Governmental Lender. The proceeds of the Funding Loan will be used by the Governmental Lender to fund a mortgage loan with matching economic terms (the "Project Loan" and together with the Funding Loan, the "Loans") to the Borrower to finance the Property. The Funding Loan will be a nonrecourse obligation of the Governmental Lender secured solely by receipts and revenues from the Project Loan and the collateral pledged therefor (including a first mortgage lien with respect to the Property (the "Mortgage")).

Funding Lender will issue a written commitment ("Loan Commitment") approving the Loan only if Borrower and the Loan satisfy all terms and conditions of this Application, certain additional requirements of Freddie Mac, consent of the requisite tax exempt bond allocation and Section 42 providers and necessary tax exempt opinions as well as eligibility under the specific Freddie Mac Tax Exempt Loan Program.

NOTE: THIS APPLICATION IS FOR A LOAN UNDER FREDDIE MAC'S TAX EXEMPT LOAN PROGRAM. BORROWER ACKNOWLEDGES THAT THIS LOAN WILL BE SOLD TO FREDDIE MAC AND THAT FREDDIE MAC INTENDS TO SELL THIS LOAN INTO A COMMERCIAL TAX EXEMPT MORTGAGED-BACKED SECURITIZATION OR SIMILAR TYPE EXECUTION ("SECURITIZED"), AND THAT THE LOAN WILL NOT BE HELD IN FREDDIE MAC'S PORTFOLIO. THUS, THE REQUIREMENTS AND PROVISIONS IN THIS APPLICATION AND IN THE LOAN DOCUMENTS ARE ANALOGOUS TO THOSE FOR A SECURITIZED CONDUIT LOAN. PLEASE CONTACT THE FUNDING LENDER REPRESENTATIVE LISTED IN THIS APPLICATION IF YOU HAVE ANY QUESTIONS CONCERNING THE TAX EXEMPT CAPITAL MARKETS EXECUTION PROGRAM OR REQUIREMENTS.

A. FINANCIAL TERMS

Proposed Maximum Loan Amount:	\$20,800,000 ("Loan Amount"). Includes a holdback of \$482,000 to be released once the Property Net Operating Income supports a 1.15x DSCR at the full loan proceeds.
Maximum Loan-to-Value:	80% of the fair market value as determined by Funding Lender and Freddie Mac.
Minimum Debt Service Coverage Ratio:	1.15x, based upon the final underwritten net operating income for the Property, as determined by Funding Lender and Freddie Mac.
Loan Term:	16 years ("Loan Term"), commencing on the Funding Date.
Interest Only:	5 years
Amortization:	40 years, commencing on the Funding Date.
Treasury Floor:	10-year U.S. Treasury of 3.47%. The yield rate used as the underlying rate for the coupon will be the greater of (i) the "live" Treasury Rate and (ii) the Treasury Floor.
Interest Rate:	A fixed interest rate for the Permanent Phase will be determined by Freddie Mac based on market rates prevailing at the time of Rate Lock (defined below in Section B). The interest rate for the TEL Permanent Phase will be based on (i) the greater of the yield on the U.S. Treasury Securities with a maturity date of ten (10) years from the date of

Rate Lock or Treasury Floor, plus (ii) a spread of approximately 137 basis points (1.37%). As of the date of this Application, the estimated interest rate is 5.34%. Please note that this rate does not include any issuer fees or fiscal agent fees (Freddie Mac requires that any issuer fees or fiscal agent fees be included in underwritten expenses). An Index Lock will add 7 bps to the quoted interest rate and a Freddie Mac site inspection may be required prior to Index Locking. Interest for the Funding Loan will be paid in arrears and calculated based on Actual/360 calculation.

Payment Terms: Monthly payments of principal and interest for the Funding Loan will be due and payable on the first (1st) day of each month through the remainder of the Loan Term. All unpaid principal, unpaid charges and accrued interest will be due in full upon expiration of the Loan Term. All payments of principal, interest or required escrow/reserve amounts not received within ten (10) calendar days following the due date of such payments, will bear a late payment charge for each month during which a delinquency exists equal to lesser of (i) 5% of the delinquent payment or (ii) the maximum amount permitted by the law of the state where the Property is located.

Any payment of principal, interest or required escrow/reserve amounts that remains delinquent for thirty (30) days or more also will accrue interest at a default interest rate equal as defined in the final documents.

Lock Out Period/Prepayment/Window Period:

Term (Months)	Prepay Type
120	Lockout
66	Yield Maintenance
3	1.0%
3	Open at Par

LIHTC Investor: CREA. The investor must be acceptable to Funding Lender and Freddie Mac. The Low-Income Housing Tax Credit ("LIHTC") investor / syndicator, the upper tier investor(s) and, the terms and conditions of the operating or partnership agreement, must be acceptable to Funding Lender and Freddie Mac in all respects including, particularly, as to the timing and conditions to funding of capital contributions.

Set-Asides: 100% of the revenue generating units will be set aside at 60% of the area median income. Rent restrictions will be consistent with Federal Section 42 requirements.

Budget and Contingencies: The Borrower's rehabilitation budget, plans/specifications and hard cost contingency must be acceptable to Funding Lender and Freddie Mac in all respects.

B. LOAN COMMITMENT / RATE LOCK / CLOSING

Loan Commitment: A Loan Commitment issued by Funding Lender will require Borrower to lock the interest rate ("**Rate Lock**") on the Loan prior to a specified deadline ("**Rate Lock Deadline**") and to close the Loan prior to the closing deadline identified in the Loan Commitment ("**Closing Deadline**") unless otherwise extended in the sole and absolute discretion of the Funding Lender with Freddie Mac's prior written permission. If Funding Lender does not provide written permission to extend the Closing Deadline, then Funding Lender has no obligation to extend the Rate Lock Deadline or the Closing Deadline and may require payment of an extension fee should Funding Lender be willing to grant an extension.

Rate Lock Deposit: Waived

Rate Lock Process / Loan Closing / Damages For Failure to Close After Rate Lock: Rate Lock is permitted only on business days between 10:00 am and 2:00 pm, eastern time, and only after Funding Lender has received (a) Borrower's written authorization (by e-mail or fax) to Rate Lock and (b) full payment of the Rate Lock Deposit.

Funding Lender may decline to Rate Lock when requested by Borrower (without liability to Borrower) if, in Funding Lender's judgment, substantial conditions of the Loan Commitment (including, without limitation, satisfaction of title insurance, survey, occupancy and rental income requirements) remain to be satisfied at the time Rate Lock is requested or at the Rate Lock Deadline. Funding Lender's agreement to Rate Lock does not mean that Borrower has satisfied all conditions of the Loan Commitment.

Borrower acknowledges that upon Borrower's instruction to Rate Lock, Funding Lender also will lock the rate on the Loan with Freddie Mac. Borrower further acknowledges that if Funding Lender fails to close and deliver the Loan to Freddie Mac, Freddie Mac will suffer damages for locking the spread and taking a position in the financial market, and Freddie Mac will calculate damages in accordance with the standard breakage fee as described more fully in Exhibit A attached, subject to a 0.5% minimum. **Should the Loan not close for any reason other than Funding Lender's sole default, or if Funding Lender is unable to satisfy any post-delivery purchase**

condition raised by Freddie Mac which requires action or cooperation from Borrower that Borrower does not fulfill, Borrower and Guarantors will be liable for the Breakage Fee and, without duplication, for Funding Lender's other actual costs and damages directly related to such breakage (including, and without limitation, claims asserted by Freddie Mac in connection therewith). Funding Lender may apply the Rate Lock Deposit towards the payment of such damages and, if total damages exceed the amount of the Rate Lock Deposit, the Loan Parties will be liable for the remaining damages. In the event that actual Funding Lender damages total less than the Rate Lock Deposit, the remainder of the Rate Lock Deposit, after the payment of such damages (and any other amounts due to Funding Lender), will be refunded to the Borrower/Guarantors.

Application Termination: The terms quoted herein are subject to change if the Borrower does not execute this application by **August 9, 2024**. Once executed, if Funding Lender does not issue a Loan Commitment by **January 6, 2024** (as such date may be extended in writing by Funding Lender without obligation to do so), this Application and the terms outlined herein will need to be updated by Funding Lender.

Funding Lender may terminate this Application or an issued Loan Commitment at any time if, in Funding Lender's discretion: (a) Borrower takes any action or fails to disclose any condition that makes the Loan ineligible for purchase by Freddie Mac, (b) Borrower or any principal fails to cooperate or provide information fully responsive to Funding Lender's reasonable request on a timely basis, (c) any information provided by or on behalf of Borrower or any principal is false or misleading in any material respect, (d) a material adverse change (as determined by Funding Lender) occurs in the condition, occupancy or operation of the Property or in the financial condition or credit reputation of Borrower or any principal, (e) Borrower or any principal defaults under any loan owed to Funding Lender or Freddie Mac or that is currently secured by the Property or equity in Borrower, or (f) a change occurs with respect to the Freddie Mac Program that could, in Funding Lender's judgment, affect the eligibility of the loan for sale to Freddie Mac. Funding Lender will be entitled to recover as damages any losses incurred as a result of any such termination, including any losses incurred by Funding Lender under a mandatory delivery contract with Freddie Mac for the Loan.

C. LOAN SECURITY, ESCROWS DURING THE LOAN TERM, FEES AND EXPENSES

Loan Collateral: The collateral required to secure the Loan will include a first priority (i) mortgage/deed of trust/deed to secure debt encumbering the Property and all appurtenant rights; (ii) security interest in all fixtures, equipment and personal property (tangible and intangible) owned by Borrower and affixed to the Property or used in the operation thereof, including all replacements, additions, after-acquired property and proceeds of the foregoing; (iii) assignment of leases, rents, lease guaranties, and like profits arising from the Property; (iv) pledge of all escrow and reserve accounts established as conditions to the Loan; and (v) an assignment of Rate Cap if an interest rate cap has been required as a condition of this Application or the Loan Commitment. Borrower must hold fee simple title to the Property.

Property Use / Minimum Occupancy: The Property consists of a 172-unit multifamily apartment project. A (i) minimum occupancy of at least 96% of units leased and physically occupied and (ii) minimum monthly rental income net of rent concessions ("Required NRI") of at least \$216,355 must exist as of the Closing Deadline. Borrower will be required to demonstrate compliance by submission of a certified rent roll or HAP rent schedule. No new lease can have an initial term less than six (6) months or greater than two (2) years.

Property Insurance: Monthly deposits equal to 1/12 of the annual amount estimated by Funding Lender (based on charges known or reasonably anticipated for the pending year) for real estate taxes and property insurance premiums must be escrowed with Funding Lender during the Loan Term. Borrower will fund initial escrow balances at closing and thereafter pay monthly escrow deposits with Borrower's monthly Loan payment, so that during the Loan Term, Funding Lender will have sufficient funds to make each applicable annual payment not less than thirty (30) days prior to its due date.

Escrow for Insurance Premiums and Real Estate Taxes: Monthly deposits equal to 1/12 of the annual amount estimated by Funding Lender (based on charges known or reasonably anticipated for the pending year) for real estate taxes and property insurance premiums must be escrowed with Funding Lender during the Loan Term. Borrower will fund initial escrow balances on the Funding Date and thereafter pay monthly escrow deposits with Borrower's monthly Loan payment, so that during the Loan Term, Funding Lender will have sufficient funds to make each applicable annual payment not less than thirty (30) days prior to its due date.

Property Condition Report/Escrow for Replacements: A site inspection and Property Condition Report will be performed by Funding Lender. Borrower will be required to escrow funds during the Loan Term with Funding Lender that are sufficient to pay the estimated cost of systems replacements and other capital improvements to the Property determined to be necessary by Funding Lender

based on the results of such inspection. Monthly deposits in an amount equal to 1/12 of the estimated annual replacement reserve determined by Funding Lender will be due with Borrower's monthly Loan payments. Amounts held by Funding Lender will earn interest, to be added to the reserve amounts. Reserve amounts will be disbursed pursuant to a Continuing Covenant Agreement executed as part of the Loan Documents.

Escrow for Immediate Repairs & Rehab: If immediate repairs are needed to the Property (as determined by Funding Lender following the Property Condition Report arranged by Funding Lender) at Funding Date, Borrower will be required to include such amount sufficient to cover any immediate repairs in the scope and budget for the rehabilitation. Borrower may be required to escrow funds with Funding Lender and/or Fiscal Agent at closing in an amount equal to the rehab budget as determined by Funding Lender and Freddie Mac. Escrowed amounts will be disbursed pursuant to a Continuing Covenant Agreement executed as part of the Loan Documents. In addition, the Borrower will be required to enter into a Guaranty of Completion in regards to any repairs or improvements as required per the Low Income Housing Tax Credit awards.

Loan Origination Fee: 1.0% (100 basis points) of the Loan Amount is earned by Funding Lender and due from Borrower as a loan origination fee ("**Loan Origination Fee**") upon Borrower's acceptance of a Loan Commitment. The Loan Origination Fee also is earned by Funding Lender and due from Borrower if a Loan Commitment is issued to Borrower which is in substantial conformity with this Application, but Borrower does not accept such Loan Commitment or if the Loan fails to close after Borrower has accepted a Loan Commitment (unless the failure to close was due to the default of Funding Lender). In such case, the Loan Origination Fee must be paid in full no later than ten (10) days after Funding Lender's written demand for payment.

Freddie Mac Application Fee: A non-refundable application fee in the amount of \$20,800 (10 basis points of the Loan Amount) is due with this Application to Freddie Mac ("**Freddie Mac Application Fee**").

Due Diligence Expenses/ Due Diligence Deposit: Borrower must pay all fees identified in this Application, all Due Diligence Expenses (defined below) and all legal fees incurred by Funding Lender in evaluating this Application (even if a Loan is not made to Borrower), in closing the Loan and in selling the Loan to Freddie Mac.

A "**Due Diligence Deposit**" in the amount of \$25,000 is required with this Application to be applied to estimated Due Diligence Expenses. Funding Lender will refund any unused portion of the Due Diligence Fee (i) at closing, if the Loan is made to Borrower or (ii) within thirty (30) days of when this Application terminates if the Loan is not made to Borrower. If the Due Diligence Deposit does not fully cover Due Diligence Expenses, Borrower must pay the deficiency in full at closing or, if the Loan does not close, no later than ten (10) days after Funding Lender's written demand for payment.

"**Due Diligence Expenses**" consist of a \$5,000 nonrefundable underwriting fee that is earned when Borrower submits this Application and all costs and expenses associated with inspections, reports and reviews deemed necessary or appropriate by Funding Lender to underwrite the Loan, Borrower and its principals in accordance with the Freddie Mac Program, including, but not limited to: a MAI property appraisal, phase I (and phase II if necessary) environmental site assessment along with any asbestos, lead based paint, and/or toxic mold testing; review of operations and maintenance plans; wetlands investigation; Property Condition Report (including a seismic inspection and a \$500 seismic review fee required by Freddie Mac where applicable); flood hazard search; third-party zoning and use compliance review/report; financial analyses of the Property (including a review of the standard residential unit lease form and any commercial leases of the Property); insurance review and analysis; site inspection by a Funding Lender representative; review of monthly rent rolls and operating statements for the Property from the date of this Application until Funding Date; credit history searches and financial statements review on Borrower, its principals and guarantors of the Loan.

Funding Lender Legal Fees / Deposit: "**Funding Lender's Legal Fees**" anticipated to be approximately \$65,000 plus expenses provided that (i) Borrower's structure, as reflected in its organizational documents, meets the single purpose entity requirements defined in Schedule A ("**SPE Requirements**") without substantive restructuring and modification, (ii) the Loan will be documented using the form loan documents required by the Freddie Mac Program ("**Loan Documents**"), and the Loan Documents and third party agreements are not significantly negotiated; (iii) additional legal review is not required during Funding Lender's due diligence review; (iv) all closing requirements requested by Funding Lender's counsel are timely submitted for review; (v) title, survey or other legal difficulties are not encountered; and (vi) the Loan structure does not require additional legal services to reduce recording expenses. Funding Lender Legal Fees represent the costs of counsel for both the Funding Lender and Freddie Mac

A "**Legal Fee Deposit**" of \$7,500 of the estimated \$65,000 shall be paid by Borrower as part of the referenced Due Diligence Deposit once documentation commences. The Legal Fee Deposit as well as any other unused funds from the Due Diligence Deposit shall be refunded to Borrower as described above under 'Due Diligence Expenses/Due Diligence Deposit. Please be advised that (a) the Legal estimate is for the combined Freddie Mac and Funding Lender counsel, and (b) in the event that Freddie Mac desires a larger Legal Fee Deposit, the Borrower and/or Guarantor agrees to fund such request within 5 business days. In all cases. The Borrower and/or Guarantor shall be responsible for all Funding Lender Legal charges incurred for the transaction.

Legal Opinion Letter: Borrower acknowledges and agrees that as part of the loan closing process it is required to deliver to Funding Lender certain legal opinion letters customary for Freddie Mac transactions of this size and type in form and substance acceptable to the Federal Home Loan Mortgage Corporation ("Freddie Mac") addressing, among other things, enforceability, due formation, execution and delivery, non-consolidation (under certain circumstances) and such other matters as may be reasonably required by Freddie Mac (collectively if more than one, the "Opinion Letter"). In order to properly review the Opinion Letter, Freddie Mac must receive a draft of the Opinion Letter, with analysis and recommendations from Funding Lender, not less than 3 Business Days prior to the anticipated consummation of the loan transaction. Accordingly, Borrower acknowledges and agrees to deliver to Funding Lender, not less than 5 Business Days prior to the anticipated consummation of the loan transaction, a draft Opinion Letter for review. Borrower acknowledges and agrees that Funding Lender will not be responsible for reviewing any Opinion Letter received less than 5 Business Days prior to the anticipated consummation of the loan transaction and that Borrower's failure to timely deliver such Opinion Letter may result in the consummation of the loan transaction being delayed. Borrower further acknowledges and agrees that neither Funding Lender nor Freddie Mac will be responsible for any loss, costs or damages incurred by Borrower as a result of the consummation of the loan transaction being delayed due to the failure of Borrower to timely deliver a draft Opinion Letter.

Furthermore, the Borrower will be responsible for securing an unqualified opinion from competent bond counsel stating that interest received under the loan is exempt from Federal and State income taxes. The form of this opinion must be delivered to Funding Lender for approval at least 15 days prior to the Funding Date.

Title Insurance: Borrower must provide (i) a commitment for mortgagee title insurance and (ii) a proforma of the title policy to be issued that will be effective as of the Funding Date ("**Proforma**"), both of which satisfy all title insurance requirements of the Freddie Mac Program (a summary of which is included in Funding Lender's title insurance requirements supplied with this Application). The Proforma must include all endorsements required under the Freddie Mac Program that are issued in the state where the Property is located (including, without limitation, an ALTA 3.1 zoning endorsement and a usury endorsement if the Loan Amount is \$25,000,000 or greater).

Borrower will be required to pay all costs and expenses associated with obtaining mortgagee title insurance for Funding Lender, all recording and filing fees necessary to perfect Funding Lender's interest in the loan collateral and to record the assignment sale of the Loan to Freddie Mac, all note, mortgage or other taxes arising with respect to the Loan (if any), and all amounts necessary to discharge any liens, judgments, or unpaid real estate taxes or assessments which would be a lien on the Property prior to Funding Lender's security.

Survey: Borrower must provide an as-built ALTA survey of the Property acceptable to Funding Lender, which satisfies all survey requirements of the Freddie Mac Program (a summary of which is outlined in Funding Lender's survey requirements supplied with this Application), including, without limitation, the required surveyor's certification. The survey must be dated no more than ninety (90) days prior to the Funding Date.

Termite Inspection: Borrower must provide written certification from a licensed termite inspection company, dated no more than thirty (30) days prior to closing, which confirms that no active infestation by wood-destroying insects exists at the Property and all damage from any previous infestation has been repaired.

Commercial Leases & Service Contracts – Tenant Estoppels & SNDAs: Borrower must provide copies of all executed commercial leases for the Property (including laundry facility leases), and copies of all executed contracts for services provided to the Property. If applicable, any tenant estoppel certificates or lease subordination agreements required by Funding Lender following Funding Lender's review of this information must be delivered by Borrower for Funding Lender's review prior to closing, fully executed and in form acceptable to Funding Lender.

Property Management Requirements: Borrower must provide a copy of the executed property management agreement and such information about the property manager as Funding Lender may require. The property manager and property management agreement must be acceptable to Freddie Mac.

The management fee will be subordinate to the lien securing the Loan, as specified in the Loan Documents. The

property management contract must contain a provision specifying that it may be terminated by Borrower on sixty (60) days' notice, without payment of any penalty or premium.

D. GENERAL TERMS AND CONDITIONS

Property Purchase: Borrower must provide a complete copy of the fully-executed purchase contract for the Property. Borrower represents that (a) the copy of the purchase contract provided or to be provided by Borrower is or shall be a true and accurate copy of such agreement, (b) all preconditions under the purchase contract have been or will be satisfied or discharged in full prior to Loan closing, and (c) no facts or circumstances which adversely affect the condition or value of the Property have come to Borrower's attention in its due diligence of the Property that have not been fully disclosed to Funding Lender in writing in connection with this Application. Borrower agrees that Funding Lender and Freddie Mac will not be deemed to have knowledge of any hazardous conditions, zoning, environmental engineering or other issues merely by possession of the purchase contract for the Property.

Borrowing Structure/ Principals: Borrower must be structured in a manner acceptable to Funding Lender and Freddie Mac. Evidence satisfactory to Funding Lender of due organization and authority to perform the transaction will be required with respect to Borrower and each guarantor of the Loan, including acceptable legal opinions which satisfy the requirements for legal opinions under the Freddie Mac Loan Program.

BORROWER MUST BE A SINGLE PURPOSE, BANKRUPTCY-REMOTE ENTITY WHICH COMPLIES WITH THE SPE REQUIREMENTS SET FORTH ON SCHEDULE A, INCLUDING REQUIREMENTS FOR AN SPE EQUITY OWNER, IF APPLICABLE.

Furthermore, Borrower must disclose the substantive terms of any investor that intends to benefit from Section 42 tax credits.

Guarantor(s) / Non-Recourse Liability/ Exceptions to Non-Recourse Liability: The Loan will be non-recourse, except that Borrower and each party identified in the Loan Commitment to guarantee the Loan ("Guarantors") will be personally liable (jointly and severally) for all Freddie Mac standard exceptions to non-recourse liability and for environmental compliance and violations, all as set forth more fully in the Loan Documents (copies to be provided upon request.).

Subject to Freddie Mac approval, the anticipated Guarantor(s) will be Bear Family Investments, LLC

Assumability: In addition to any requirements contained in the any Regulatory Agreement concerning transfer of ownership as imposed by the local Governmental Agency, the Loan may be assumed by a qualified assignee acceptable to Freddie Mac, subject to satisfaction of all approval conditions (including delivery of any required guarantees, payment of an assumption fee, all related expenses and any required opinions in regards to the tax exemption of the loan).

Exclusive Financing Opportunity; Brokers Involved in Loan: Borrower intends this Application to be an exclusive Permanent Phase financing opportunity for Funding Lender and agrees that it will not revoke or terminate this Application and apply to any other lender for financing which will be secured, in whole or in part, by the Property or by any equity interests in Borrower so long as this Application remains in effect. Borrower also represents and warrants to Funding Lender that no other applications for a loan to be secured, in whole or in part, by the Property or any equity interests in Borrower is currently pending.

Borrower represents and warrants to Funding Lender that it has not dealt with any broker or other party who may claim a commission or other compensation for placing or originating this Loan. Borrower will be responsible for all compensation due to Broker (unless otherwise agreed by Funding Lender in writing) and indemnify Funding Lender from and against any and all claims for a commission or other compensation relating to this Loan from Broker or any other party.

OFAC Certification: Borrower represents and warrants that neither Borrower, nor any of its general partners or managing members (as applicable) nor, to the best of its knowledge, any other principal of Borrower currently is (i) identified on the list ("OFAC List") of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control, nor (ii) a person/entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. Borrower acknowledges that it has a continuing obligation during the processing of this Application to notify Funding Lender promptly if it knows or has reason to believe that the foregoing representation is no longer correct. The OFAC List is accessible through www.treas.gov/ofac/t11sdn.pdf.

Accurate Information: Borrower agrees to provide, in a timely manner, all information requested by Funding Lender to underwrite the Loan, Borrower and its principals and agrees to provide access to the Property for inspection by Funding Lender and due diligence consultants engaged by Funding Lender. Borrower represents and warrants to Funding Lender that all information supplied to date in furtherance of this Application by or on behalf of Borrower or in respect of any principal is true, accurate and complete in all material respects. Borrower acknowledges that Funding Lender

and Freddie Mac will rely on all information, statements and reports provided by or on behalf of Borrower and each principal in furtherance of this Application, and Borrower has an obligation to notify Funding Lender promptly if any new information or change of condition arises that would make materially inaccurate, false or misleading any information, statement or report previously provided by or on behalf of Borrower or in respect of any principal.

- Advertising:** Borrower's submission of this Application constitutes Borrower's authorization for Funding Lender and Freddie Mac to use publicly, at their respective discretion, the name of the Property, photographs of the Property, and basic transaction information (for example, the number of units in the Property, the Loan Amount, interest rate etc.) relating to the Loan.
- Broker Disclosure:** The use of a Broker/Correspondent or any individual and/or entity involved in arranging and brokering the loan financing must be disclosed at the time of application.
- Documentation Chain of Custody:** All due diligence, information and documentation requested of the borrower must be delivered directly to the lender without a third party being in the chain of custody.
- Miscellaneous:** This Application is not a commitment or binding offer by Funding Lender, express or implied, to make a loan or to issue a Loan Commitment. Only a written Loan Commitment issued by Funding Lender, and timely accepted by Borrower, will constitute Funding Lender's commitment to make the Loan to Borrower. This Application supersedes and replaces all prior understandings and representations (verbal or written) regarding Borrower's application to Funding Lender for the Loan. The Loan Documents executed at closing will control if any terms conflict with this Application or the Loan Commitment issued by Funding Lender.

All capitalized/defined terms used in this Application have the meaning specified in this Application. This Application is governed by Delaware law (without application of its rules governing conflicts of law). All decisions made by Funding Lender and Freddie Mac with respect to this Application are made in their respective sole discretion. Modifications or waivers to this Application will be effective only if made by a written agreement signed by Funding Lender and Borrower. No third party is a beneficiary (express or implied) of this Application or of the Loan proceeds. Borrower may not assign this Application or the Loan proceeds. A "business day" is any day other than Saturday, Sunday or legal holidays recognized by Funding Lender. Unless otherwise expressly provided in this Application or required by governing law, Borrower will not earn interest on any funds held by Funding Lender during the processing of this Application or the Loan Term. Time is of the essence with respect to Borrower's timely performance of its obligations under this Application. Funding Lender shall be entitled to recover legal fees to enforce its rights and the performance of Borrower's obligations under this Application and the Loan Commitment.

E. SPECIAL CONDITIONS

1. **Spread Hold:** Freddie Mac will hold the spread quoted herein through January 6, 2025, however if the spread for the Freddie Mac 10yr securitizations specifically, WI K-000 Series Class A-2 Certificates ("WI K-000 Series Class A-2 spread") moves more than 25 basis points above the current K-000 Series Class A-2 spread of 50 basis points per the July 29, 2024 publication, Freddie Mac reserves the right to increase the quoted spread in its sole discretion. The K-Series spread can be tracked by Berkadia via Freddie Mac's website.
2. **As-Is proforma** to be based on proforma at loan funding. **As-Stabilized proforma** to be based on post-renovation operations.
3. If the as-is DCR is below the greater of 1.15x or the priced DCR, Borrower must post collateral for gap in supportable proceeds based on As-Is NOI versus As-Stabilized NOI. Acceptable forms of collateral include:
 - a. Cash escrow, known as the Preservation Rehabilitation Escrow
 - b. Letter of Credit from a bank that is on the Multifamily Approved Counterparty List. The Letter of Credit cannot be secured by a lien on the Property and cannot expire earlier than 60 days after the term of the Preservation Rehabilitation period

4. The Tax-Exempt Loan Program for acquisition rehabilitation requires a cooperative Governmental Lender to enter into a Project Loan Agreement and Funding Loan Agreement (and other ancillary documents, certificates, etc). The Project Loan Agreement is between the Governmental Entity, a Fiscal Agent (e.g. a trustee) and the Borrower where the Governmental Entity is making a mortgage loan to the Borrower with the proceeds the Governmental Entity is receiving from the Funding Loan from Berkadia (the Funding Lender) who ultimately assigns the Funding Loan to Freddie Mac. As required in the Freddie Mac form documents, interest payments per the mortgage loan will be exempt from federal and state income taxes and, as such, an unqualified tax-exempt opinion from nationally recognized bond counsel will be required. Any additional requirements that may be imposed by the Governmental Entity must be approved and documented by Freddie Mac.
5. The Property will be subject to one (or more) Regulatory Agreements or Land Use Restriction Agreements ("Regulatory Agreement"), which shall be subject to review and approval by Funding Lender and Freddie Mac in their sole discretion and which, in all events, will terminate upon foreclosure of the Security Instrument or upon a transfer of the Property by instrument in lieu of foreclosure. To the extent required by Freddie Mac, the Regulatory Agreement shall be subordinated to the mortgage/deed of trust/deed to secure debt securing the Loan.
6. The Borrower must provide Freddie Mac with a Guaranty of Completion for the rehabilitation work to be done and an Operating Deficit Guaranty for the term of rehabilitation plus lease up.
7. All Renovation Work must be completed and the Property must reach stabilization within 24 months.
8. Renovation Work must cost no more than \$60,000/unit.
9. Monitoring of construction by a licensed architect/engineer is required and may be done by Seller/Service staff or by their third-party contractor.
10. As-Is and As-Stabilized DCR must be the greater of 1.15x or the priced DCR metric.
11. The Borrower must enter into a Preservation Rehabilitation Escrow Agreement with the Seller based on a scope of work approved by Freddie Mac. The agreement must include the following:
 - a. Establish requirements for the release of loan proceeds during rehabilitation
 - b. Specify Third Party reports and documentation
 - c. Include Borrower obligations
 - d. Allow for monitoring by the Seller and Freddie Mac during rehabilitation
 - e. Provide terms for release of the Rehabilitation Escrow in the Loan Agreement or Continuing Covenant Agreement ("CCA")
12. Quote assumes standard Freddie Mac TEL structure. Cash-backed Forward structure not permitted.
13. Tax Credit equity plus an applicable bridge loan at closing to be greater than 20%.
14. Developer Fee paid at closing not to exceed 30% of total Developer Fee. Minimum of 70% may not be paid to developer before Borrower completes all repairs required by the Loan Documents.
15. P&P Bonds required.
16. Quote assumes no major delinquencies at the Property. An aged receivables report will be required at final underwriting. Loan proceeds subject to change based on updated AR report balance.
17. Pricing assumes 100% of the units are encumbered by a LIHTC LURA requiring units to be rent & income restricted at 60% AMI.
18. Restricted rents must be underwritten to the lower of in-place rents, market rents, and regulated rents.
19. Physical Vacancy of 4.0% based on proof of economic vacancy of 3.0% or less for each of the past 3-years.
20. Underwritten NRI must be less than or equal to the T-1 collections and the rent roll. At quote underwritten collections not supported by T-1. Assumes collections submitted at pre-screen of \$215,550. Loan proceeds subject to change at final underwriting if not supported.
21. No Section 8 Voucher overhang underwritten.

- 22. Quote assumes a Freddie Mac compliant borrower structure.
- 23. Quoted spread assumes Freddie Mac compliant Seller Note. Assumes no other subordinate debt
- 24. Quote assumes Freddie Mac compliant infinite tax abatement to be in place at closing.
- 25. Appraisal to support underwritten value and cap rate. The Appraisal Report must include four values: an As-Is Value with and without restricted rents, and an As-Stabilized Today Value with and without restricted rents.
- 26. Underwritten vacancy and expenses including management fee, must be supported by the appraisal, market comparables, historical performance, and borrower's current portfolio.
- 27. Issuer and TEL related fees should be included in the underwritten miscellaneous expenses.
- 28. Freddie Mac approved LIHTC syndicator and satisfactory review of documentation including Form 1115 and summary of track record, experience, and recapture history over the past 5-years.
- 29. Satisfactory review of construction documents by Freddie Mac.
- 30. Satisfactory Freddie Mac site inspection prior to Rate Lock.
- 31. Third Party reports: 1) PCA, Environmental (Phase I), Wood-Damaging Insect (if applicable), and Appraisal - less than or equal to six months before delivery of the full underwriting package; 2) Flood Zone, O&M Plans, and Seismic (if applicable) - less than twelve months of the full underwriting package.
- 32. Subject to Freddie Mac Hard Quote, minimum Net Worth and Liquidity requirements for Guarantor:
Net Worth: \$10,000,000 / Liquidity: \$2,080,000

Entity Guarantor is 2X the NW and Liquidity requirements if Financial Covenants or Material Adverse Change Clause is not included. Quote contingent on review and confirmation at final UW package submission that the minimum net worth and liquidity requirements are satisfied.

All information required by Funding Lender under this Application or required under the Freddie Mac Program is to be delivered to Funding Lender's attention at the mailing address stated below.

Evaluation and processing of this Application will not begin until Borrower has (a) submitted this Application by executing and returning a copy to Funding Lender (by original, email or facsimile) at the address shown below and (b) wired funds for the Due Diligence Deposit and the Freddie Mac Application Fee in the amount of **\$53,300** in accordance with the wire instructions shown below. Funding Lender can accept DOCUSIGN signature so long as the signed document is returned to the Funding Lender using email of the person signing. Funding Lender will not commence evaluation of this Application, and the terms outlined in this Application will have no effect, unless this Application is submitted and the Due Diligence Deposit and the Freddie Mac Application Fee are paid in full prior to 5:00 pm eastern time on **August 9, 2024**. Time is of the essence.

FUNDING LENDER ADDRESS:

Address: Berkadia Commercial Mortgage LLC
Tim Leonhard
5960 Berkshire Lane, Suite 1000
Dallas, TX 75225

Phone: 504-458-1626
Email: Tim.Leonhard@Berkadia.com

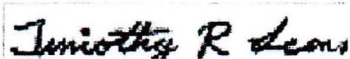
WIRE INSTRUCTIONS TO BERKADIA:

Bank: TD Bank, N.A.
Wilmington, Delaware

ABA Number: 031101266
Account Number: 4394297498
Account Name: Berkadia Commercial Mortgage LLC
Property: Woodsdale Oaks

On behalf of Berkadia Commercial Mortgage LLC, we appreciate the opportunity to service your financial needs and look forward to working with you.

Berkadia Commercial Mortgage LLC



By: _____
Tim Leonhard
Authorized Representative

BORROWER / SPONSOR AUTHORIZATION & SIGNATURE

By signing below, the undersigned authorize Funding Lender to process and evaluate this Application and agree that a Loan substantially on the terms and conditions described in this Application will be acceptable. The undersigned (i) make the representations of Borrower stated in this Application, (ii) agree to perform or cause to be performed all obligations of Borrower stated in this Application and (iii) jointly and severally agree to pay all fees, expenses and liabilities contemplated as an obligation of Borrower under this Application. Each person signing below represents that he/she has proper authority to execute this Application.

APPLICANT: Spira Equity Partners

By: *Robt*
Name: *ROBERT LOE*
Title: *MANAGING PARTNER*
Date: *8/5/2024*

SCHEDULE A
SPE Requirements

Generally, each Borrower and each SPE Equity Owner (if applicable) must be a Single Purpose Entity (SPE). If the Borrower is a TIC, each tenant must be an SPE.

FOR LOANS LESS THAN \$5,000,000:

Borrower must be a single asset entity, but is not required to be a SPE, bankruptcy-remote entity. The Property must be Borrower's sole asset and its operation Borrower's sole business.

FOR LOANS BETWEEN \$5,000,000 AND \$100,000,000 OR LESS:

1. Borrower must be a bankruptcy-remote **SPE** which complies with Rating Agency requirements. The Property must be Borrower's sole asset and its operation must be Borrower's sole business.
2. The Property must be held by a newly-formed SPE Borrower; however, a recycled SPE may be acceptable if Funding Lender requirements are met. If a recycled SPE is contemplated, contact Funding Lender.
3. Reserved.
4. For loans of \$25,000,000.00 or more (or loans in pools totaling such amount), Borrower must have an SPE Equity Owner (i.e., its managing member or general partner must be an SPE), unless Borrower is structured as a corporation or a Delaware single member limited liability company ("**DESM LLC**"). [Note: If Borrower or any SPE Equity Owner is a single member limited liability company, that entity must be formed in Delaware.] If Borrower is a limited partnership, all general partners must be SPEs.
5. The organizational documents of Borrower and any SPE Equity Owner must contain separateness covenants which are substantively compatible with those in the Loan Documents.
6. For loans of \$40,000,000.00 or more, a substantive non-consolidation opinion is required; that opinion will be reviewed by Freddie Mac's outside counsel.
 - "Rating Agency" means Fitch, Inc., Moody's Investors Service, Inc. or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., any successor to the same, or any other nationally recognized statistical rating organization.
 - This Exhibit summarizes limited aspects of Rating Agency SPE requirements, as supplemented by CME Program requirements. Borrower should confirm that the counsel it retains to represent it for the Loan is familiar with Rating Agency requirements and commercial mortgaged-backed securitization programs. Retaining counsel who lacks that expertise will result in a commensurate increase in the fees of Funding Lender's counsel and, for loans of \$40,000,000.00 or more, Freddie Mac's outside counsel retained for review of the non-consolidation opinion.

EXHIBIT A
Calculation of the Borrower Breakage Fee

(Revised 10-11-2021)

1. **Determination of Breakage Fee.** Notwithstanding anything in the *Guide* to the contrary, the Breakage Fee will be the greater of (A) or (B) below, but will in no event exceed 3.0% of the Rate Locked Funding Loan Amount:

- (A) 0.5% of the Rate Locked Funding Loan Amount; or
- (B) the product obtained by multiplying:
- (1) the Rate Locked Funding Loan Amount
- by*
- (2) the value obtained by subtracting
 - a. the Monthly Yield Rate at Breakage
- from*
- b. the Monthly Applicable Yield Rate at Rate Lock
- by*
- (3) the Present Value Factor

For purposes of this Section the following definitions will apply:

Breakage Date: the earliest to occur of (i) the date the Borrower notifies Funding Lender or Freddie Mac in writing that the Origination Date (as defined in the Freddie Mac Commitment) will not occur, (ii) the date Funding Lender notifies Freddie Mac in writing of its inability to deliver the Funding Loan, or (iii) the Mandatory Delivery Date

Rate Locked Funding Loan Amount: the amount of the Funding Loan set forth in Exhibit A to the Freddie Mac Commitment

Yield Rate at Breakage: as of the close of the trading session on the Breakage Date, the yield rate with a maturity equal to the term of the Index set forth in Exhibit A to the Freddie Mac Commitment, found among the Daily Treasury Yield Curve Rates, commonly known as the Constant Maturity Treasury (CMT) rates, as reported on the U.S. Department of the Treasury website.

The Yield Rate at Breakage will be expressed as a decimal to two digits.

If no published CMT maturity matches the term of the Index, Freddie Mac will interpolate as a decimal to two digits the yield rate between (i) the CMT with a maturity closest to, but shorter than, the term of the Index, and (ii) the CMT with a maturity closest to, but longer than, the term of the Index, as follows:

$$\left[\left(\frac{B-A}{D-C} \right) \times (E-C) \right] + A$$

- A = yield rate for the CMT with a maturity shorter than the term of the Index
B = yield rate for the CMT with a maturity longer than the term of the Index
C = number of months to maturity for the CMT maturity shorter than the term of the Index
D = number of months to maturity for the CMT maturity longer than the term of the Index
E = number of months in the term of the Index

In the event the U.S. Department of the Treasury ceases publication of the CMT rates, the Yield Rate at Breakage will equal the yield rate on the U.S Treasury security which is not callable or indexed to inflation and which has a maturity closest to (but not shorter than) the term of the Index.

The selection of an alternate security pursuant to this Section will be made in Freddie Mac's discretion.

Monthly Yield Rate at Breakage: the Yield Rate at Breakage divided by 12

Applicable Yield Rate at Rate Lock: with respect to the Index-Locked Portion, the "Applicable Yield Rate at Rate Lock" will be the "Yield on Index at Index Lock" set forth in Exhibit A to the Index Lock Agreement. With respect to the Non Index-Locked Portion (if any), the "Applicable Yield Rate at Rate Lock" will be the "Actual Index Rate at Rate Lock" set forth in Exhibit A to the Freddie Mac Commitment

Monthly Applicable Yield Rate at Rate Lock: the Applicable Yield Rate at Rate Lock divided by 12

Present Value Factor: the factor that discounts to present value the costs resulting to Freddie Mac from the difference in the Applicable Yield Rate at Rate Lock and the Yield Rate at Breakage calculated using the following formula:

$$\frac{1 - (1 + r)^{-n}}{(r)}$$

r = Monthly Yield Rate at Breakage

n = the number of months in the Mortgage term (set forth in Exhibit B)

2. **Obligation to Pay Breakage Fee; Joint and Several Liability**
If there is a Default or if the Breakage Fee is otherwise due and payable ("**Breakage Fee Event**"), Funding Lender will be liable to Freddie Mac, and Borrower and Breakage Obligor will be liable to Funding Lender, for the Breakage Fee. The liability of each person and/or entity constituting Borrower and Breakage Obligor for the Breakage Fee will be joint and several.
3. **Payment of GFD; Assignment to Freddie Mac of Obligation to Pay Remaining Breakage Fee**
Upon a Breakage Fee Event, Funding Lender will (a) pay the GFD to Freddie Mac, who will credit the GFD, less any portion of the Application Fee that is still owed to Freddie Mac, towards the Breakage Fee and (b) effectuate the Assignment, pursuant to which Borrower and Breakage Obligor will be obligated to pay to Freddie Mac any portion of the Breakage Fee that exceeds the GFD. Borrower and Breakage Obligor each consents to the Assignment and the delivery of the GFD to Freddie Mac. Borrower and Breakage Obligor each acknowledges that the Assignment will in no way alter or diminish Borrower's or Breakage Obligor's other obligations to Funding Lender under the Funding Lender Commitment; provided, however, to the extent that Borrower and/or Breakage Obligor has paid the Breakage Fee to Freddie Mac directly, Funding Lender will not be entitled to collect the Breakage Fee. Borrower and Breakage Obligor each confirms and acknowledges that if the Breakage Fee becomes due, pursuant to the Assignment, Freddie Mac may demand that Borrower and Breakage Obligor pay the Breakage Fee directly to Freddie Mac and Freddie Mac will not be required to pursue its remedies first against Funding Lender.
4. **Waiver of Right to Assert Defenses**
Upon execution of the Funding Lender Commitment, Borrower and Breakage Obligor each waives, to the fullest extent permitted by applicable law, the right to assert against Freddie Mac as assignee of Funding Lender, any claim or defense to the claim assigned that arises out of transactions or relationships between Borrower and Funding Lender and/or between Breakage Obligor and Funding Lender, including claims or defenses for fraud or set-off. Upon execution of the Funding Lender Commitment, Borrower and Breakage Obligor each acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.
5. **Waiver of Right to Contest Liquidated Damages**
Upon execution of the Funding Lender Commitment, Borrower and Breakage Obligor each waives, to the fullest extent permitted by applicable law, any defense as to the validity of any liquidated damages set forth in the Funding Lender Commitment on the grounds that such liquidated damages are void as penalties or are not reasonably related to the actual damages. Upon execution of the Funding Lender Commitment, Borrower and Breakage Obligor each acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.



CARES ACT BORROWER REMINDER NOTICE
(Revised 8-3-21)

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), was signed into law. You are receiving this reminder notice because your loan will be secured by a "covered property" as defined in the CARES Act.

Section 4024 of the CARES Act prohibits the lessor of a covered property from requiring a tenant to vacate its dwelling unit before the date that is 30 days after the date on which the lessor provides the tenant with notice to vacate ("**30-Day Notice Requirement**").

This letter is a reminder that you have a strict obligation to adhere to the terms of your loan documents, which include your covenant to comply with all laws, ordinances, rules, regulations and requirements of any Governmental Authority having jurisdiction over the Mortgaged Property.

Failure to comply with the 30-Day Notice Requirement of the CARES Act or any other law related to tenant protections may result in a default under your loan terms. Under the terms of your loan documents, the Funding Lender may request, from time to time, confirmation from you that you are fully complying with all terms of the loan documents.

Furthermore, the Funding Lender is requesting that you promptly provide the notice located at https://mf.freddie.mac.com/docs/covid19_emergency_rental_assistance_flyer.pdf to each of your tenants to direct them to available renter counseling and financial resources and advise them of the 30-Day Notice Requirement.

Finally, the Consolidated Appropriations Act of 2021 included a provision for Emergency Rental Assistance available to the tenant or a landlord on behalf of the tenant who meets minimum pre-set requirements. The CFPB's "Help for Landlords" page can help you take action to assist your eligible tenants. (<https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-landlords/>). We urge you to exhaust all available federal and state rental assistance programs before resorting to seeking tenant evictions.

Please contact Lisa Maloney at 215-328-1419 or via email at Lisa.Maloney@berkadia.com should you have any questions.

ITEM 4

**Housing Finance Authority of Broward County (“HFA”)
September 18, 2024 – Board Meeting**

Single Family (Bond Allocation) – Action Item

MOTION TO ADOPT Resolution of the Housing Finance Authority of Broward County, Florida (“HFA”): 1) authorizing staff to carry forward 2024 Private Activity Bond Allocation (“PAB”); 2) authorizing staff to request 2025 PAB allocation; approving a plan of finance involving the issuance by the HFA of its Single Family Mortgage Revenue Bonds (“Single Family Bonds”) in an aggregate face amount of not to exceed \$350,000,000 in one or more series; approving of the Single Family Bonds as required by Section 147(f) of the Internal Revenue Code of 1986 (“Code”), as amended; 3) authorizing staff to publish a notice and hold a public in accordance with Section 147(f) of the Code; 4) approving the use of State awarded allocated for mortgage credit certificate programs or multifamily carry forward; (5) authorizing the proper officers of the HFA to do all things necessary in connection with the plan of finance, the issuance of Single Family Bonds, and carry-forward of allocation 6) ratifying prior actions regarding same and 7) providing an effective date for the Resolution.

Background

1. Annually PAB allocation is available based on a statutory calculation. The HFA received PAB allocation in 2024 totaling \$118,966,521.84. The 2024 PAB allocation was distributed as follows: multifamily - \$0, and single family - \$118,961,521.84. The 2025 available PAB allocation is anticipated to be approximately \$120,000,000.
2. The HFA applied for an additional \$131,033,478.16 of PAB allocation and is currently on the waitlist with the Florida Division of Bond Finance. Notice of any additional PAB allocation will be released in November 2024.
3. Pursuant to a memorandum dated October 2, 2020 (Attachment 1), the HFA was provided additional direction from Bryant Miller Olive P.A. regarding allocation procedures for any project in the amount of \$50 million or more. Specifically, the HFA was advised that allocation requests in excess of \$50 million do not expire and there is nothing for the HFA to do until the allocation is carried forward at the end of the year. The HFA’s current PAB allocation procedures are consistent with this direction.
4. The HFA annually requests PAB allocation from the State for financing single family or multifamily transactions. Presently the HFA has \$118,966,521.84 in available single-family allocation and \$318,699,565.52 of multifamily allocation, of which \$0.00 will expire on December 31, 2024, if not used for existing transactions. (Attachment 2).
5. The HFA has \$306,325,000 in pending PAB allocation requests for twelve (12) multifamily developments, zero (0) of which are on the waitlist.

Present Situation

1. The HFA's single family allocation may be used to issue tax exempt bonds ("Bonds") to finance mortgages or issue mortgage credit certificates ("MCC") to qualifying households. If carried forward, the single family allocation may be designated as single family, multifamily or a combination of single family and multifamily.
2. The HFA has twelve (12) pending multifamily applications with one (1) transaction in the pipeline to close prior to year-end. The remaining applications are expected to close in 2025 or 2026. The HFA has received inquiries regarding additional multifamily transactions. As carry forward allocation is not project specific, multifamily carry forward must be used on a first come first served basis for approved transactions. Assuming all 2024 pipeline closings occur as scheduled, the remaining multifamily allocation will equal \$296,699,565.52 plus any additional allocation received in November 2024.
3. On January 1 of each year, a designated percentage of the State's PAB allocation is allocated to each of the State's seventeen (17) geographic regional pools. Broward County is Region 10 ("Region 10"), and certain steps must be taken for the HFA to obtain the Region 10 PAB.
4. Historically, the HFA has requested single family allocation in an amount not to exceed \$250,000,000. The allocation is funded with amounts from the Region 10 PAB and additional allocation, if available within November of that year. Due to increased demand for HFA allocation, it is recommended that the annual request be increased to \$350,000,000.
5. The current single family TEFRA expires on February 6, 2025. Staff requests authorization to publish any required notices and to hold a TEFRA Hearing prior to the expiration of the current TEFRA Hearing. The TEFRA Hearing notice will specify an amount not to exceed \$350,000,000 and will be used in conjunction with the HFA's Plan of Finance for single family transactions (including Bonds and MCCs) over a three (3) year period.
6. TEFRA Hearings for multifamily transactions are project specific and are held once the applicant has submitted an application, paid all applicable fees and the transaction has been approved by the Board with notice to the appropriate local government contacts.
7. HFA staff and financial advisor recommend carrying forward the 2024 PAB allocation as multifamily allocation and/or single family allocation in such amounts as determined necessary by the Executive Director of the HFA.
8. The cost of the TEFRA Hearing notice, which will be published in the Sun-Sentinel, is not expected to exceed \$500.00.
9. The HFA Resolution will provide Staff authorization to take necessary actions regarding 2024 and 2025 PAB allocation. (Attachment 3)

10. The procedures to carry forward 2024 PAB allocation and request 2025 PAB allocation from the State are an administrative function of the HFA and therefore BOCC authorization is not required for these actions.

Recommendation

MOTION TO ADOPT Resolution:

1. Authorizing staff to carry forward 2024 Private Activity Bond allocation,
2. Authorizing staff to request 2025 PAB allocation,
3. Approving a Plan of Finance involving the issuance by the HFA of its single family mortgage revenue bonds in an aggregate face amount of not to exceed \$350,000,000 in one or more series
4. Approving of the Single Family Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended ,
5. Authorizing staff to publish a TEFRA Hearing notice and hold a hearing in accordance with Section 147(f) of Code,
6. Approving the use of state awarded allocation for mortgage credit certificate programs or multifamily carry forward,
7. Authorizing proper officers, the Executive Director and the employees and agents of the HFA to do all things necessary in connection with the plan of finance, the issuance of single family bonds and carry-forward of allocation,
8. Ratifying prior actions regarding same, and
9. Providing an effective date.

Attachments

1. Bond Counsel Memorandum – October 2, 2020
2. Allocation Matrix – September 10, 2024
3. HFA Resolution 2024

ATTACHMENT 1

MEMORANDUM

TO: Ralph Stone, Executive Director
Housing Finance Authority of Broward County, Florida

FROM: JoLinda Herring
Bryant Miller Olive P.A.

DATE: October 2, 2020

RE: Allocation Procedures for Private Activity Bonds

Staff has asked Bryant Miller Olive P.A. to provide a Memorandum to the Housing Finance Authority of Broward County, Florida (the "Authority") outlining the allocation procedures. We have reviewed the Florida Statutes and the previous memorandum provided to the Authority by Morris G. (Skip) Miller on September 26, 2005. We believe that Mr. Miller's memorandum is still applicable, however a different procedure is applicable to projects of \$50 million or more.

Chapter 159, Part VI, Florida Statutes outlines the procedures for obtaining allocations, requirements and issuance reports. Generally, pursuant to Section 159.805(2), Florida Statutes, after the written confirmation of allocation has been received, bonds must be issued within 155 calendar days after the date the confirmation was issued or December 29th, whichever occurs first. If the Authority determines that the allocation is no longer necessary or no bonds have been issued, the Authority should notify the Division of Bond Finance (the "Division") upon expiration of the confirmation or not later than the 160th calendar day after the date that the confirmation was issued. However, such timelines are tolled during the pendency of a validation proceeding pursuant to Chapter 75, Florida Statutes, if written notice of the pendency of the validation is provided to the Division prior to the expiration of the confirmation.

Further, Section 159.95(4), Florida Statutes provides that "the time limits established by this section do not apply to any written confirmation for a priority project or for any project in an amount of \$50 million or more." Although, the Division's practice has been to put the 155 day expiration date on written confirmation as a matter of course, even when the project is over \$50 million. Recently, confirmations of allocations for projects of \$50 million or more have indicated an expiration date of December 30, which means the allocation does not expire and there is nothing for the

Authority to do except request that the allocation be carried forward prior to December 30 of such year. The December 30 date is important, as only allocation that remains valid on December 30 of a year can be made into carry forward allocation. Thus, for awarded allocations of less than \$50 million, they will not be eligible for a carry forward election unless the underlying bonds are the subject of a pending validation proceeding, which tolls the running of the applicable time periods until December 30 of such year.

ATTACHMENT 2

ATTACHMENT 3

RESOLUTION NO. 2024-_____

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on September 18, 2024, at 110 Northeast Third Street, Suite 201, Fort Lauderdale, Florida.

Present: _____

Absent: _____

Thereupon, the following resolution which was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (“HFA”) AUTHORIZING STAFF TO CARRY FORWARD 2024 PRIVATE ACTIVITY BOND ALLOCATION; AUTHORIZING STAFF TO REQUEST 2025 PRIVATE ACTIVITY BOND ALLOCATION; APPROVING A PLAN OF FINANCE INVOLVING THE ISSUANCE BY THE HFA OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS (“SINGLE FAMILY BONDS”) IN AN AGGREGATE FACE AMOUNT OF NOT TO EXCEED \$350,000,000 IN ONE OR MORE SERIES; APPROVING THE SINGLE FAMILY BONDS AS REQUIRED BY SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (“CODE”); AUTHORIZING STAFF TO PUBLISH A NOTICE AND HOLD A PUBLIC HEARING IN ACCORDANCE WITH SECTION 147(f) OF THE CODE; APPROVING THE USE OF STATE AWARDED ALLOCATION FOR MORTGAGE CREDIT CERTIFICATE PROGRAMS OR MULTIFAMILY CARRY FORWARD; AUTHORIZING THE PROPER OFFICERS, THE EXECUTIVE DIRECTOR AND THE EMPLOYEES AND AGENTS OF THE HFA TO DO ALL THINGS NECESSARY IN CONNECTION WITH THE PLAN OF FINANCE, THE ISSUANCE OF SINGLE FAMILY BONDS AND CARRY-FORWARD OF ALLOCATION; RATIFYING PRIOR ACTIONS REGARDING SAME; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the “HFA”) intends to issue its single family mortgage revenue bonds (the “Single Family Bonds”), in one or more series, in an aggregate principal amount of not to exceed \$350,000,000, to refund certain outstanding obligations of the HFA and/or to purchase federally insured or guaranteed mortgage loans originated by participating local lending institutions to finance or refinance the purchase of new or existing owner-occupied single-family residences situated within Broward County, Florida (the “County”) and owned by persons or families of low, moderate or middle income, to purchase securities from a master servicer evidencing interests in or backed by a pool of such mortgage

loans, including, without limitation, securities issued by the federal government or agencies thereof; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”) limits the amount of “private activity bonds” that can be issued in the State of Florida (the “State”) in any year; and

WHEREAS, the Single Family Bonds constitute “private activity bonds” and therefore are subject to the State’s allocation procedure governing the issuance of such “private activity bonds”; and

WHEREAS, the HFA desires to apply for additional allocation in an amount up to the amount allocated to Broward County for calendar year 2025 by the Division of Bond Finance (the “Division”) to assure that the HFA has all resources available to respond to any initiatives addressing the housing needs of the citizens of the County; and

WHEREAS, the State's allocation procedure requires that (i) a public hearing be held under the Tax Equity and Fiscal Responsibility Act with respect to the Single Family Bonds, and (ii) the issuance of the Single Family Bonds be approved by the Board of County Commissioners of Broward County, Florida (the “Board”) for purposes of Section 147(f) of the Code prior to requesting allocation for said Single Family Bonds; and

WHEREAS, the HFA desires to continue providing mortgage credit certificates for the benefit of the citizens of the County and wishes to exchange allocation from time to time awarded by the State for Single Family Bonds for allocation applicable to mortgage credit certificate authority; and

WHEREAS, the HFA may elect to carry-forward any unused single family allocation awarded by the State for use with either single family revenue bonds or multifamily housing revenue bonds; and

WHEREAS, the HFA hereby desires to adopt a plan of financing within the meaning of Section 147(f)(2)(C) of the Code.

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

Section 1. Carry-forward Allocation. The HFA hereby authorizes staff to take all action required to carry forward allocation for the Single Family Bonds, which was allocated to the County for calendar year 2024 by the Division, as allocation for multifamily housing mortgage revenue bonds and/or single family mortgage revenue bonds, in such amounts as determined necessary by the Executive Director of the HFA. The HFA hereby approves the execution by the Chair, Vice Chair, any member of the HFA or the Executive Director of the HFA of all documents, certificates and/or forms required to enable the HFA to carry forward the allocation received in calendar year 2024.

Section 2. Execution of Allocation Request. The HFA hereby approves the execution by the Chair, Vice Chair, and any member of the HFA or the Executive Director of the HFA of a request for allocation for the Single Family Bonds in an amount up to the amount allocated to the County for calendar year 2025 by the Division. Such request shall be made on the forms promulgated by the Division. If it is determined by Bond Counsel that a public hearing is required, the Executive Director is authorized to publish such notice and hold such hearing.

Section 3. Approval of Plan of Finance and Issuance of the Bonds. The HFA hereby authorizes the issuance of the Single Family Bonds in an aggregate face amount of not to exceed \$350,000,000 pursuant thereto for the purposes stated herein. The HFA hereby approves a plan of financing consisting of the issuance of one or more series of Single Family Bonds at one or more times and from time to time (the "Plan of Finance"), to provide funds to (i) refund certain outstanding obligations of the HFA, (ii) purchase federally insured or guaranteed mortgage loans originated by participating local lending institutions to finance or refinance the purchase of new or existing owner-occupied single-family residences situated within the County and owned by persons or families of low, moderate or middle income, and (iii) purchase securities from a master servicer evidencing interests in or backed by a pool of such mortgage loans, including, without

limitation, securities issued by the federal government or agencies thereof. Neither (i) the HFA's approval of the Plan of Finance, nor (ii) the issuance of the Single Family Bonds by the HFA, and/or the decision by the HFA not to issue all or any portion of the Single Family Bonds, shall (i) obligate or be construed to obligate the HFA to issue all or any portion of such Single Family Bonds, or (ii) cause the HFA or the County to incur any liability, pecuniary or otherwise, in connection with the issuance of the Single Family Bonds or the Plan of Finance and/or the decision not to issue all or any portion of the Single Family Bonds.

Section 4. Approval of Use of Single Family Bond Allocation. The HFA hereby authorizes the allocation for Single Family Bonds for use with mortgage credit certificate authority or multifamily revenue bonds. The Executive Director is hereby authorized to determine (i) if such allocation will be carry-forward and/or (ii) if such allocation will be converted for use with mortgage credit certificates or multifamily revenue bonds.

Section 5. Approval of HFA to Publish a Notice and hold a Public Hearing. The Executive Director or his designee is hereby authorized to publish the notice of TEFRA Hearing (as defined below) in The Sun Sentinel, or such other medium permitted by the Code, and to conduct the public hearing required by Section 147(f) of the Code, prior to the issuance of the Single Family Bonds (the "TEFRA Hearing"), at such time or times that he determines necessary, in consultation with the HFA's Financial Advisor, with respect to the Plan of Finance and the proposed issuance of the Single Family Bonds in accordance with the Code.

Section 6. Further Actions and Ratifications of Prior Actions. The Executive Director, officers, agents and employees of the HFA are hereby authorized and directed to do all acts and things required of them by this Resolution and to execute and deliver any and all instruments, documents, affidavits, certificates, notices, elections, carry-forward forms and allocation request forms necessary or advisable to effectuate the issuance of the Single Family Bonds and/or the implementation of the Plan of Finance. All actions heretofore undertaken by the

Executive Director, officers, agents and employees of the HFA with respect to the Single Family Bonds and/or Plan of Finance are hereby authorized and ratified.

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption.

Upon motion of _____, seconded by _____

the foregoing Resolution was adopted by the following votes:

AYES: _____

NAYS: _____

Approved on September 9, 2024 as
to form and legal sufficiency by:

Bryant Miller Olive P.A., Bond Counsel

STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)

I, Ruth T. Cyrus, 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 September 18, 2024, 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 carry forward of 2024 private activity bond allocation, the Plan of Finance, and the Single Family Bonds.

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 18th day of September, 2024.

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

By: _____
Ruth T. Cyrus, Secretary

(SEAL)

ITEM 5

**Housing Finance Authority of Broward County
September 18, 2024 - Board Meeting**

Proposed Budget for FY2025

Staff is requesting approval of the HFA proposed Budget for FY2025.

Background

HFA Board approval is required by the Administrative Code for the HFA of Broward County Budget covering the period of October 1, 2024 to September 30, 2025. Explanations are provided for line items for which the budget fluctuation exceeds \$10,000 or 15%.

	Original Budget FY 2024	Proposed Budget FY 2025	\$Budget Difference Increase (Decrease) FY 2024/ FY 2025	%Budget Difference Increase (Decrease) FY 2024/ FY 2025
Revenue:				
Authority Fees	560,000	750,000	190,000	34%
Application/TEFRA, & Closing	320,000	475,000	155,000	48%
Interest Income	339,000	370,000	31,000	9%
Rent Income	146,982	146,982	0	0%
Total Revenue:	1,369,482	1,745,482	376,600	27%
Broward County Operating Expense:				
Personnel:				
Regular Salaries/Benefits	742,300	762,176	19,876	3%
Operation Expenses				
Total Operation Expenses	197,882	203,032	5,150	3%
HFA Operation Expenses:				
Building/Capital	426,800	451,800	25,000	6%

Explanation of Budgetary Variances

Revenue:

Authority Fees & Closings: Increase in revenue based on anticipating new pipeline of bond projects and closings. There are six (6) closing expected totaling \$158M in Bonds.

Interest Income: Increase due to yields on new investments purchased with the cash received are better than this past year in the holdings.

Rental Income: Remained the same per MOU for HFA rental space agreement.

Personnel:

Total Personnel Expenses: Increase in expenses by \$19,876 for employees' Salaries and Benefits.

Broward County Operating Expense:

Total Operating Expenses: Increase in expenses by \$5,150 for line items: Auditing, Rental Equipment and Phone data line.

HFA Operation Expenses:

Total Operating Expenses: Increase in expenses by \$25,000 for Building Maintenance as we are expecting to work on updating the HFA lavatories in this new year.

Recommendation

Staff recommends approval of the proposed 2025 HFA Budget.

Attachments

1. 2025 Proposed Budget (Projected Budget Comparison with 2024 Budgeted numbers)
2. Comparison actual HFA revenues and expenses YTD to 6/30/2024; and Projected Revenues/Expenses for year-end FY2024

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
BUDGET
FOR YEAR ENDED SEPTEMBER 30, 2025**

	Final Budget	Proposed Budget	\$ Budget Difference Increase (Decrease)	
	FY 2024	FY 2025	FY 2024/FY 2025	Change %
Revenue:				
Authority Fees	\$ 560,000	\$ 750,000	190,000	34%
Application, TEFRA and Closing Fees	320,000	475,000	155,000	48%
MCC & Lender Program Income	3,500	3,500	-	
Interest Income	339,000	370,000	31,000	9%
Gain/Loss Investments	-	-	-	
Rent Income	146,982	146,982	-	
TOTAL REVENUE	\$ 1,369,482	\$ 1,745,482	376,000	27%
Other Sources of Funds				
Liquidation of Investments	\$ -	\$ -	-	
TOTAL REVENUE AND OTHER SOURCES OF FUNDS	\$ 1,369,482	\$ 1,745,482	\$ 376,000	27%
BOCC Expenses:				
Personnel Expenses:				
Regular Salaries	547,058	544,683	(2,375)	0%
Benefits	195,242	217,493	22,251	10%
SUBTOTAL, PERSONNEL EXPENSES	\$ 742,300	\$ 762,176	19,876	3%
Operating Expenses:				
Auditing Fee	46,150	50,000	3,850	
Contract Svcs	-	-	-	
Temp Personel Svcs	5,000	5,000	-	
Travel	9,000	9,000	-	
Education	2,600	2,600	-	
Motor Pool	500	500	-	
Software Support	-	-	-	
Telephone	400	700	300	43%
Communication Devices	1,500	1,500	-	
Postage	1,400	1,400	-	
Rental Equipment	2,200	3,200	1,000	31%
Self Insurance	1,820	1,820	-	
Building Maintenance	20,000	20,000	-	
Equipment Maintenance	4,500	4,500	-	
Ground Maintenance	2,300	2,300	-	
External Printing	1,250	1,250	-	
Internal Printing	2,200	2,200	-	
Advertising	2,050	2,050	-	
Cost Allocation	68,990	68,990	-	
County Attorney	16,000	16,000	-	
Office Supplies	3,000	3,000	-	
Office Eq <1000	2,000	2,000	-	
Dues & Memberships	1,000	1,000	-	
Subscriptions	500	500	-	
Miscellaneous Exp.	3,522	3,522	-	
SUBTOTAL, OPERATING EXPENSES	\$ 197,882	\$ 203,032	5,150	3%
Capital Expenses:				
Machinery & Equipment	-	-	-	
Computer Software	2,500	2,500	-	0%
Computer Hardware	-	3,500	3,500	100%
SUBTOTAL, CAPITAL EXPENSES	\$ 2,500	\$ 6,000	3,500	58%
TOTAL BOCC EXPENSES	\$ 942,682	\$ 971,208	28,526	3%
Authority Expenses:				
Professional Fees, Accounting	\$ 106,000	\$ 106,000	\$ -	0%
Professional Fees, Zomermans Assoc	90,000	90,000	-	0%
Professional Fees, Bond Counsel	25,000	25,000	-	0%
Bank/Investment Management Fees	5,600	5,600	-	0%
Advertising/Marketing/Notices	5,000	5,000	-	0%
Dues/Membership	10,000	10,000	-	0%
Continuing Education/Travel	25,000	25,000	-	0%
Postage/Fedex	200	200	-	0%
Build	85,000	85,000	-	0%
Utilities	25,000	25,000	-	0%
SUBTOTAL, Authority Expenses	\$ 376,800	\$ 376,800	-	0%
Capital Expense				
Building/Elevator	50,000	75,000	25,000	33%
SUBTOTAL, CAPITAL EXPENSES	\$ 50,000	\$ 75,000	25,000	33%
Total Authority Expenses	\$ 426,800	\$ 451,800	\$ 25,000	6%
TOTAL EXPENSES	\$ 1,369,482	\$ 1,423,008	\$ 53,526	4%

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
PROPOSED BUDGET - with YTD & Projections
FOR YEAR ENDED SEPTEMBER 30, 2025

	Actual YTD as of	Projected through	Final Budget	Proposed Budget	\$ Budget Difference Increase (Decrease)	% Budget Difference Increase (Decrease)
	6/30/2024	9/30/2024	FY 2024	FY 2025	FY 2024/FY 2025	FY 2024/FY 2025
Revenue:						
Authority Fees	\$ 804,861	\$ 898,686	\$ 560,000	\$ 750,000	\$ 190,000	34%
Application, TEFRA and closing fees	481,000	682,636	320,000	475,000	155,000	48%
MCC & Lender Program Income	4,325	2,755	3,500	3,500	-	0%
Interest Income	371,153	503,316	339,000	370,000	31,000	9%
Gain/Loss Investments	-	-	-	-	-	-
Rent Income	-	146,982	146,982	146,982	-	0%
TOTAL REVENUE	\$ 1,661,339	\$ 2,234,375	\$ 1,369,482	\$ 1,745,482	\$ 376,000	27%
Other Sources of Funds						
Liquidation of Investments	\$ -	\$ -	\$ -	\$ -	-	-
TOTAL REVENUE AND OTHER SOURCES OF FUNDS		\$ 2,234,375	\$ 1,369,482	\$ 1,745,482	\$ 376,000	27%
BOCC Expenses:						
Personnel Expenses:						
Regular Salaries	\$ 349,921	\$ 550,000	\$ 547,058	\$ 544,683	\$ (2,375)	0%
Benefits	121,577	200,000	195,242	217,493	22,251	11%
SUBTOTAL, PERSONNEL EXPENSES	\$ 471,498	\$ 750,000	\$ 742,300	\$ 762,176	\$ 19,876	3%
Operating Expenses:						
Auditing Fee	35,285	46,150	\$ 46,150	\$ 50,000	3,850	8%
Temp Personnel	0	0	5,000	5,000	-	-
Travel	470	0	9,000	9,000	-	0%
Education	980	0	2,600	2,600	-	0%
Armored Car/Motor Pool	0	450	500	500	-	0%
Software Support	223.50	0	-	-	-	0%
Telephone	0	400	400	700	300	75%
Communication Devices	963	1,100	1,500	1,500	-	0%
Postage	595	900	1,400	1,400	-	0%
Rent-Lsg Equipment	1,405	2,300	2,200	3,200	1,000	45%
Self Insurance	1,365	230	1,820	1,820	-	0%
Building Maintenance	4,464	21,200	20,000	20,000	-	0%
Equipment Maintenance	41	5,000	4,500	4,500	-	0%
Ground Maintenance	284	2,100	2,300	2,300	-	0%
External Printing	0	900	1,250	1,250	-	0%
Internal Printing	135	700	2,200	2,200	-	0%
Advertising	0	0	2,050	2,050	-	0%
Cost Allocation	23,693	68,990	68,990	68,990	-	0%
County Attorney	0	16,000	16,000	16,000	-	0%
Office Supplies	1,967	2,900	3,000	3,000	-	0%
Office Eq <1000	555	800	2,000	2,000	-	0%
Dues & Memberships	1,000	0	1,000	1,000	-	0%
Subscriptions	208	250	500	500	-	0%
Miscellaneous Exp.	438	3,000	3,522	3,522	-	0%
SUBTOTAL, OPERATING EXPENSES*1	\$ 74,069	\$ 173,370	\$ 197,882	\$ 203,032	\$ 5,150	3%
Capital Expenses:						
Machinery & Equipment	-	-	-	-	-	-
Computer Software	-	-	2,500	2,500	-	-
Computer Hardware	2,831	5,500	-	3,500	3,500	-
SUBTOTAL, CAPITAL EXPENSES*1	\$ 2,831	\$ 5,500	\$ 2,500	\$ 6,000	\$ 3,500	
TOTAL BOCC EXPENSES	\$ 548,398	\$ 928,870	\$ 942,682	\$ 971,208	\$ 28,526	3%
Authority Expenses:						
Professional Fees, Accounting	62,580	106,000	\$ 106,000	\$ 106,000	\$ -	0%
Professional Fees, Zomermaand Assoc.	56,114	90,000	90,000	90,000	-	0%
Professional Fees, Bond Counsel	16,136	25,000	25,000	25,000	-	0%
Bank/Investment Management Fees	5,625	8,182	5,600	5,600	-	0%
Advertising/Marketing/Notices	2,074	2,834	5,000	5,000	-	0%
Dues/Membership/Conference	11,625	18,136	10,000	10,000	-	0%
Continuing Education/Travel	10,007	17,175	25,000	25,000	-	0%
Postage/Fedex	27	150	200	200	-	0%
Building/Maintenance	60,183	80,000	85,000	85,000	-	0%
Utilities	19,523	27,283	25,000	25,000	-	0%
SUBTOTAL, Authority Expenses	\$ 243,895	\$ 374,760	\$ 376,800	\$ 376,800	-	0%
Capital Expense						
Building/Elevator	-	50,000	50,000	75,000	25,000	50%
SUBTOTAL, CAPITAL EXPENSES	\$ -	\$ 50,000	\$ 50,000	\$ 75,000	\$ 25,000	50%
Total Authority Expenses	\$ 243,895	\$ 374,760	\$ 426,800	\$ 451,800	\$ 25,000	6%
TOTAL EXPENSES	\$ 792,293	\$ 1,303,630	\$ 1,369,482	\$ 1,423,008	\$ 53,526	4%

*1 - Personnel, Operating, Capital expenses and Cost allocation are provided by the County.

ITEM 6

Housing Finance Authority of Broward County

Dufresne CPA Services, PA – Overview of the August 2024 Financial Reports

The following are items considered to be of note regarding the financial reports for the month of August 2024:

- 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 budget, primarily as a result of the application and authority fees received in connection with increased bond issuance activity. 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 – August 2024 comparison to July 2024)
- Attachment 2, Page 3: Balance Sheet (Flux Report – August 2024 comparison to August 2023)
- Attachment 3, Page 4: P&L (Flux Report – August 2024 comparison to July 2024)
- Attachment 4, Page 5: P&L (Flux Report – August 2024 comparison to August 2023)
- Attachment 5, Page 6: P&L (Flux Report – Budget to Actual)
- Attachment 6, Page 7: Aged Receivables Report as of August 31, 2024
- Attachment 7, Page 8: Wells Fargo Bank Reconciliation Report - Operating at August 31, 2024
- Attachment 8, Page 9: Cumulative Net Change in Investment Value as of August 31, 2024

Attachment 1
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Balance Sheet (Flux Report)
8/31/2024

	Aug-24	Jul-24	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 788,508	\$ 826,683	(38,175)	-5%	
Cash-LOC	7,066	7,036	30	0.4%	
Indemnification Fund-BNY					
Good Faith Deposits	\$ 150,000				
Indemnification Deposits	720,000				
Interest	104,837				
	974,837	1,025,894	(51,057)	-5%	
Cash-BNY Mellon Custody Account	4,291,669	3,381,121	910,548	27%	3
Total Cash	6,062,080	5,240,734			
Investments-BNY Mellon Custody Account	10,906,351	11,654,638	(748,287)	-6%	3,4
Note Receivable-DPA	200,000	200,000	-	NA	
Authority Fees Receivable	39,218	55,119	(15,901)	-29%	1
Interest Receivable	83,997	89,970	(5,973)	-7%	
Notes Receivable-CDC	135,833	136,806	(973)	-1%	
Notes Receivable - Mt. Olive	96,156	96,156	-	NA	
HFA Mortgage Receivables	6,249	6,300	(51)	-1%	
Whole Loan Mortgages Receivable	216,625	216,625	-	NA	
Allowance for Doubtful Whole Loan Mortgages	(70,523)	(70,523)	-	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	(841,359)	(841,359)	-	NA	
Total Assets	18,582,589	18,532,428			
Deferred Outflows					
Deferred outflows related to pension	119,521	119,521	-	NA	
Total Assets and Deferred outflows	\$ 18,702,110	\$ 18,651,949			
Liabilities					
Accrued Sick/Vacation, ST	\$ 65,000	\$ 65,000	-	NA	
Due to BOCC - Exp reimb	157,113	314,227	(157,114)	-50%	1
Audit Fees Payable	6,000	6,000	-	NA	
Good Faith Deposits	150,000	225,000	(75,000)	-33%	2
Net Pension Liability - Pension	507,154	507,154	-	NA	
Net Pension Liability - HIS	223,085	223,085	-	NA	
Accrued Sick/Vacation, LT	31,000	31,000	-	NA	
Total Liabilities	1,139,352	1,371,466			
Deferred Inflows					
Deferred inflows related to pension	20,548	20,548	-	NA	
Equity					
Beginning of year	16,025,628	16,025,628			
Current Year Earnings	1,516,582	1,234,307			
Total Equity	17,542,210	17,259,935			
Total Liabilities, Deferred Inflows and Equity	\$ 18,702,110	\$ 18,651,949			

*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 Tequesta good faith deposit returned to borrower in current month
- 3 Sales/maturities and earnings in Investments - BNY used to purchase treasury in Cash - BNY
- 4 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)
8/31/2024

	Aug-24	Aug-23	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 788,508	\$ 1,054,431	(265,923)	-25%	4
Cash-LOC	7,066	6,707	359	5%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 150,000				
Indemnification Deposits	720,000				
Interest	104,837				
	974,837	956,306	18,531	2%	
Cash-BNY Mellon Custody Account	4,291,669	872,938	3,418,731	392%	2,4
Total Cash	6,062,080	2,890,382			
Investments-BNY Mellon Custody Account	10,906,351	12,477,726	(1,571,375)	-13%	2
Note Receivable-DPA	200,000	200,000	-	NA	
Authority Fees Receivable	39,218	115,558	(76,340)	-66%	1
Interest Receivable	83,997	102,813	(18,816)	-18%	1
Notes Receivable-CDC	135,833	147,500	(11,667)	-8%	
Notes Receivable-Mt. Olive	96,156	131,156	(35,000)	-27%	6
HFA Mortgage Receivables	6,249	6,845	(596)	-9%	
Whole Loan Mortgages Receivable	216,625	246,339	(29,714)	-12%	7
Allowance for Doubtful Whole Loan Mortgages	(70,623)	(102,104)	31,581	-31%	7
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	(841,359)	(815,459)	(25,900)	3%	
Total Assets	18,582,589	17,148,718			
Deferred Outflows					
Deferred outflows related to pension	119,521	160,218	(40,697)	-25%	8
Total Assets and Deferred outflows	\$ 18,702,110	\$ 17,308,937			
Liabilities					
Accrued Sick/Vacation, ST	\$ 65,000	\$ 43,000	22,000	51%	8
Due to BOCC - Exp reimb	157,113	154,200	2,913	2%	
Audit Fees Payable	6,000	-	6,000	100%	1
Good Faith Deposits	150,000	300,000	(150,000)	-50%	3
Net Pension Liability - Pension	507,154	478,858	28,296	6%	
Net Pension Liability - HIS	223,085	155,814	67,271	43%	8
Accrued Sick/Vacation, LT	31,000	77,000	(46,000)	-60%	8
Total Liabilities	1,139,352	1,208,872			
Deferred Inflows					
Deferred inflows related to pension	20,548	29,246	(8,698)	-30%	8
Equity					
Beginning of year	16,025,628	14,642,901			
Prior Period Adjustment	-	6,220	(6,220)	-100%	8
Current Year Earnings	1,516,582	1,421,697			
Total Equity	17,542,210	16,070,819			
Total Liabilities, Deferred Inflows and Equity	\$ 18,702,110	\$ 17,308,937			

*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 Sales/maturities and earnings in Investments - BNY used to purchase treasury in Cash - BNY
- 3 Good faith deposits returned to Borrower after August 2023
- 4 Transfers from Wells Fargo to BNY Mellon Custody
- 5 Payments received on notes receivable after August 2023
- 6 Audit adjustments
- 7 Adjustments to agree to Centar

Attachment 3
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report)
8/31/2024

	Aug-24	Jul-24	\$ Difference	% Difference to Prior Month	*Explanation
Income					
Bond Authority Fees	\$ 898,686	\$ 835,611	63,075	8%	
Inducement Fees	9,000	7,500	1,500	20%	
Late Reporting Fees	2,500	2,500	-	0%	
Application, TEFRA and Closing Fees	614,250	480,500	133,750	28%	3
MCC and Lender Program Income	2,525	2,000	525	26%	
Interest Income, Mortgages	407	371	36	10%	
Interest Income, BNY Mellon	461,373	417,401	43,972	11%	1
Interest Income, LOC	331	301	30	10%	
Net Change in Investment Value	532,467	416,208	116,259	28%	2
Total Income	\$ 2,521,539	\$ 2,162,392			
Expenses					
Personnel Services, Broward Co	\$ 595,215	\$ 565,677	29,538	5%	
Other Expenses, Broward County	110,297	90,868	19,429	21%	1
Professional Fees	159,691	148,591	11,100	7%	
Bank Management Fees	7,500	5,625	1,875	33%	
Advertising/Marketing	2,598	2,598	-	0%	
Dues and Membership Fees	16,625	11,625	5,000	43%	1
Conference and Travel Expense	15,744	15,744	-	0%	
Postage and FedEx	100	27	73	270%	
Building/Land Maintenance	72,178	65,035	7,143	11%	1
Utilities	25,009	22,295	2,714	12%	
Total Expenses	\$ 1,004,957	\$ 928,085			
Net Profit/(Loss)	\$ 1,516,582	\$ 1,234,307	282,275	23%	2,3

*Explanations provided for >=10% and >= \$5,000 variance

- 1 Timing of receipts/payments and accruals based on budget
- 2 Related to current market conditions and changes in the composition of the investment portfolio
- 3 Closing fees received in current month

"%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)
8/31/2024

	Aug-24	Aug-23	\$ Difference	% Difference to Prior Year	*Explanation
Income					
Bond Authority Fees	\$ 898,688	\$ 805,251	93,435	12%	1
Inducement Fees	9,000	9,000	-	0%	
Late Reporting Fees	2,500	-	2,500	100%	
Application, TEFRA and Closing Fees	614,250	1,205,000	(590,750)	-49%	1
MCC and Lender Program Income	2,525	600	1,925	321%	
Interest Income, Mortgages	407	443	(36)	-8%	
Interest Income, BNY Mellon	481,373	388,430	74,943	19%	2
Net Change in Investment Value	532,467	58,038	474,429	817%	2
Interest Income, FHLB LOC	331	267	64	24%	
Interest Income, SFDCF Loan	-	3,495	(3,495)	100%	
Rent Income	-	121,044	(121,044)	100%	1
Total Income	<u>\$ 2,521,539</u>	<u>\$ 2,589,568</u>			
Expenses					
Personnel Services, Broward Co	\$ 595,215	\$ 680,115	(84,900)	-12%	1
Other Expenses, Broward County	110,297	133,513	(23,216)	-17%	1
Temporary Staffing	-	104	(104)	100%	
Professional Fees	159,691	174,340	(14,649)	-8%	
Bank Management Fees	7,500	2,879	4,621	161%	
Advertising/Marketing	2,598	4,023	(1,425)	-35%	
Dues and Membership Fees	16,625	2,595	14,030	541%	1
Conference and Travel Expense	15,744	22,882	(7,138)	-31%	1
Postage and FedEx	100	-	100	100%	
Building/Land Maintenance	72,178	72,730	(552)	-1%	
Utilities	25,009	26,705	(1,696)	-6%	
Capital Outlay Expense	-	47,985	(47,985)	100%	1
Total Expenses	<u>\$ 1,004,957</u>	<u>\$ 1,167,871</u>			
Net Profit/(Loss)	\$ 1,516,582	\$ 1,421,697	94,885	7%	

*Explanations provided for >=10% and >= \$5,000 variance

- 1 Timing of receipts/payments and accruals based on budget
- 2 Related to current market conditions and changes in the composition of the investment portfolio

"%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 August 2024

	Selected Period	Budget for Selected Period	# Difference: Budget for Selected Period - Selected Period	% Difference to budget	Total Annual Budget Amount	# Difference: Total Annual Budget - Selected Period
Income						
Bond Authority Fees	\$ 898,686	\$ 513,333	(385,353)	-75%	\$ 560,000	\$ (338,686) 3
Inducement Fees	9,000	-	(9,000)	NA	-	(9,000)
Late Reporting Fees	2,500	-	(2,500)	NA	-	(2,500)
Application, TEFRA and Closing Fees	614,250	293,333	(320,917)	-100%	320,000	(294,250) 3
MCC and Lender Program Income	2,525	3,208	683	21%	3,500	975
Interest Income, Mortgages	407	-	(407)	NA	-	(407)
Interest Income, BNY Mellon	461,373	310,750	(150,623)	-48%	339,000	(122,373) 2
Net Change in Investment Value	532,467	-	(532,467)	NA	-	(532,467) 2
Interest Income, FHLB LOC	331	-	(331)	NA	-	(331)
Rent Income	-	134,734	134,734	100%	146,982	146,982 1
Total Income	\$ 2,521,539	\$ 1,255,359			\$ 1,369,482	
Expenses						
Personnel Services, Broward Co	\$ 595,215	\$ 680,442	85,227	13%	\$ 742,300	\$ 147,085 1
Other Expenses, Broward County	110,297	183,694	73,387	40%	200,382	90,085 1
Professional Fees	159,691	202,583	42,892	21%	221,000	61,309 1
Bank Management Fees	7,500	5,133	(2,367)	-46%	5,600	(1,900)
Advertising/Marketing	2,598	4,583	1,985	43%	5,000	2,402
Dues and Membership Fees	16,625	9,167	(7,458)	-81%	10,000	(6,625) 1
Conference and Travel Expense	15,744	22,917	7,173	31%	25,000	9,256 1
Postage/FedEx	100	183	83	45%	200	100
Building/Land Maintenance	72,178	77,917	5,739	7%	85,000	12,822
Utilities	25,009	22,917	(2,092)	-9%	25,000	(9)
Capital Outlay Expense	-	45,833	45,833	100%	50,000	50,000 1
Total Expenses	\$ 1,004,957	\$ 1,255,359			\$ 1,369,482	
Net Profit/(Loss)	\$ 1,516,582	\$ 0			\$ 0	

Budgeted Expenses - Actual Expenses = \$ 250,402 Under Budget

* Explanations provided for >=10% and >= \$5,000 variance

1 Timing of receipts/payments and accruals based on budget

2 Related to current market conditions and changes in the composition of the investment portfolio

3 Closing/issuer fees received on new bond issues in current FY

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
8/31/2024

	Total Due	0 - 30	31 - 60	61 - 90	90+
BNY Mellon Authority fee receivable					
2019 Regency Gardens	\$ 1,350	\$ -	\$ -	\$ 1,350	\$ -
2021 Solaris	14,850	-	14,850	-	-
Total BNY Mellon Authority Fee Receivable	\$ 16,200	\$ -	\$ 14,850	\$ 1,350	\$ -
Regions Authority fee receivable	Total Due	0 - 30	31 - 60	61 - 90	90+
2018 NW Gardens	\$ 23,018	\$ -	\$ -	\$ -	\$ 23,018
Total Regions Authority Fee Receivable	\$ 23,018	\$ -	\$ -	\$ -	\$ 23,018
Total Authority Fee Receivable (combined)	Total Due	0 - 30	31 - 60	61 - 90	90+
	\$ 39,218	\$ -	\$ 14,850	\$ 1,350	\$ 23,018

2885 Broward Housing Finance Authority

110 NE Third Street #300
Fort Lauderdale, FL 33301

Attachment 7

Reconciliation Report

9/3/2024
7:30:55 PM

Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 8/31/2024				
Last Reconciled: 7/31/2024				
Last Reconciled Balance: \$826,913.20				
 Cleared Checks				
5542	7/16/2024	Hans Johnson Plumbing & Air,		\$230.00
GJ001442	8/5/2024	WF:Utility debit		\$344.25
5553	8/6/2024	Holmes Lawn Services		\$465.00
5554	8/6/2024	Amer-plus Janitorial & Mainten		\$4,066.66
5555	8/6/2024	Bank of New York Mellon		\$1,875.00
5556	8/6/2024	Krystal Kleer		\$375.00
5557	8/6/2024	Broward County Board of Coun		\$206,081.15
5558	8/6/2024			\$0.00
5561	8/27/2024	Josephine Kotsioris		\$73.00
GJ001443	8/28/2024	WF:Utility debits		\$2,298.96
Total:			\$0.00	\$215,809.02

Cleared Deposits

GJ001437	8/2/2024	"WF:TEFRA&Inducement,1MC	\$7,175.00	
GJ001438	8/9/2024	"WF:BrwdHsngSitns,1MCC"	\$1,147.22	
CR000281	8/21/2024	2024 Lauderhill Point for 00000	\$36,000.00	
CR000282	8/21/2024	Payment; 2021 Pembroke Tow	\$5,580.00	
GJ001439	8/28/2024	"WF:2ndMtgP&I,1MCC"	\$261.84	
GJ001440	8/29/2024	WF:PinnacleAppFee	\$500.00	
GJ001441	8/29/2024	WF:TequestaClosing&Attorney	\$107,750.00	
CR000283	8/29/2024	2024 Tequesta Reserve for 00	\$37,395.37	
Total:			\$195,809.43	\$0.00

Outstanding Checks

5559	8/27/2024	Dufresne CPA Services, PA		\$4,500.00
5560	8/27/2024	Zomermaand Financial Advisor		\$6,600.00
5562	8/27/2024	FL ALHFA		\$5,000.00
5563	8/27/2024	IPS-Integrated Power Systems		\$750.00
5564	8/27/2024	TECO Peoples Gas		\$70.64
5565	8/27/2024	National Fire Protection, LLC		\$1,485.00
Total:			\$0.00	\$18,405.64

Reconciliation

AccountEdge Pro Balance on 8/31/2024:	\$788,507.97
Add: Outstanding Checks:	\$18,405.64
Subtotal:	\$806,913.61
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$806,913.61</u>

Attachment 8
Cumulative Net Change in Investment Value
Prior Year-to-Date Comparison to Current Year-to-Date

	<u>8/31/2023</u>	<u>8/31/2024</u>
BNY Mellon Custody Acct	<u>\$ 58,038</u>	<u>\$ 532,467</u>
Cumulative Net Change in Investment Value		<u>\$ 474,429</u>