

RESOLUTION NO. 2014-_____

A regular meeting of the Board of County Commissioners of Broward County, Florida was held at 10:00 a.m. on _____, 2014, at the Broward County Governmental Center, Fort Lauderdale, Florida.

Present: _____

Absent: _____

Thereupon, _____ introduced the following Resolution, which was read:

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA, AUTHORIZING AN AMENDMENT TO LAND USE RESTRICTION AGREEMENT, A SUBORDINATION AGREEMENT AND AN ESCROW DEPOSIT AND DEFEASANCE AGREEMENT IN CONNECTION WITH ITS \$13,915,000 MULTIFAMILY HOUSING REVENUE BONDS, (HARBOUR COVE PROJECT), SERIES 2003; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "HFA") issued and sold its \$13,915,000 Multifamily Housing Revenue Bonds (Harbour Cove Apartments Project), Series 2003 (the "Bonds") for the purpose of assisting Harbour Cove Associates, Ltd. (the "Borrower") to acquire, construct and equip a multifamily residential rental apartment project located in Broward County, Florida and known as Harbour Cove Apartments (the "Project"); and

WHEREAS, the Bonds were issued pursuant to the Trust Indenture, dated as of July 1, 2003 (the "Indenture"), by and between the Housing Finance Authority and The Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company of Florida, N.A. (the "Trustee"); and

WHEREAS, the proceeds made available from the issuance of the Bonds were loaned to the Borrower, pursuant to the Loan Agreement, dated as of July 1, 2003, by and between the Borrower, Florida Housing Finance Corporation (the "Florida Housing") and the HFA (the "Loan Agreement") for the purpose of financing the Project; and

WHEREAS, in connection with the Bonds, the HFA, the Borrower, Florida Housing and the Trustee entered into a Land Use Restriction Agreement, dated as of July 1, 2003 (the "Land Use Restriction Agreement") and

WHEREAS, pursuant to the provisions of the Indenture and the Loan Agreement, the Borrower expects to redeem the Bonds and refinance the Property with a new loan (the "Refinancing Loan") from Oak Grove Commercial Mortgage, LLC (the "Lender"), such loan to be insured by the United States Department of Housing and Urban Development ("HUD"), and will use the proceeds from the Refinancing Loan, together with certain other sources of funds to refinance the Project; and

WHEREAS, pursuant to its terms, the Land Use Restriction Agreement will continue to remain in effect during the Qualified Project Period (as defined in the Land Use Restriction Agreement), as extended; and

WHEREAS, the Lender has requested certain amendments to the Land Use Restriction Agreement in order to update certain definitions and provisions referenced therein for the

subordination of the Land Use Restriction Agreement to the mortgage or deed of trust from the Borrower in favor of HUD; and

WHEREAS, to document the requested amendments, the HFA, the Borrower, Florida Housing and the Trustee will enter into a First Amendment to Land Use Restriction Agreement (the "LURA Amendment"); and

WHEREAS, the Lender has required as a condition to refinancing of the Project that on the date of closing (i) the Bonds be defeased, and (ii) the lien of the Indenture and certain security instruments related to the Bonds on the Project be released; and

WHEREAS, the Borrower wishes to prepay all amounts due and payable under the Loan Agreement and Indenture in order to defease all of the Bonds and release the lien of the Indenture in accordance with Section 12.01 of the Indenture; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited with the Trustee to the payment of the Bonds, it is desirable for the HFA, the Trustee and the Borrower to enter into an Escrow Deposit and Defeasance Agreement (the "EDA") with an escrow agent; and

WHEREAS, to document certain subordination rights to HUD, the HFA and the Borrower will enter into a Subordination Agreement of Existing Land Use Restriction Agreement (the "Subordination Agreement");

WHEREAS, on April 9, 2014, the HFA adopted a Resolution (the "Housing Finance Authority Resolution") authorizing the execution of the LURA Amendment, the EDA and the Subordination Agreement; and

WHEREAS, Broward County Ordinance No. 79-41, as amended, requires that the HFA

obtain approval of the Board of County Commissioners of Broward County, Florida prior to entering into any contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA:

Section 1. Approval of the Escrow Deposit and Defeasance Agreement. The form of the Escrow Deposit and Defeasance Agreement attached hereto as Exhibit "A" is hereby approved. The Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the EDA, and the Secretary or Assistant Secretary of the HFA is hereby authorized to attest and place the seal thereon, in the form presented at this meeting with such changes, modifications, additions and deletions as they, with the advice of the Office of County Attorney and Bond Counsel, may deem necessary and appropriate. Such officers are also authorized to execute and deliver all other documents necessary or desirable to effectuate the transfer and the matters contemplated in the EDA as they, with the advice of the Office of County Attorney and Bond Counsel, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 2. Approval of Subordination Amendment. The Subordination Agreement attached hereto as Exhibit "B" is hereby approved. The Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Subordination Agreement, and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in substantially the form presented at this meeting with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be

conclusive evidence of the approval thereof by the HFA.

Section 3. Approval of the First Amendment to Land Use Restriction Agreement.

The form of the LURA Amendment attached hereto as Exhibit "C" is hereby approved. The Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the LURA Amendment, and the Secretary or Assistant Secretary of the HFA is hereby authorized to attest and place the seal thereon, in the form presented at this meeting with such changes, modifications, additions and deletions as they, with the advice of the Office of County Attorney and Bond Counsel, may deem necessary and appropriate. Such officers are also authorized to execute and deliver all other documents necessary or desirable to effectuate the transfer and the matters contemplated in the LURA Amendment as they, with the advice of the Office of County Attorney and Bond Counsel, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 4. Further Actions. The officers, agents and employees of the HFA are hereby authorized to do all acts and things and to execute such instruments and documents required of them in accordance with the provisions of the documents described herein, and to take such other actions as shall be necessary to accomplish the intent thereof.

Section 5. Resolution Effective. This Resolution shall take effect immediately upon its adoption.

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

Ayes _____

Noes _____

ADOPTED by the Board of County Commissioners of Broward County, Florida on this
____ day of _____, 2014.

Barbara Sharief
Mayor

County Administrator and Ex-Officio
Clerk of the Board of County Commissioners

STATE OF FLORIDA)

) ss:

COUNTY OF BROWARD)

I, _____, County Administrator, in and for Broward County, Florida, and Ex-Officio Clerk of the Board of County Commissioners of said County, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of a Resolution 2014-_____ as the same appears of record in the minutes of said Board of County Commissioners held on the ____ day of _____, 2014.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 2014.

COUNTY ADMINISTRATOR

By: _____

EXHIBIT "A"

FORM OF ESCROW DEPOSIT AND DEFEASANCE AGREEMENT

ESCROW TRUST DEPOSIT AND DEFEASANCE AGREEMENT

Among

HOUSING FINANCE OF BROWARD COUNTY, FLORIDA
as Issuer,

HARBOUR COVE ASSOCIATES, LTD.,
as Borrower,

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

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

Dated as of _____, 2014

relating to

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS
(HARBOUR COVE APARTMENTS PROJECT), SERIES 2003

ESCROW TRUST DEPOSIT AND DEFEASANCE AGREEMENT

THIS ESCROW TRUST DEPOSIT AND DEFEASANCE AGREEMENT (this "Agreement") made and entered into as of _____, 2014, by and among **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic organized and existing under the laws of the State of Florida (the "Authority"), **HARBOUR COVE ASSOCIATES, LTD.**, a Florida limited partnership (the "Borrower"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a banking association organized and existing under the laws of the United States of America, as successor trustee under the hereinafter described Indenture (the "Trustee") and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as Escrow Agent (in such capacity, the "Escrow Agent").

WITNESSETH:

WHEREAS, the Authority previously issued its \$13,915,000 Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds (Harbour Cove Apartments Project), Series 2003 (the "Series 2003 Bonds"), pursuant to a Trust Indenture dated as of July 1, 2003, between the Issuer and the Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company of Florida; and

WHEREAS, the Series 2003 Bonds are currently secured by the Trust Estate (as defined in the Indenture), including, among other things, a First Mortgage and Security Agreement, dated as of July 1, 2003 (the "Mortgage"), executed by the Borrower with respect to the Project hereinafter mentioned; and

WHEREAS, the proceeds of which were loaned to the Borrower in order to finance the acquisition and construction of a multifamily residential rental apartment located in Broward County, Florida and known as Harbour Cove Apartments on land described on Exhibit A attached to (the "Project") and pursuant to a Loan Agreement, dated as of July 1, 2003, by and between the Authority and the Borrower (the "Loan Agreement"); and

WHEREAS, the Borrower has notified the Authority and the Trustee of its intent to refinance the loan on the Project with a loan ("New Loan") from Oak Grove Commercial Mortgage, LLC (the "Lender"), which loan will be insured by the United States Department of Housing and Urban Development; and

WHEREAS, the Lender has required as a condition to refinancing of the Project that on this date (i) the Series 2003 Bonds be defeased, and (ii) the lien of the Indenture and certain security instruments related to the Series 2003 Bonds on the Project be released; and

WHEREAS, the Borrower wishes to prepay all amounts due and payable under the Loan Agreement and Indenture in order to defease all of the Series 2003 Bonds and release the lien of the Indenture in accordance with Section 12.01 of the Indenture; and

WHEREAS, the Borrower will apply proceeds of the New Loan in the amount of \$_____ (the "Refinancing Proceeds"), together with \$_____ of other legally available funds held under the Indenture (the "Indenture Funds"), which will be sufficient to pay, upon optional redemption of the Series 2003 Bonds, pursuant to Section 4.02 of the Indenture, all of the unpaid principal of the Series 2003 Bonds, together with interest thereon until the date of redemption of _____, 2014 (the "Redemption Date"); and

WHEREAS, the Borrower has represented that the Refinancing Proceeds and the Indenture Funds, together with the Schedule C Amount (as defined in Section 2.7 of this Agreement), are the total sum necessary to prepay all amounts due and payable under the Loan Agreement and the Indenture in order to defease the Series 2003 Bonds and release the lien of the Indenture in accordance with Section 12.01 of the Indenture; and

WHEREAS, as a consequence of the defeasance of the Series 2003 Bonds, the lien of the Indenture and all security instruments related to the Series 2003 Bonds on the Project shall be released; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited hereunder to the payment of the Series 2003 Bonds, it is desirable for the Authority, the Trustee and the Borrower to enter into this Agreement with the Escrow Agent; and

WHEREAS, in order to provide for notice of the defeasance and optional redemption of the Series 2003 Bonds pursuant to the terms of the Indenture, it is necessary for the Authority and the Borrower to enter into this Agreement with the Trustee and the Escrow Agent; and

NOW, THEREFORE, each of the Authority, the Trustee and the Borrower, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of and interest on all of the Series 2003 Bonds according to their tenor and effect, does by these presents hereby grant a security interest in, warrant, demise, release, convey, assign, transfer, alien, pledge, set over and confirm, unto the Escrow Agent and to its successors in the trust hereby created, and to it and its assigns forever, all and singular the property hereinafter described, to wit:

DIVISION I

All right, title and interest in and to the Refinancing Proceeds, the Indenture Funds and the Schedule C Amount deposited with the Escrow Agent upon execution and delivery of this Agreement.

DIVISION II

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone in its behalf to the Escrow Agent for the benefit of the Series 2003 Bonds.

DIVISION III

All property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, by the Authority or by anyone in its behalf, be subject to the pledge hereof.

TO HAVE AND TO HOLD, all and singular, the Trust Estate (as such term is hereinafter defined), including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement, unto the Escrow Agent, and its successors and assigns, forever in trust, however, for the benefit and security of the holders from time to time of the Series 2003 Bonds, but if the principal of and interest on all of the Series 2003 Bonds shall be fully and promptly paid when due, prior to and upon the redemption thereof, in accordance with the terms thereof, then this Agreement shall be and become void and of no further force and effect, except as otherwise provided herein; otherwise the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Indenture.

"Schedule C Amount" shall have the meaning ascribed to it in Section 2.7 of this Agreement.

"Trust Estate", "trust estate" or "pledged property" shall mean the property, rights and interests described or referred to under Divisions I, II and III above.

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. The word "person" shall include corporations, associations, natural persons and public bodies unless the

context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II

ESTABLISHMENT OF ESCROW DEPOSIT TRUST FUND; FLOW OF FUNDS; RELEASE OF LIENS

SECTION 2.1 Creation of Escrow Deposit Trust Fund and Deposit of Moneys. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the Series 2003 Escrow Deposit Trust Fund (the "Escrow Deposit Trust Fund"), to be held by the Escrow Agent and accounted for separate and apart from other funds of the Authority and of the Escrow Agent.

Concurrently with the delivery of this Agreement, the Borrower has caused to be deposited, the Refinancing Proceeds and, in the case of the Indenture Funds, the Authority caused the Trustee to deposit with the Escrow Agent, and the Escrow Agent acknowledges receipt of the Refinancing Proceeds and the Indenture Funds in immediately available funds for deposit in the Escrow Deposit Trust Fund, which sums (i) are to be held as uninvested cash, and (ii) have been determined by the Trustee to be sufficient to pay the principal of and interest on the Series 2003 Bonds, when due and payable, upon the redemption thereof on the Redemption Date, as more particularly described in Schedule B attached hereto and made a part hereof and (iii) have been determined to be "Available Moneys" as defined in the Indenture pursuant to the terms of the Indenture including, as to certain of such funds, an opinion of counsel to the Borrower received on the date hereof. Notwithstanding the foregoing, if the amounts deposited in the Escrow Deposit Trust Fund are insufficient to make said payments, the Borrower, on behalf of the Authority, shall deposit into the Escrow Deposit Trust Fund, the amount of any deficiency immediately upon notice from the Escrow Agent.

SECTION 2.2 [Intentionally Omitted].

SECTION 2.3 Irrevocable Trust Created. The deposit of moneys or other property hereunder in the Escrow Deposit Trust Fund shall constitute an irrevocable deposit of said moneys and other property hereunder for the benefit of Escrow Agent and to its successors and assigns in the trust hereby created on behalf of the holders of the Series 2003 Bonds, subject to the provisions of this Agreement. The Escrow Agent and its successors and assigns in the trust hereby created, for the benefit of the holders of the Series 2003 Bonds shall, subject to the provisions of this Agreement, have an express lien on all moneys and other property in the Escrow Deposit Trust Fund. The moneys deposited in the Escrow Deposit Trust Fund shall be held in trust by the Escrow Agent, and shall be transferred in the necessary amounts as hereinafter set forth, for the payment of the principal of and interest on the Series 2003 Bonds

upon the redemption thereof on the Redemption Date, as more specifically set forth in Schedule C hereto.

SECTION 2.4 [Intentionally Omitted].

SECTION 2.5 [Intentionally Omitted].

SECTION 2.6 Transfers from Escrow Deposit Trust Fund. The Escrow Agent shall, no later than the Payment Dates for the Series 2003 Bonds, as specified in Schedule B hereof, transfer to the Trustee from the Escrow Deposit Trust Fund amounts sufficient to pay the principal of and interest on the Series 2003 Bonds, as specified in Schedule B hereof.

SECTION 2.7 Payment of Fees. From moneys in the amount of \$_____ (the "Schedule C Amount") provided by or on behalf of the Borrower on the date hereof, the Trustee shall transfer the amounts set forth on Schedule C to the persons set forth on Schedule C, for all of which the Borrower is responsible in connection with the defeasance of the Series 2003 Bonds. Each of the Trustee and the Authority acknowledge that the respective amount set forth on Schedule C with respect to the fees and expenses due to it in connection with the defeasance of the Series 2003 Bonds is sufficient to provide for payment of such fees and expenses. In addition, moneys in the amount of \$_____ provided by or on behalf of the Borrower on the date hereof, shall be transferred in accordance with the Closing Statement to pay for the required Compliance Monitoring Fees. The Schedule C Amount shall be deposited into the Administrative Expenses Account established under the Indenture and shall not be held in the Escrow Deposit Trust Fund.

SECTION 2.8 Transfer of Funds After All Payments Required by this Agreement are Made. After all of the transfers by the Trustee for payment of the principal of and interest on the Series 2013 Bonds provided in Schedule B have been made and after all of the transfers by the Escrow Agent for payment of the fees and costs provided in Schedule C have been made, all remaining moneys in the Escrow Deposit Trust Fund shall be transferred to the Borrower.

SECTION 2.9 Notice of Defeasance. The Authority herewith irrevocably instructs the Trustee to, as soon as practicable after the execution and delivery of this Agreement and the deposit of moneys referred to in Section 2.1 hereof, but no later than one Business Day after such date, cause to be mailed to the registered owners of the Series 2003 Bonds a copy of the notice of defeasance in accordance with the requirements set forth in Section 12.01 of the Indenture, which may be combined with the notice of redemption described in Section 2.10 hereof.

SECTION 2.10 Notice of Redemption. The Authority, at the direction of the Borrower, elects to redeem the Series 2003 Bonds on the Redemption Date, as specified in Schedule A hereof, and herewith irrevocably instructs the Trustee to mail by first-class mail, postage

prepaid, to the registered owners of such Series 2003 Bonds, which are to be redeemed prior to their maturity and to such additional parties, if any, as are identified in the Indenture, not less than 30 days nor more than 45 days before their Redemption Date, a notice of redemption in accordance with the requirements set forth in Section 4.07 of the Indenture.

SECTION 2.11 Release of Mortgage. Without further instruction, the Trustee agrees, upon deposit of the amounts described in Section 2.1 and 2.7 hereof, all of which are delivered in connection with a defeasance of the Series 2003 Bonds pursuant to Section 12.01 of the Indenture, to take all actions as may be necessary in order to relinquish and release the Trustee's rights, if any, in the real and personal property constituting a part of the property pledged under the Indenture, including the release of the lien of the Mortgage on the Project, and to evidence the defeasance of the Series 2003 Bonds and the discharge of the lien of the Indenture. The Trustee shall execute and deliver such other documents, and take such further actions, reasonably required by the Authority in order to carry out the purposes of this paragraph; provided, however, that the Trustee shall not be obligated to expend any of its own funds in connection with the preparation or execution of such documents or the undertaking of such actions.

ARTICLE III CONCERNING THE ESCROW AGENT

SECTION 3.1 Duties of Escrow Agent. The Escrow Agent shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement, and no covenant or obligation shall be implied in this Agreement on the part of the Escrow Agent.

SECTION 3.2 Liability of Escrow Agent.

3.2.1 [Intentionally Omitted]

3.2.2 The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys in the Escrow Deposit Trust Fund for the payment of fees or expenses for services rendered by the Escrow Agent under this Agreement.

3.2.3 The Escrow Agent shall not be liable for any loss or damage, including counsel fees and expenses, resulting from its actions or omissions to act hereunder, except for any loss or damage arising out of its own bad faith, negligence or willful misconduct. Without limiting the generality of the foregoing, the Escrow Agent shall not be liable for any action taken or omitted in good faith in reliance on any notice, direction, consent, certificate, affidavit, statement, designation or other paper or document reasonably believed by it to be genuine and to have been duly and properly signed or presented to it by the Authority.

SECTION 3.3 Fees, Expenses and Indemnification.

3.3.1 From amounts available under the Indenture or otherwise available to the Borrower, the Borrower shall pay to the Escrow Agent the fees and costs identified in Schedule C to this Agreement as being payable to the Escrow Agent.

3.3.2 To the extent permitted by law, the Borrower shall indemnify and exonerate, save and hold harmless the Escrow Agent from and against any and all claims, demands, expenses (including counsel fees and expenses) and liabilities of any and every nature which the Escrow Agent may sustain or incur or which may be asserted against the Escrow Agent as a result of any action taken or omitted by the Escrow Agent hereunder without bad faith, negligence or willful misconduct. At any time, the Escrow Agent may apply to the Authority for written instructions with respect to any matter arising under this Agreement and shall be fully protected in acting in accordance with such instructions. In addition, the Escrow Agent may, as reasonably necessary, consult counsel to the Authority or its own counsel, at the expense of the Borrower, and shall be fully protected with respect to any action taken or omitted in good faith in accordance with such advice or opinion of counsel to the Authority or its own counsel.

SECTION 3.4 Applicability of Indenture. The rights, privileges, benefits, protections, and immunities of Article XI of the Indenture as in effect on the date hereof shall be equally available and applicable to the Trustee as Escrow Agent hereunder, all as if such rights, privileges, benefits, protections and immunities were set forth herein.

**ARTICLE IV
MISCELLANEOUS**

SECTION 4.1 Amendments to this Agreement. This Agreement is made for the benefit of the Authority and the holders from time to time of the Series 2003 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent, the Borrower and the Authority; provided, however, that the Authority, the Borrower and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement; and

(b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Series 2003 Bonds any additional rights, remedies or powers that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely upon an unqualified opinion of a nationally recognized counsel in the field of law relating to municipal bonds with respect to compliance with this Section.

SECTION 4.2 Waiver of Notice; Time of Deposit. The Authority and the Trustee, by execution of this Agreement, waive their right to the prior notice required by Section 4.04 of the Loan Agreement with respect to a proposed optional prepayment of amounts due under the Loan Agreement.

SECTION 4.3 Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority, the Borrower or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 4.4 Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Authority or the Borrower or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 4.5 Termination, Resignation and Removal of Escrow Agent.

4.5.1 This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. The provisions of Sections 3.2 and 3.3 of this Agreement shall survive the termination of this Agreement.

4.5.2 The Escrow Agent may evidence its intent to resign by giving written notice to the Authority and the Borrower. Such resignation shall take effect only upon delivery of the Trust Estate to a successor Escrow Agent designated in writing by the Authority (Authority hereby agreeing to designate such successor Escrow Agent within a reasonable period of time), and the Escrow Agent shall thereupon be discharged from all obligations under this Agreement and shall have no further duties or responsibilities in connection herewith. The Escrow Agent shall deliver the Trust Estate without unreasonable delay after receiving the Authority's designation of a successor Escrow Agent and upon payment of all of its fees and expenses. Notwithstanding the foregoing, the Trustee and the Escrow Agent shall always be the same entity, and any successor shall not be the Authority, the Borrower or any affiliate thereof.

4.5.3 If after thirty (30) days from the date of delivery of its written notice of intent to resign the Escrow Agent has not received a written designation of a successor Escrow Agent, the Escrow Agent's sole responsibility shall be in its sole discretion either to retain custody of the Trust Estate and apply the Trust Estate in accordance with this Agreement without any obligation to reinvest any part of the Trust Estate until it receives such designation, or to apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent and after such appointment to have no further duties or responsibilities in connection herewith.

SECTION 4.6 Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 4.7 Notices. Any notice, instruction, request for instructions or other instrument in writing authorized or required by this Agreement to be given to either party shall be deemed given if addressed and mailed certified mail to it at its offices at the address set forth below, or at such other place as such party may from time to time designate in writing:

- (a) if to the Authority, at:
Housing Finance Authority of Broward County, Florida
110 N.E. 3rd Street, Suite 300
Ft. Lauderdale, Florida 33301
Attention: Executive Director
- (b) to the Escrow Agent and Trustee, at:
The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, Florida 32256
Attn: Thomas Raddicioni
- (c) to the Borrower, at:
Harbour Cove Associates, Ltd.
c/o Cornerstone Harbour Cove, L.L.C.
2100 Hollywood Blvd.
Hollywood, Florida 33020
Attention:

SECTION 4.8 Disposition of Remaining Balances. Upon satisfaction of the requirements set forth in Section 12.01 of the Indenture in order to effectuate the defeasance of the Series 2003 Bonds, the parties hereto agree that notwithstanding anything to the contrary in the Indenture, any balance remaining in any fund and account held under the Indenture shall be disbursed by the Trustee to the Borrower.

SECTION 4.9 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Housing Finance Authority of Broward County, Florida has caused this Escrow Trust Deposit and Defeasance Agreement to be executed by its duly authorized officials and officers and its seal to be hereunto affixed and attested as of the date first above written.

(SEAL)

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

Witnesses:

By: _____
Chair

Printed Name: _____

Printed Name: _____

[SEAL]

Witnesses:

Attest:

Printed Name: _____

By: _____
Secretary

Printed Name: _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was executed and acknowledged before me this ____ day of _____, 2014, by _____ and _____, as Chair and Secretary, respectively, of the Housing Finance Authority of Broward County, Florida, who executed the foregoing instrument and acknowledged to me that they did such on behalf of the Authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this instrument first above written.

NOTARY PUBLIC – State of Florida

Personally Known _____

OR

Produced Identification ____

Type of Identification _____

Produced: _____

Print, Type or Stamp Commissioned
Name of Notary Public

My Commission Expires: _____

IN WITNESS WHEREOF, The Bank of New York Mellon Trust Company, N.A., has caused this Escrow Trust Deposit and Defeasance Agreement to be executed by its duly authorized officer as of the date first above written.

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

STATE OF FLORIDA)
) SS:
COUNTY OF DUVAL)

On the ____ day of _____, 2014, before me personally came _____, to me known, who, being by me duly sworn, deposes and says that she is a Vice President of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a banking corporation organized and existing under the laws of the United States of America described in and which executed the above instrument as Trustee and Escrow Agent, being thereunto duly authorized, signed on behalf of said association, and delivered the said instrument as the free and voluntary act of said association and as her own free and voluntary act, for the uses and purposes therein set forth.; and that she signed her name thereto by like authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this instrument first above written.

NOTARY PUBLIC – State of Florida

Personally Known
OR
Produced Identification
Type of Identification
Produced: _____

Print, Type or Stamp Commissioned
Name of Notary Public

My Commission Expires:

S-2

IN WITNESS WHEREOF, Harbour Cove Associates, Ltd., as the Borrower has caused this Escrow Trust Deposit and Defeasance Agreement to be executed by its duly authorized officer as of the date first above written.

HARBOUR COVE ASSOCIATES, LTD., a Florida limited partnership

By: Cornerstone Harbour Cove, L.L.C., a Florida limited liability company, its General Partner

Witnesses:

Printed Name: _____

By: _____
Name: _____
Title: _____

Printed Name: _____

STATE OF FLORIDA

COUNTY OF BROWARD

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of Cornerstone Harbour Cove, L.L.C., the general partner of Harbour Cove Associates, Ltd., a limited partnership, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2014.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____

My appointment expires _____

SCHEDULE A

BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Payment Date</u>
07/01/2014	\$ 75,000	
01/01/2017	485,000	
01/01/2023	1,270,000	
01/01/2026	830,000	
01/01/2033	2,610,000	
01/01/2045	7,605,000	

SCHEDULE B

SCHEDULE OF PAYMENTS

BONDS

Payment <u>Date</u>	Principal Amount <u>(Prepayment)</u>	<u>Interest</u>	<u>Total</u>
--------------------------------	---	------------------------	---------------------

B-1

SCHEDULE C

SCHEDULE OF PAYOFF OBLIGATIONS

Issuer Fee
Trustee Fee
Trustee Counsel Fee
Servicer Fee
Rebate Calculation Fee
Escrow Agent Fee
TOTAL CLOSING COSTS:

EXHIBIT "B"
FORM OF SUBORDINATION AGREEMENT

Prepared By and Return To:

Hollie A. Croft, Esquire
Broad and Cassel
390 N. Orange Avenue, Suite 1400
Orlando, Florida 32801
407-839-4200

SUBORDINATION AGREEMENT OF EXISTING LAND USE RESTRICTION
AGREEMENT

(Harbour Cove Apartments/Multifamily Bonds)

THIS SUBORDINATION AGREEMENT OF EXISTING LAND USE RESTRICTION AGREEMENT (this "Agreement") is made, as of _____, 2014, by and among the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY FLORIDA, a public body corporate and politic created pursuant to the laws of the State of Florida (the "Authority") and HARBOUR COVE ASSOCIATES, LTD., a Florida limited partnership (the "Borrower").

RECITALS:

A. Borrower is the owner of certain real property located in the County of Broward, State of Florida, as more particularly described in Exhibit A attached hereto and made a part hereof, on which is constructed that certain rental apartment project known as HARBOUR COVE APARTMENTS (the "Project").

B. The Project is encumbered by that certain Land Use Restriction Agreement, dated as of July 1, 2003 and recorded on July 31, 2003 in OR Book 35723, Page 678, in the Public Records of Broward County, Florida (the "Restrictive Covenants"). The Restrictive Covenants were entered into between Borrower and the Authority in conjunction with a loan to Owner in conjunction with the issuance of \$13,915,000 Housing Finance Authority of Broward County (Florida) Multifamily Housing Revenue Bonds, Series 2003 (Harbour Cove Apartments Project) (the "Bonds") for the purpose of financing the acquisition and construction of the Project.

C. Borrower on this day is entering into a certain first lien mortgage loan (the "Loan") made by Lender (as defined below), which loan is evidenced and/or secured by that certain Note (Multistate) dated as of May 1, 2014, in the original principal amount of THIRTEEN MILLION FOUR HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$13,450,000.00) (the "Note"), executed by Borrower for the benefit of Lender (as defined below), that certain Multifamily Mortgage, Assignment of Rents and Security Agreement of even date therewith and recorded prior hereto in the Public Records of Broward County, Florida (the "Security Instrument"), and certain other Mortgage Loan Documents (as defined below), which Loan is insured by HUD (as defined below).

D. HUD requires as a condition of its insuring Lender's financing to the Project that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants and enforcement of the Security Instrument.

E. The Authority as the holder of the Restrictive Covenants, has agreed to subordinate the Restrictive Covenants in all respects to the lien of the Security Instrument as provided herein.

NOW THEREFORE, in consideration of the foregoing premises, the sum of TEN AND 00/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, for themselves and for their respective successors and assigns, hereby agree, and to the extent necessary the Restrictive Covenants are hereby amended, as follows:

1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.

2. In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Agreement, the provision contained in this Agreement shall govern and be controlling in all respects as set forth more fully herein.

3. The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Oak Grove Commercial Mortgage, LLC, a Delaware limited liability company, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

4. Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions of the Restrictive Covenants are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the "HUD Requirements"). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Authority's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

5. In the event of foreclosure, or deed in lieu of foreclosure, the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained therein) shall automatically terminate; provided, however, that notwithstanding any provision in this Agreement, the Restrictive Covenants or the Mortgage Loan Documents to the contrary, the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Restrictive Covenants shall be automatically reinstated if, at any time subsequent to such foreclosure or transfer by deed in lieu of foreclosure, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Treasury Regulations) obtains an ownership interest in the Project for federal tax purposes.

6. Borrower and the Authority acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

7. Except for the Authority's reporting requirement, in enforcing the Restrictive Covenants the Authority will not file any claim against the Project, the Mortgage Loan Proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- a. Available surplus cash, if the Borrower is a for-profit entity;
- b. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- c. Available residual receipts authorized by HUD, if the Borrower is a nonprofit entity; or
- d. A HUD-approved collateral assignment of any HAP contract, if any.

8. For so long as the Mortgage Loan is outstanding, Borrower and Authority shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

9. Subject to the HUD Regulatory Agreement, the Authority may require the Borrower to indemnify and hold the Authority harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Authority relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the Authority harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

10. No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds or prohibiting the Borrower from taking any action that might jeopardize the tax exemption except in strict accord with Program Obligations.

11. Notwithstanding anything in the Restrictive Covenants, the indemnity obligations of the owner of the Project, as successor or assignee of the Borrower under the Restrictive Covenants, shall be suspended and be of no force or effect during any period of time from and after the date of any transfer of title to the Project by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Project conveying title to the Project to HUD or to the United States Government acting as an assignee of HUD; provided, however, that the preceding provisions of this sentence shall cease to apply and the indemnity obligations of the Borrower and its successors and permitted assigns contained in the Restrictive Covenants, shall be reinstated if, at any time subsequent to the suspension of such obligations as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, 1) the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes, or 2) HUD or the United States Government acting as an assignee of HUD, conveys title or other ownership interest in the Project to a third party.

12. Each of the parties hereto agree that upon request of the other party it will execute such further written agreements, and take such further actions, to evidence and affirm any and all of their obligations and/or agreements under this Agreement as may be reasonably requested by the other party, and further agree to enter into such further subordination instruments as may be mutually acceptable to them upon the request of a title insurance company in the event of any modification, amendment or restatement of any of the Mortgage Loan Documents.

13. The parties hereto represent and warrant to the other that it has full power, authority and authorization to execute this Agreement and to agree to its terms without the necessity of any consents, authorizations or approvals, or if such consents, authorizations or approvals are required they have been obtained prior to the execution hereof.

14. The Restrictive Covenants are hereby modified to include the terms of this Agreement. Except to the extent modified hereby, the Restrictive Covenants shall remain in full force and effect.

15. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and/or assigns and shall also inure to the benefit of the Lender and HUD and their successors and assigns.

16. This Agreement may not be modified except by an instrument in writing executed by each of the parties hereto.

17. Notwithstanding anything herein contained, if any one or more of the provisions of this Agreement shall for any reason whatsoever be held to be illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such illegal, invalid or unenforceability had never been contained herein.

18. This Agreement shall be governed by all applicable federal laws and the laws of the state in which the Project is located.

19. This Agreement may be executed in any number of counterparts, all of which counterparts shall be construed together and shall constitute but one Agreement.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives, and made effective as of the date first written above.

WITNESS/ATTEST

Print Name: _____

Print Name: _____

"THE AUTHORITY":

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA, a public
body corporate and politic created pursuant to
the laws of the State of Florida

By: _____
Name: _____
Title: _____

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was executed and acknowledged before me this ____ day of _____, 2014, by _____ as _____ of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created pursuant to the laws of the State of Florida (the "Authority"), on behalf of said Authority. _____ is personally known to me or produced a valid Florida driver's license as identification.

Notary Public – State of Florida

[Seal]

Name: _____
Commission No.: _____
My commission expires: _____

WITNESSES:

PRINT NAME: _____

PRINT NAME: _____

BORROWER:

HARBOUR COVE ASSOCIATES, LTD., a
Florida limited partnership

By: Cornerstone Harbour Cove, L.L.C., a
Florida limited liability company, its
general partner

By: _____
Name: Jorge Lopez
Title: Vice Chairman

STATE OF FLORIDA

COUNTY OF BROWARD

Before me, the undersigned Notary Public, this _____ day of _____, 2014, personally appeared Jorge Lopez who acknowledged executing the foregoing as the Vice Chairman of CORNERSTONE HARBOUR COVE, L.L.C., a Florida limited liability company (the "Company"), as the General Partner of HARBOUR COVE ASSOCIATES, LTD., a Florida limited partnership ("Borrower"), on behalf of Borrower. _____ is personally known to me or produced a valid Florida driver's license as identification.

[Seal]

Notary Public – State of Florida

Name: _____

Commission No.: _____

My commission expires: _____

EXHIBIT "C"

FORM OF

LAND USE RESTRICTION AGREEMENT AMENDMENT

**THIS INSTRUMENT PREPARED
BY AND RETURN TO:**

JoLinda Herring, Esq.
Bryant Miller Olive
1 SE Third Avenue, Suite 2200
Miami, Florida 33129

**FIRST AMENDMENT TO
LAND USE RESTRICTION AGREEMENT**

THIS FIRST AMENDMENT TO LAND USE RESTRICTION AGREEMENT (this "LURA Amendment") is made as of _____, 2014, by and among the Housing Finance Authority of Broward County, Florida, a public body corporate and politic created under the laws of the State of Florida (together with any successors and assigns, the "Authority"), The Bank of New York Mellon Trust Company, N.A., as successor in interest to The Bank of New York Trust Company of Florida, N.A. (together with any successors and assigns, the "Trustee"), the Florida Housing Finance Corporation, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida ("Florida Housing") and Harbour Cove Associates, Ltd., a Florida limited partnership (together with any successors and assigns, the "Owner").

WITNESSETH:

WHEREAS, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended (the "Act"), pursuant to which the state has empowered each county in the State to create by ordinance a separate body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and capital for investment in housing in the area of operation of such housing finance authority; and

WHEREAS, pursuant to the Act, the Board of County Commissioners of Broward County, Florida (the "County"), enacted Ordinance No. 79-41 on June 20, 1979 (the "Ordinance"), creating the Authority to carry out and exercise, without limitation except as expressly stated in the Ordinance, all powers and public and governmental functions set forth in and contemplated by the Act; and

WHEREAS, pursuant to the Ordinance and resolutions duly adopted by the Authority, the Authority issued and sold its \$13,915,000 Multifamily Housing Revenue Bonds (Harbour

Cove Apartments Project), Series 2003 (the "Bonds") for the purpose of financing the cost of the acquisition, construction and equipping of a multifamily rental apartment project located in Broward County, Florida known as Harbour Cove Apartments (the "Project"); and

WHEREAS, the Bonds were issued pursuant to the Trust Indenture, dated as of July 1, 2003 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor in interest to The Bank of New York Trust Company of Florida, N.A. (together with any successors and assigns, the "Trustee"); and

WHEREAS, the proceeds made available from the issuance of the Bonds were loaned to the Owner, pursuant to the Loan Agreement, dated as of July 1, 2003, by and between the Owner, Florida Housing and the Authority (the "Loan Agreement") for the purpose of financing the Project; and

WHEREAS, in connection with the Bonds, the Authority, the Owner, Florida Housing and the Trustee entered into a Land Use Restriction Agreement, dated as of July 1, 2003 (the "Land Use Restriction Agreement"), which was recorded on July 31, 2003 in Official Records Book 35723 at Page 678 of the Public Records of Broward County, Florida; and

WHEREAS, pursuant to the provisions of the Indenture and the Loan Agreement, the Owner has advised the Authority that it intends to refinance the Project with a loan (the "Refinancing Loan") from Oak Grove Commercial Mortgage, LLC (the "Lender"), such loan to be insured by the United States Department of Housing and Urban Development pursuant to (i) Multifamily Loan and Security Agreement by and between Owner and Lender (the "Lender Loan Agreement"), (ii) a Multifamily Note (the "Lender Note") payable to the order of the Lender and (iii) a Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Lender Mortgage" and collectively with the Lender Loan Agreement and the Lender Note, the "Lender Documents"), from the Owner in favor of the Lender and assigned to Fannie Mae, and use the proceeds from the Refinancing Loan to defease the Bonds in full; and

WHEREAS, the parties desire to amend the Land Use Restriction Agreement to affirm the continuing duties and obligations of the Owner thereunder, to terminate all provisions relating to the rights and duties of the Trustee and to terminate all provisions relating to the rights and duties of Florida Housing as "Lender" under the Land Use Restriction Agreement and to make certain other changes; and

WHEREAS, pursuant to its terms, the Land Use Restriction Agreement will continue to remain in effect during and until the expiration of the Qualified Project Period which expires on March 31, 2022; and

WHEREAS, the Owner has agreed, as a condition to the Authority's approval of the amendments, to pay the Authority a one-time, upfront compliance monitoring fee, sufficient to provide compliance monitoring during the Qualified Project Period; and

WHEREAS, to document the requested amendments, the Authority, the Owner and the Trustee are entering into this LURA Amendment; and

WHEREAS, any capitalized terms used in this LURA Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Land Use Restriction Agreement; and

WHEREAS, the execution and delivery of this LURA Amendment have been duly authorized by resolution of the Authority.

WHEREAS, the County has approved the form of this LURA Amendment.

NOW THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority, the Owner and the Trustee hereby agree as follows:

SECTION 1. Amendment to Defined Terms. All defined terms used in the Land Use Restriction Agreement remain in full force and effect except as modified below:

"Agreement" means, collectively, the Land Use Restriction Agreement dated as of July 1, 2003 and recorded on July 31, 2003 in Official Records Book 35723, Page 678, of the Public Records of Broward County, Florida, as further amended by the First Amendment to Land Use Restriction Agreement dated as of ____, 2014, as the same may be hereafter amended, supplemented or modified in accordance with its terms.

"Lender" shall mean Oak Grove Commercial Mortgage, LLC, a Delaware limited liability company, its successors and assigns.

"Loan" shall mean, after the Effective Date hereof and when used to describe the Lender's Mortgage (or any subsequent new first mortgage), the mortgage loan made by Lender to the Owner pursuant to the Loan Documents with respect to the Project.

"Loan Documents" shall mean, after the Effective Date hereof and when used to describe Lender's Mortgage (or any subsequent new first mortgage) and the remaining Lender Documents as described herein.

"Mortgage" shall mean that certain Multifamily Mortgage, Assignment of Leases and Rents, and Security Agreement by Owner in favor of Mortgagee, dated as of May 1, 2014, securing that certain Note (Multistate) in the principal amount of \$15,159,500,

dated as of May 1, 2014, given by Owner in favor of Mortgagee, or any subsequent first mortgage.

"Note" shall mean the Lender Note made by the Owner as maker, to the Lender, as payee to evidence the obligation of the Owner to repay the Loan.

SECTION 2. Compliance Monitoring Fee. The Owner agrees to pay to the Authority the Issuer's Annual Compliance Fee in a one-time, upfront fee for the purposes of compensating the Authority for continuing compliance monitoring under the Land Use Restriction Agreement during the remainder of the Qualified Project Period, in the amount of \$47,700.00 payable by the Owner to the Authority on or prior to the Effective Date.

SECTION 3. Termination of Certain Trustee and Lender Rights. As of the Effective Date of this Agreement, any and all rights of the Trustee and Florida Housing granted or held pursuant to the Land Use Restriction Agreement shall terminate.

SECTION 4. Provisions Relating to the Trustee and the Lender and the Bond Documents. On and after the Effective Date hereof, any and all references to the Trustee and the Lender in the Land Use Restriction Agreement are hereby deleted, and the Trustee, the Authority, Florida Housing and the Owner acknowledge and agree that all rights, duties, obligations and remedies the Trustee and Florida Housing have under the Land Use Restriction Agreement are hereby terminated and deemed discharged in full. All provisions throughout the Land Use Restriction Agreement relating to the rights and duties of, or notice to or from, the Trustee and Florida Housing shall be of no further force and effect.

The Bonds were defeased on the Effective Date hereof and the Trustee was thereby released from its duties under the Indenture (other than as provided in the Indenture related to the redemption of the Bonds).

If any action by, or approval or consent of, the Trustee or Florida Housing is required pursuant to the Land Use Restriction Agreement, such action, approval or consent shall be taken by or obtained from the Authority. Where notices are to be provided to the Trustee or Florida Housing, such notices shall be sent to the Authority; however, multiple notices need not be provided.

Notwithstanding the foregoing, any such references to the Trustee and Florida Housing and any of the documents relating to the Bonds shall remain in effect when needed to construe or enforce the provisions of the Land Use Restriction Agreement and/or the Code, to provide definitions, to determine the compliance monitoring obligations related to the Land Use Restriction Agreement and/or the tax exempt covenants related to the Bonds.

SECTION 5. Future Amendments. The Land Use Restriction Agreement may not be further amended except by an instrument in writing signed by the Authority and the Owner.

SECTION 6. Consent by Trustee, Florida Housing and Others. The Trustee and Florida Housing each agree and consent to the amendments made by this LURA Amendment. The Owner represents and warrants that it has obtained the consents required by the Indenture and an opinion of Bond Counsel acceptable to the Authority.

SECTION 7. Remaining Provisions Unaffected. Except as expressly modified and amended by this First Amendment, the covenants, terms and conditions of the Land Use Restriction Agreement shall remain unaffected and shall remain in full force and effect.

SECTION 8. Recording and Filing; Covenants to Run With the Land.

(a) Upon execution and delivery of this LURA Amendment, the Owner shall cause this LURA Amendment to be recorded and filed in the public records of Broward County, Florida and in such manner and in such other places as the Authority or the Trustee may reasonably request; the Owner shall pay all fees and charges incurred in connection therewith.

(b) This LURA Amendment and the covenants contained herein shall run with the Land and shall bind the Owner and its successors and assigns, and the benefits shall inure to the Authority and its successors and assigns, during the term of the Agreement; provided, however, nothing contained in this paragraph shall be deemed to authorize or consent to any assignment by the Owner.

(c) This LURA Amendment is not intended to affect the priority of the Land Use Restriction Agreement.

SECTION 9. Severability. If any provision of this LURA Amendment or the Land Use Restriction Agreement, as amended hereby, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof or thereof shall in no way be affected or impaired, nor shall such holding of invalidity, illegality or unenforceability affect the validity, legality or enforceability of such provision under other dissimilar facts or circumstances.

SECTION 10. Governing Law. Notwithstanding that, for the convenience of the parties, the parties may be executing this LURA Amendment outside the State of Florida, the Land Use Restriction Agreement and all amendments thereto shall be governed by the laws of the State of Florida, both substantive and remedial.

SECTION 11. Counterparts. This LURA Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

SECTION 12. No Personal Liability or Accountability. No covenant or agreement contained in this LURA Amendment shall be deemed to be the covenant or agreement of any present, past or future member, agent or employee of the Authority, in his or her individual capacity, and neither the members of the Authority nor any official, agent or employee of the Authority shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of this LURA Amendment.

SECTION 13. Termination of Land Use Restriction Agreement. The Authority, Trustee and Owner, do hereby acknowledge and agree that all of the provisions of the Land Use Restriction Agreement, as hereby amended, shall remain in effect until _____, and at such time, all of the terms and conditions of the Land Use Restriction Agreement shall automatically terminate and be of no further force and effect and the Authority and Owner shall execute and record the Termination of Land Use Restriction Agreement in substantially the form attached hereto as Exhibit B.

SECTION 14. Effective Date. This LURA Amendment will become effective on _____, 2014, and shall be recorded in the public records of Broward County on the date of its execution.

SECTION 15. Binding Effect. This LURA Amendment shall inure to the benefit of, and shall be binding upon, the Authority, the Owner and their respective successors and assigns.

[Remainder of page intentionally left blank]

S-1

S-2

S-3

COUNTERPART SIGNATURE PAGE FOR
FIRST AMENDMENT TO LAND USE RESTRICTION AGREEMENT

(Harbour Cove Apartments Project)

FLORIDA HOUSING:

ATTEST:

FLORIDA HOUSING FINANCE
CORPORATION

By: _____

Assistant Secretary

By: _____

Ken Reecy

[SEAL]

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this ____ day of ____, 2014, by KEN REECY, as Director of Multifamily Programs, and by _____, as Assistant Secretary, of the FLORIDA HOUSING FINANCE CORPORATION, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida, on behalf of Florida Housing. Said person [] is personally known to me or [] has produced a valid driver's license as identification.

Notary Public; State of Florida

Print Name: _____

My Commission Expires: _____

My Commission No.: _____

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT B
FORM OF
TERMINATION OF LAND USE RESTRICTION AGREEMENT

This Termination of Land Use Restriction Agreement is executed as of _____ with an effective date of _____ by the Housing Finance Authority of Broward County, Florida (the "Authority") and _____, a _____ (the "Current Owner").

1. That certain Land Use Restriction Agreement dated as of July 1, 2003 is recorded in Official Records Book 35723 at Page 678 of the Public Records of Broward County, Florida, [as amended] (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 of Land Use Restriction Agreement.

3. By execution of this Termination of Land Use Restriction Agreement, 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, Authority and the Current Owner hereby agree to terminate the Land Use Restriction Agreement.

[SIGNATURES AND NOTARIES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Authority and the Current Owner have caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first written hereinabove.

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA

Witnesses:

By: _____
Chair

Printed Name: _____

Printed Name: _____ [SEAL]

Witnesses:

Attest:

Printed Name: _____

By: _____
Secretary

Printed Name: _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was executed and acknowledged before me this ____ day of _____, 20__, by _____ and _____, as Chair of the Housing Finance Authority of Broward County, Florida, who executed the foregoing instrument and acknowledged to me that they did such on behalf of the Authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this instrument first above written.

NOTARY PUBLIC – State of Florida

Personally Known _____

OR

Produced Identification ____

Type of Identification _____

Print, Type or Stamp Commissioned

Name of Notary Public _____

_____, a _____

By: _____, a Florida corporation, its

Witnesses:

Printed Name: _____

By: _____
Name: _____
Title: _____

Printed Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was executed and acknowledged before me this ____ day of _____, 20____, by _____, as _____ of _____, the _____, who executed the foregoing instrument and acknowledged to me that he did such on behalf of the _____.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this instrument first above written.

NOTARY PUBLIC – State of Florida

Personally Known _____
OR
Produced Identification ____
Type of Identification
Produced: _____

Print, Type or Stamp Commissioned
Name of Notary Public

My Commission Expires:

EXHIBIT A TO TERMINATION

LEGAL DESCRIPTION