

RESOLUTION NO. 2019-006

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on May 8, 2019, 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: Milette Manos, Daniel D. Reynolds, John G. Primeau, Colleen LaPlant,  
Jose Lopez, Ruth T. Cyrus, Donna Jarrett-Mays

Absent: \_\_\_\_\_

\* \* \* \* \*

Thereupon, Milette Manos introduced the following resolution which was read:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "HOUSING FINANCE AUTHORITY") AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$25,000,000 MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES B (PRAXIS OF DEERFIELD BEACH) (THE "BONDS") FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION, AND EQUIPPING OF PRAXIS OF DEERFIELD BEACH LOCATED IN BROWARD COUNTY, FLORIDA (THE "PROJECT"); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING INTEREST RATES, INTEREST PAYMENT DATES, MATURITY SCHEDULE, AND OTHER TERMS OF SUCH BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF (I) A TRUST INDENTURE BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE (THE "TRUSTEE"); (II) A LOAN AGREEMENT BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND PRAXIS VENTURE LP (THE "BORROWER"); (III) A LAND USE RESTRICTION AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE TRUSTEE, AND THE BORROWER; (IV) A

**BORROWER (THE "BOND PURCHASE AGREEMENT"); AND (V) A TRUSTEE FEE AGREEMENT BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND THE TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE HOUSING FINANCE AUTHORITY OF CERTAIN ADDITIONAL AGREEMENTS, INSTRUMENTS, CERTIFICATIONS, AND AFFIDAVITS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS TO THE PURCHASER PURSUANT TO THE BOND PURCHASE AGREEMENT; AUTHORIZING THE APPOINTMENT OF A BIDDING AGENT PURSUANT TO THE BOND PURCHASE AGREEMENT; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE BONDS AND AUTHORIZING THE PREPARATION, DISTRIBUTION, AND EXECUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A TRUSTEE, PAYING AGENT, AND REGISTRAR OF THE BONDS; AUTHORIZING THE HOUSING FINANCE AUTHORITY TO CONSENT TO THE BORROWER PLACING SUBORDINATE FINANCING ON THE PROJECT AND APPROVING THE EXECUTION OF SUCH AGREEMENTS AS MAY BE NECESSARY IN CONNECTION WITH SUCH CONSENT; WAIVING THE FEE FOR SERVICES RELATED TO THE HOUSING FINANCE AUTHORITY'S ANNUAL AUDIT OF THE PROJECT; AUTHORIZING THE PROPER OFFICERS OF THE HOUSING FINANCE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.**

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

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

**WHEREAS**, the Housing Finance Authority desires to issue multifamily housing revenue bonds in an amount not to exceed \$25,000,000 (the “Bonds”) for the purpose of financing the acquisition, rehabilitation, and equipping of a 224-unit multifamily residential rental housing development in Deerfield Beach, Broward County, Florida, known as Praxis of Deerfield Beach (the “Project”); and

**WHEREAS**, Praxis Venture LP, a Florida limited partnership (the “Borrower”), has requested the Housing Finance Authority to issue its Bonds, the proceeds of which will be used to make a loan to the Borrower (the “Loan”) to finance the acquisition, rehabilitation, and equipping of the Project; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Trust Indenture between The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee, paying agent, and registrar (the “Trustee”) and the Housing Finance Authority (the “Indenture”), in substantially the form attached hereto as Exhibit “A”, for the purpose of setting forth the terms, conditions, and covenants (i) upon which the Housing Finance Authority will issue the Bonds, which proceeds shall be used in order for the Housing Finance Authority to make the Loan to finance the acquisition, rehabilitation, and equipping of the Project, and (ii) that are necessary to secure the Bonds and protect the rights of the holder of the Bonds; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Loan Agreement between the Housing Finance Authority and the Borrower (the "Loan Agreement"), in substantially the form attached hereto as Exhibit "B", to evidence the terms and conditions of the Loan; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Land Use Restriction Agreement among the Housing Finance Authority, the Borrower, and the Trustee (the "Land Use Restriction Agreement"), in substantially the form attached hereto as Exhibit "C", to evidence the terms and conditions upon which the Borrower shall maintain and operate the Project; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Bond Purchase Agreement among the Housing Finance Authority, RBC Capital Markets, LLC and Raymond James & Associates, Inc., as Purchaser of the Bonds (collectively, the "Purchaser"), and the Borrower (the "Bond Purchase Agreement"), in substantially the form attached hereto as Exhibit "D", to evidence the terms and conditions upon which (i) the Purchaser shall purchase the Bonds, and (ii) RBC Capital Markets, LLC shall act as Bidding Agent for certain Permitted Investments (as defined in the Indenture) to be purchased with amounts on deposits in certain funds under the Indenture; and

**WHEREAS**, the Housing Finance Authority desires to (i) prepare or cause to be prepared, and distribute or cause to be distributed, a Preliminary Official Statement (the "Preliminary Official Statement"), and (ii) prepare or cause to be prepared, distribute or cause to be distributed, and execute a final Official Statement (the "Official Statement"), each in connection with the issuance and delivery of the Bonds. The Preliminary Official Statement will be in substantially the form attached hereto as Exhibit "E"; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Trustee Fee Agreement between the Housing Finance Authority and the Trustee (the "Trustee Fee Agreement"), in

substantially the form attached hereto as Exhibit "F", to evidence the Trustee's obligations and responsibilities in connection with the issuance of the Bonds and the fees payable to Trustee for its performance thereunder; and

**WHEREAS**, 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 and rehabilitation 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 Bonds; and

**WHEREAS**, the Housing Finance Authority is not obligated to pay the Bonds except from the proceeds derived from the repayment of the Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Indenture. Neither the faith and credit nor the taxing power of the Housing Finance Authority, the County, or the State of Florida

(the "State") or any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds; and

**WHEREAS**, the Housing Finance Authority intends to negotiate the sale of the Bonds with the Purchaser as provided in the Bond Purchase Agreement; and

**WHEREAS**, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Bonds (the "TEFRA Notice") was published in the *Sun Sentinel*, a newspaper of general circulation, on April 10, 2019, at least 14 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 April 25, 2019, a public hearing concerning the issuance of the Bonds in an aggregate face amount of not to exceed \$25,000,000 to finance the Project (the "TEFRA Hearing") was held by the Housing Finance Authority, as required by Section 147(f) of the Code; and

**WHEREAS**, the Housing Finance Authority received from the State of Florida Division of Bond Finance an allocation of 2016 private activity bond volume cap in the amount of \$88,975,637, which has been carried forward pursuant to Section 145(f) of the Code and designated for the issuance of bonds for qualified residential rental projects; and

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

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

Section 1. Declaration of Findings. The Housing Finance Authority hereby finds, determines and declares the matters hereinabove set forth.

Section 2. Ratification of Public Hearing. The Housing Finance Authority hereby ratifies the actions of the Housing Finance Authority staff in (i) publishing the TEFRA Notice in the *Sun Sentinel* on April 10, 2019, and (ii) conducting the TEFRA Hearing on April 25, 2019, all prior to and in connection with the issuance of the Bonds.

Section 3. Authorization of the Bonds. The Housing Finance Authority hereby authorizes, under the authority of the Act and the Ordinance, and subject to the terms as hereinafter set forth, the issuance of the Bonds to be designated "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach)" in an aggregate principal amount of not to exceed \$25,000,000.

Section 4. Details of Bonds. The Bonds shall be issued under and secured by the Indenture, by which reference is hereby incorporated into this Resolution as if set forth in full herein. The proceeds of the Bonds shall be applied as provided in the Indenture, and the Bonds shall mature in the amounts and at the times, bear interest at such rates, be subject to redemption at the prices and upon the terms, and shall have such other characteristics as shall be provided in the Indenture, attached hereto as Exhibit "A", and the Bond Purchase Agreement, attached hereto as Exhibit "D"; provided, that (i) the interest rate on the Bonds shall not exceed 6.00% per annum, and (ii) the Bonds shall finally mature not later than 40 years from the date of issuance thereof. The Bonds shall be executed, authenticated and delivered by the officers of the Housing Finance Authority authorized below in substantially the form set forth in the Indenture in fully registered form.

Section 5. The Bonds are Special Obligations of the Housing Finance Authority. The Bonds are special obligations of the Housing Finance Authority which are payable solely from moneys derived under the Indenture and the Loan Agreement. The Bonds, together with the interest

thereon, are limited obligations of the Housing Finance Authority and neither the Housing Finance Authority, the County, the State, nor any political subdivision thereof, shall be obligated to pay the Bonds or the interest thereon or other costs or payments incident thereto, except from the aforementioned revenues and receipts and neither the faith and credit nor the taxing power of the County or the State or any political subdivision thereof is pledged to the payment of the Bonds or the interest thereon or other costs or payments incident thereto. The Housing Finance Authority has no taxing power. The Bonds and obligations arising thereunder do not create or reflect liability of the Housing Finance Authority or any member, official, or employee thereof, except as otherwise described in this Section 5.

Section 6.       Execution of Bonds. The Chair or Vice Chair and Secretary or Assistant Secretary of the Housing Finance Authority are hereby authorized and directed to execute by manual or facsimile signature, and place the seal of the Housing Finance Authority, in manual or facsimile form, on the Bonds. The Bonds shall be in substantially the form set forth in the Indenture, with such changes, modifications, and deletions as the officers executing the Bonds, with the advice of Nabors, Giblin & Nickerson, P.A. ("Bond Counsel") and the County Attorney's Office of Broward County (the "County Attorney"), may deem necessary and appropriate, and as are not inconsistent with the Indenture and this Resolution. The execution and delivery of the Bonds by the aforementioned persons shall be conclusive evidence of the Housing Finance Authority's approval and authorization thereof.

Section 7.       Authentication and Delivery of the Bonds. Upon the execution of the Bonds, the Housing Finance Authority shall deliver the Bonds to the Trustee for authentication, and the



Trustee is hereby authorized and directed to authenticate and deliver said Bonds to the Purchaser, subject to the terms and conditions for delivery set forth in the Indenture.

Section 8. Approval of Indenture. The form and content of the Indenture, as presented at this meeting and attached hereto as Exhibit "A", is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Indenture, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit "A", together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 9. Approval of Loan Agreement. The form and content of the Loan Agreement, as presented at this meeting and attached hereto as Exhibit "B", is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Loan Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit "B", together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 10. Approval of the Land Use Restriction Agreement. The form and content of the Land Use Restriction Agreement, as presented at this meeting and attached hereto as Exhibit

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

Section 11. Approval of the Bond Purchase Agreement; Appointment of Bidding Agent.

The form and content of the Bond Purchase Agreement, as presented at this meeting and attached hereto as Exhibit "D", is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Bond Purchase Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit "D", together with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority. RBC Capital Markets, LLC is hereby appointed to act as Bidding Agent under the Bond Purchase Agreement for certain Permitted Investments (as defined in the Indenture) to be purchased with amounts on deposits in certain funds under the Indenture.

Section 12. Approval of the Preliminary Official Statement. The form and content, and the preparation and distribution, of the Preliminary Official Statement relating to the Bonds, as presented at this meeting and attached hereto as Exhibit "E", is hereby authorized and approved by the Housing Finance Authority, together with such changes, modifications, and deletions as the Chair or Vice Chair of the Housing Finance Authority, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. The Housing Finance Authority also hereby approves and authorizes the preparation and distribution of a final Official Statement relating to the Bonds, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Official Statement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, with such changes, modifications, and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 13. Appointment of Trustee, Paying Agent and Registrar. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed Trustee, Paying Agent, and Registrar under the Indenture, and the Housing Finance Authority approves the form and content of the Trustee Fee Agreement presented at this meeting and attached hereto as Exhibit "F". The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Trustee Fee Agreement, and the Secretary or Assistant Secretary is hereby authorized to place the Housing Finance Authority's seal thereon and attest thereto, in substantially the form presented at this meeting and attached hereto as Exhibit "F", with such changes, modifications, deletions, and insertions as the Chair or Vice Chair, with the

advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

Section 14. Subordinate Financing. The Housing Finance Authority hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of a loan from (i) Stafford Place Praxis Limited Partnership, the seller of the Project (the "Seller"), in the approximate principal amount of \$2,000,000 (the "Seller Loan"), and (ii) Sterling Bank of equity bridge funds in the approximate principal amount of \$3,600,000 (the "Bridge Loan" and, together with the Seller Loan, the "Subordinate Financing"). Given the need for additional affordable rental units in the County, the high development costs associated with the Project, and the favorable financing terms of the Subordinate Financing, the Housing Finance Authority hereby determines that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the Housing Finance Authority (i) authorizes the Chair or Vice Chair of the Housing Finance Authority to consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Trustee to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate.

Section 15. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by the Borrower for the services of the Housing Finance Authority's auditor to audit the

Project and the Bonds annually. The Housing Finance Authority waives such audit fee in connection with the Project.

Section 16. Sale of Bonds. It is hereby found and determined that due to the characteristics of the financing and the prevailing and anticipated market conditions, it is in the best interest of the Housing Finance Authority to negotiate the sale of the Bonds. The negotiated sale of the Bonds, upon substantially the terms and conditions set forth in the Bond Purchase Agreement, attached hereto as Exhibit "D", is hereby approved. The Bonds shall be sold (subject to such terms and conditions) in the amounts, at the prices and upon the final terms set forth in the Bond Purchase Agreement as may be approved by the Chair or Vice Chair and attested to by the Secretary; provided, that (a) the purchase price of the Bonds shall be not less than 100% of the original principal amount thereof, and (b) the gross underwriting spread or compensation to be paid to the Purchaser shall not exceed 1.00% of the principal amount of the Bonds.

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

effectuate the foregoing. All actions heretofore undertaken by the officers, agents, and employees of the Housing Finance Authority with respect to (i) the provisions of the Bonds and the Bond Documents, and (ii) the issuance of the Bonds, are hereby ratified and approved.

Section 18. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture and the Loan Agreement.

Section 19. Resolution Effective. This Resolution shall take effect immediately upon its adoption.

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Upon motion of Daniel D. Reynolds, seconded by Colleen LaPlant, the foregoing Resolution was adopted by the following votes:

AYES: 7

NAYS: 0

STATE OF FLORIDA            )  
  )ss:  
COUNTY OF BROWARD        )

I, DANIEL D. REYNOLDS, 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 May 8, 2019, as set forth in the official minutes of the Housing Finance Authority, related in any way to approval of certain actions to be taken in connection with the proposed issuance of Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) of the Housing Finance Authority.

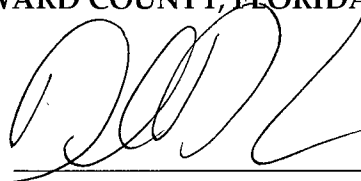
I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this 8<sup>th</sup> day of May, 2019.



(SEAL)

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

By:   
DANIEL D. REYNOLDS, Secretary

**EXHIBIT "A"**  
**FORM OF**  
**INDENTURE**  
**[ATTACHED]**



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**TRUST INDENTURE**

By and Between

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

and

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

\_\_\_\_\_  
Dated as of \_\_\_\_\_ 1, 2019  
\_\_\_\_\_

\$ \_\_\_\_\_  
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)

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TABLE OF CONTENTS  
(continued)

	Page
ARTICLE I DEFINITIONS AND CONSTRUCTION .....	4
Section 1.01. Definitions.....	4
Section 1.02. Rules of Construction. ....	16
ARTICLE II CREATION OF BONDS; DETAILS OF THE BONDS .....	17
Section 2.01. Authorization and Terms of Bonds.....	17
Section 2.02. Source of Payment of Bonds.....	18
Section 2.03. Execution of Bonds.....	18
Section 2.04. Certificate of Authentication.....	19
Section 2.05. Authentication and Delivery of Bonds.....	19
Section 2.06. Temporary Bonds.....	20
Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds.....	20
Section 2.08. Registration, Negotiability, Transfer and Exchange of Bonds.....	20
Section 2.09. Limited Obligation.....	21
Section 2.10. Cancellation and Destruction of Bonds.....	22
Section 2.11. Book Entry System. ....	22
Section 2.12. Non-Presentation of Bonds.....	24
ARTICLE III REDEMPTION, MANDATORY TENDER OF BONDS.....	24
Section 3.01. No Optional Redemption of Bonds.....	24
Section 3.02. Mandatory Tender.....	24
Section 3.03. Duties of Remarketing Agent. ....	25
Section 3.04. Conditions Precedent to Remarketing of Bonds and Notice.....	25
Section 3.05. Remarketing of Bonds. ....	26
Section 3.06. Concerning the Remarketing Agent.....	27
Section 3.07. Qualification of Remarketing Agent.....	27
ARTICLE IV REVENUES AND FUNDS .....	28
Section 4.01. Creation of Funds.....	28
Section 4.02. Deposits into the Bond Fund.....	29
Section 4.03. Use of Moneys in Collateral Fund. ....	29
Section 4.04. Use of Moneys in the Cost of Issuance Fund.....	29
Section 4.05. Use of Moneys on Deposit in the Bond Fund; Application of Loan Payments. ....	30
Section 4.06. Payment to Borrower of Excess Moneys. ....	30
Section 4.07. Expense Fund.....	31
ARTICLE V REBATE .....	31
Section 5.01. Rebate Fund; Rebate Requirement. ....	31
ARTICLE VI CUSTODY AND APPLICATION OF BOND PROCEEDS .....	32
Section 6.01. Custody and Application of Project Fund.....	32
Section 6.02. Procedure for Making Disbursements from Project Fund. ....	32
Section 6.03. Trustee May Rely on Requisitions and Certifications. ....	33
Section 6.04. Completion of Development.....	33

TABLE OF CONTENTS  
(continued)

	Page
ARTICLE VII INVESTMENT OF FUNDS AND ACCOUNTS .....	34
Section 7.01. Investment.....	34
Section 7.02. Investment of Rebate Fund.....	35
Section 7.03. Accounting for Termination of Investments; No Arbitrage.....	35
Section 7.04. Trustee’s Own Bond or Investment Department.....	35
Section 7.05. Moneys to be Held in Trust.....	35
ARTICLE VIII GENERAL COVENANTS .....	36
Section 8.01. Payment of Bonds.....	36
Section 8.02. Performance of Covenants.....	36
Section 8.03. Maintenance of Existence; Compliance with Laws.....	36
Section 8.04. Enforcement of Borrower Obligations.....	36
Section 8.05. Further Assurances, Instruments and Actions.....	37
Section 8.06. Priority of Pledge.....	37
Section 8.07. Books and Documents Open to Inspection.....	37
Section 8.08. Borrower to Indemnify and Hold the Issuer and Trustee Harmless from Liability.....	37
Section 8.09. Tax Exempt Status of Bonds.....	37
ARTICLE IX DISCHARGE.....	37
Section 9.01. Discharge of Lien.....	37
ARTICLE X DEFAULTS AND REMEDIES.....	39
Section 10.01. Events of Default and Acceleration.....	39
Section 10.02. Trustee to Enforce Rights of the Issuer.....	40
Section 10.03. Remedies.....	40
Section 10.04. Termination of Proceedings.....	40
Section 10.05. Right of Bondholders to Direct Proceedings.....	41
Section 10.06. Remedies Vested in Trustee.....	41
Section 10.07. Remedies Non-Exclusive and Cumulative.....	41
Section 10.08. Delays or Omissions by Trustee.....	41
Section 10.09. Application of Moneys.....	41
Section 10.10. Severability of Remedies.....	42
Section 10.11. No Interference or Impairment of FHA Loan.....	42
ARTICLE XI CONCERNING THE TRUSTEE .....	43
Section 11.01. Acceptance of Trusts.....	43
Section 11.02. Trustee Not Responsible for Recitals, Statements and Representations.....	43
Section 11.03. Action by Trustee Through and in Reliance Upon Others.....	44
Section 11.04. Fees and Expenses of Trustee.....	44
Section 11.05. Trustee’s Obligations to Take or Have Notice of Default.....	44
Section 11.06. Duties of Trustee.....	45
Section 11.07. Trustee May Make Advances to Effect Performance.....	47
Section 11.08. Trustee May Rely Upon Instruments.....	47

TABLE OF CONTENTS  
(continued)

	Page
Section 11.09. Trustee May Own and Deal in Bonds and Deal With the Issuer and Borrower.....	47
Section 11.10. Financial Liability of the Trustee.....	47
Section 11.11. Trustee May Construe Ambiguous or Inconsistent Provisions.....	48
Section 11.12. Resignation of Trustee.....	48
Section 11.13. Removal of Trustee.....	48
Section 11.14. Appointment of Successor Trustee.....	48
Section 11.15. Appointment of Successor Trustee by Court.....	49
Section 11.16. Acceptance of Trust by Successor Trustee.....	49
Section 11.17. Merger or Consolidation of Trustee With Another Corporation.....	49
Section 11.18. Action of Trustee During Existence of an Event of Default.....	49
Section 11.19. Notice of an Event of Default.....	49
Section 11.20. Trustee May Intervene.....	49
Section 11.21. Unclaimed Moneys.....	49
Section 11.22. Appointment of Co-Trustee.....	50
 ARTICLE XII MODIFICATION OF INDENTURE AND OTHER DOCUMENTS .....	 50
Section 12.01. Limitation on Amendments to this Indenture.....	50
Section 12.02. Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders.....	51
Section 12.03. Amendments to Indenture Requiring Consent of Bondholders.....	51
Section 12.04. Supplemental Indentures Part of Indenture.....	53
Section 12.05. Required Consent.....	53
Section 12.06. Amendments to Documents Requiring Consent of Bondholders.....	53
 ARTICLE XIII MISCELLANEOUS.....	 53
Section 13.01. The Issuer’s Successors.....	53
Section 13.02. Indenture for Benefit of the Issuer, Trustee and Bondholders.....	53
Section 13.03. Severability.....	53
Section 13.04. Officials of the Issuer Not Liable.....	54
Section 13.05. Governing Law.....	54
Section 13.06. Notices; Publication of Notice.....	54
Section 13.07. Trustee as Paying Agent and Bond Registrar.....	54
Section 13.08. Execution of Instruments by Bondholders and Proof of Ownership of Bonds.....	54
Section 13.09. Counterparts.....	55
Section 13.10. Supremacy of HUD Documents & Requirements.....	55
 EXHIBIT A	FORM OF BONDS
EXHIBIT B	FORM OF PROJECT FUND REQUISITION (PROCEEDS ACCOUNT/EQUITY ACCOUNT)
EXHIBIT C-1	FORM OF ISSUER COSTS OF ISSUANCE REQUISITION
EXHIBIT C-2	FORM OF BORROWER COSTS OF ISSUANCE REQUISITION

## TRUST INDENTURE

**THIS TRUST INDENTURE** (as amended, modified or supplemented from time to time, this “Indenture”) is entered into as of \_\_\_\_\_ 1, 2019, by and between **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (together with its successors and assigns, the “Issuer”) and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association organized and existing under the laws of the United States of America, authorized to exercise corporate trust powers in the State, and authorized to accept and execute trusts of the character herein set out, as Trustee (together with its successors and assigns, the “Trustee”).

### RECITALS

*Certain of the terms and words used in these Recitals, and in the following Granting Clauses and Agreements, are defined in Section 1.01 of this Indenture.*

**WHEREAS**, the Legislature of the State of Florida (the “State”) has enacted the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended (the “Act”), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority; and

**WHEREAS**, pursuant to the Act, the Board of County Commissioners (the “Board”) of Broward County, Florida (the “County”), enacted Ordinance No. 79-41 on June 20, 1979 (the “Ordinance”), creating the Housing Finance Authority of Broward County, Florida to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act; and

**WHEREAS**, the Act authorizes the Issuer: (a) to make loans to any person, or to purchase loans, including federally insured mortgage loans, in order to provide financing for residential rental developments located within the Issuer’s area of operation, which are to be occupied by persons of low, moderate or middle income; (b) to issue its revenue bonds pursuant to the Act, for the purpose of obtaining money to make or to purchase such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds; and

**WHEREAS**, the Borrower (as defined below) has requested the Issuer to serve in a conduit capacity and authorize the issuance of \$ \_\_\_\_\_ Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the “Bonds”); and

**WHEREAS**, the Issuer has determined to issue and sell the Bonds, for the purpose of financing the cost of the acquisition, rehabilitation and equipping of a multifamily rental housing facility to be occupied to the extent required by federal tax law and state law, by persons or families of low, moderate or middle income, consisting of a total of 224 units and related personal property and equipment, and located in Deerfield Beach, Broward County, Florida (the “Project Facilities”) all pursuant to this Indenture and the Loan Agreement, dated as of \_\_\_\_\_ 1, 2019 (as amended, modified or supplemented from time to time, the “Bond Loan Agreement”), between the Issuer and Praxis Venture

LP, a limited partnership duly organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the “Borrower”); and

**WHEREAS**, the Issuer is authorized to enter into this Indenture and to do or cause to be done all the acts and things herein provided or required to be done to finance the Costs of the Development (as herein defined) by the issuance of the Bonds, all as hereinafter provided; and

**WHEREAS**, all acts, conditions and things required to happen, exist, and be performed precedent to and in the issuance of the Bonds and the execution and delivery of this Indenture have happened, exist and have been performed in order to make the Bonds, when issued, delivered and authenticated, valid obligations of the Issuer in accordance with the terms thereof and hereof, and in order to make this Indenture a valid, binding and legal trust agreement for the security of the Bonds in accordance with its terms; and

**WHEREAS**, the Trustee has accepted the trusts created by this Indenture and has accepted its obligations hereunder, and in evidence thereof, this Indenture has been executed and delivered thereby; and

**WHEREAS**, the Issuer will loan the proceeds of the Bonds to the Borrower by entering into the Bond Loan Agreement, and to evidence its payment obligations thereunder, the Borrower will deliver to the Issuer a Promissory Note dated the Closing Date in the amount of \$ \_\_\_\_\_ (the “Note”); and

**WHEREAS**, the execution and delivery of this Indenture and the issuance and sale of the Bonds have been in all respects duly and validly authorized by the Resolutions (as herein defined) duly adopted by the Issuer and the Board.

Accordingly, the Issuer and the Trustee agree as follows for the benefit of the other and for the benefit of the holders of the Bonds:

### **GRANTING CLAUSES AND AGREEMENTS**

NOW, THEREFORE, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of any or all of the Bonds issued and sold by the Issuer from time to time under this Indenture by those who shall hold the same from time to time, and of the sum of one dollar, lawful money of the United States of America, duly paid to the Issuer by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds and the payment and performance of all other of the obligations of the Issuer, the Issuer does hereby grant, bargain, sell, convey, pledge and assign, without recourse, unto the Trustee and unto its successors in trust forever, and grants to the Trustee and to its successors in trust, a security interest in, the following (such property being herein referred to as the “Trust Estate”):

(a) All right, title and interest of the Issuer in and to all Revenues, derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of this Indenture and the Bond Loan Agreement (other than the Unassigned Rights of the Issuer), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate;

(b) All right, title and interest of the Issuer in and to the Note (other than the Unassigned Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof;

(c) Any fund or account created under this Indenture except for the Cost of Issuance Fund, the Expense Fund and the Rebate Fund;

(d) All right, title and interest of the Issuer in and to, and remedies under, the Bond Loan Agreement;

(e) All funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

PROVIDED, HOWEVER, that there shall be excluded from the granting clauses of this Indenture all the Unassigned Rights of the Issuer, including all amounts paid or collected by the Issuer in connection therewith, all amounts on deposit in the Rebate Fund, which shall be held for the sole benefit of the United States of America;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in trust forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of all Holders from time to time of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds.

PROVIDED, HOWEVER, that if the Issuer shall well and truly pay, or cause to be paid, the principal of the Bonds issued hereunder, and interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Collateral Fund as required under Article IV hereof or by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture and all other of the obligations of the Issuer to be kept, performed and observed by it, the Rebate Requirement shall be paid in full and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment, as further provided in Section 9.01 hereof, and the termination of the Bond Loan Agreement, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise, this Indenture shall remain in full force and effect.

AND IT IS EXPRESSLY DECLARED that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all such property, moneys, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective holders from time to time of the Bonds, or any part thereof, as follows:

## ARTICLE I

### DEFINITIONS AND CONSTRUCTION

**Section 1.01. Definitions.** Certain terms used in this Indenture are defined in the Bond Loan Agreement and when and if used herein, such terms shall have the meanings given to them by the Bond Loan Agreement unless the context clearly indicates otherwise. In addition, when used in this Indenture, the following terms shall have the meanings given to them in this Section unless the context clearly indicates otherwise:

“*Act*” has the meaning assigned in the Recitals hereto.

“*Arbitrage Certificate*” means the Certificate As To Arbitrage and Certain Other Tax Matters, dated the Closing Date, executed by the Issuer in connection with the issuance of the Bonds.

“*Arbitrage Rebate Agreement*” means the Arbitrage Rebate Agreement, dated as of \_\_\_\_\_ 1, 2019, among the Issuer, the Trustee and the Borrower in connection with the issuance of the Bonds.

“*Board*” means the Board of County Commissioners of Broward County, Florida.

“*Bond*” or “*Bonds*” means the Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) issued, authenticated and delivered under this Indenture, which are identified as such in Section 2.01(a) hereof.

“*Bond Counsel*” means nationally recognized bond counsel selected by the Issuer.

“*Bond Documents*” means, with respect to the Bonds, the Bonds, this Indenture, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Continuing Disclosure Agreement, the Arbitrage Rebate Agreement, the Tax Certificates, the FHA Lender Disbursement Agreement and any and all documents executed in connection with the Bonds.

“*Bond Fund*” means the Bond Fund created in Section 4.01 of this Indenture.

“*Bondholder*” or “*Holder of the Bonds*” or “*Holder*” or “*Owner of the Bonds*” or “*Owner*” when used with respect to any Bond, means the person or persons in whose name such Bond is registered as the owner thereof on the books of the Issuer maintained at the Trust Office of the Trustee for that purpose.

“*Bond Loan Agreement*” means the Loan Agreement, dated as of \_\_\_\_\_ 1, 2019, by and between the Issuer and the Borrower and any and all supplements thereto, pursuant to which the Loan is being made to the Borrower.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement, dated \_\_\_\_\_, 2019, among the Issuer, the Borrower and the Underwriter.

“*Bond Registrar*” has the meaning assigned to it in Section 2.01(f) hereof.

“*Book Entry Form*” or “*Book Entry System*” means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Securities Depository.



“*Borrower*” means Praxis Venture LP, a Florida limited partnership, duly organized and existing in the State of Florida, its successors and assigns.

“*Borrower Costs of Issuance*” means all fees, costs and expenses (other than the Issuer Costs of Issuance) incurred in connection with the issuance of the Bonds and the extension of the Loan.

“*Borrower Costs of Issuance Account*” means the account by that name created in the Cost of Issuance Fund pursuant to Section 4.01(f).

“*Borrower Documents*” means the Bond Loan Agreement, the Note, the Proceeds Certificate, the Arbitrage Rebate Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement, the Guarantor Documents and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Bond Loan Agreement.

“*Borrower Obligations*” means the obligations of the Borrower under the Bond Loan Agreement, the Note, and the other Borrower Documents to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Bond Loan Agreement, the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer and/or the Trustee, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Bond Loan Agreement, the Note, the Land Use Restriction Agreement, and any of the other Borrower Documents, to perform or observe.

“*Borrower Representative*” means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

“*Bridge Loan*” means the loan made by \_\_\_\_\_ to the Borrower in the principal amount of \$[3,600,000], the proceeds of which will be used to bridge one or more of the Investor Limited Partner’s capital contributions of low-income housing tax credit equity to the Borrower to pay certain Costs of the Development in connection with the financing of the acquisition, rehabilitation and equipping thereof.

“*Business Day*” or “*business day*” means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, Jacksonville, Florida or in the city in which the Trust Office of the Trustee, or the office of the Trustee is located, are not required or authorized by law or executive order to close for business, and (b) the New York Stock Exchange is not closed.

“*Capitalized Interest Account*” means the account by that name created in the Bond Fund pursuant to Section 4.01(a).

“*Class B Limited Partner*” means Praxis Investments LLC, a Florida limited liability company, the Class B limited partner of the Borrower.

“*Closing Date*” means the date of delivery of the Bonds in exchange for the purchase price thereof and shall be the same date as the Effective Date of the FHA Lender Disbursement Agreement.

“Code” means the Internal Revenue Code of 1986, including applicable final, temporary and proposed regulations and revenue rulings applicable thereto, as amended from time to time.

“Collateral Fund” means the Collateral Fund created pursuant to Section 4.01(e) of this Indenture.

“Completion Certificate” means a certificate submitted by the Borrower Representative (on behalf of the Borrower) to the Issuer and the Trustee as provided in Section 3.05 of the Bond Loan Agreement.

“Completion Date” means the date upon which the Completion Certificate is delivered to the Issuer and the Trustee, which is anticipated to be \_\_\_\_\_, 2019.

“Construction Contract” means that certain construction contract executed between the Contractor and the Borrower relating to the rehabilitation of the Development, as that contract may be amended from time to time.

“Construction Draw Date” means the date on which a disbursement from the Project Fund shall be made solely to pay acquisition, rehabilitation and equipping costs of the Development.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of \_\_\_\_\_ 1, 2019 between the Borrower and the Dissemination Agent.

“Contractor” means the entity identified as the general contractor under the Construction Contract.

“Cost of Issuance Fund” means the Cost of Issuance Fund created pursuant to Section 4.01(f) hereof.

“Costs of Issuance” means, collectively, the Issuer Costs of Issuance and the Borrower Costs of Issuance.

“Costs of Issuance Deposit” means \$ \_\_\_\_\_.

“Costs of the Development” with respect to the Development shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

“Credit Underwriting Report” means the Housing Finance Authority of Broward County, Florida Credit Underwriting Report dated \_\_\_\_\_, 2019, prepared by First Housing Development Corporation of Florida.

“Default” means any Default under the Bond Loan Agreement as specified in and defined by Section 7.01 thereof.

“Development” means the multifamily rental housing development known as Praxis of Deerfield Beach, which consists of 224 apartment units and related facilities to be located in Deerfield Beach, Broward County, Florida.

“Dissemination Agent” means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America and its permitted successors and assigns as Dissemination Agent under the Continuing Disclosure Agreement.

“*Dissemination Agent Fee*” means a portion of the Trustee’s Fee payable to The Bank of New York Mellon Trust Company, N.A., in its capacity as Dissemination Agent pursuant to the Continuing Disclosure Agreement.

“*Documents*” means and shall include (without limitation), with respect to the Bonds, this Indenture, the Bond Documents, the Borrower Documents, the Guarantor Documents and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may hereafter execute and deliver, to evidence or secure the Bonds and the Borrower Obligations, or any part thereof, or in connection therewith, and any and all supplements thereto.

“*Effective Date*” shall mean the date the FHA Lender Disbursement Agreement is effective.

“*Environmental Indemnity*” means the Environmental Indemnity Agreement, dated as of \_\_\_\_\_ 1, 2019, from the Guarantors, jointly and severally, in favor of the Issuer and the Trustee.

“*Event of Default*” or “*Default*” means, when used in this Indenture, those events of default or defaults specified in Section 10.01 hereof and, when used in the Bond Loan Agreement, those events of default or defaults specified in Section 7.01 thereof.

“*Expense Fund*” means the fund by that name created and established pursuant to Section 4.01(d) of this Indenture.

“*FHA Commitment*” means the \_\_\_\_\_ dated \_\_\_\_\_ 1, 2019, between the FHA Lender and the Borrower regarding the terms and conditions of the FHA Lender Loan.

“*FHA Lender*” means Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company, and its successors and assigns.

“*FHA Note*” means the \$ \_\_\_\_\_ Note (Multistate) dated as of \_\_\_\_\_ 1, 2019, from Borrower to the FHA Lender to evidence its indebtedness under the FHA Lender Loan and endorsed by HUD.

“*FHA Lender Collateral Deposit*” shall have the meaning given to such term in Section 4.03.

“*FHA Lender Disbursement Agreement*” means the Funding and Disbursement Agreement, dated as of \_\_\_\_\_ 1, 2019, between the FHA Lender and the Borrower and acknowledged by the Investor Limited Partner.

“*FHA Lender Loan*” means the loan made by the FHA Lender to the Borrower in the original principal amount not to exceed \$ \_\_\_\_\_ pursuant to the FHA Lender Disbursement Agreement, as evidenced by the FHA Note and secured by the FHA Lender Mortgage.

“*FHA Lender Loan Documents*” means the documents related to the FHA Lender Loan, including the FHA Lender Disbursement Agreement, the FHA Note, the FHA Lender Mortgage, the HUD Regulatory Agreement and any and all other documents, agreements, or instruments which evidence or secure the indebtedness evidenced by the FHA Note.

“*FHA Lender Mortgage*” means the first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) dated as of \_\_\_\_\_ 1, 2019, from Borrower for the benefit of the FHA Lender to secure the repayment of the FHA Note.

“*General Partner*” means Affordable Housing Institute, Inc., a Florida not-for-profit corporation, as general partner of the Borrower.

“*GNMA*” means the Government National Mortgage Association.

“*Governmental Authority*” means any federal, State or local governmental or quasi-governmental entity, including, without limitation, any agency, department, commission, board, bureau, administration, service, or other instrumentality of any governmental entity.

“*Government Obligations*” means direct obligations issued by the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, including, when available, SLGS.

“*Governmental Requirements*” means all laws, ordinances, orders, rules or regulations of all Governmental Authorities applicable to the Development, the Issuer, the Borrower or any of the Borrower’s assets or other properties, including without limitation, laws, ordinances, orders, rules and regulations relating to securities or other public disclosures, zoning, licenses, permits, subdivision, building, safety, health, and fire protection and all environmental laws.

“*Guarantor*” and “*Guarantors*” means, individually and collectively, the Borrower, the General Partner, and \_\_\_\_\_, individually, together with their respective permitted successors and assigns.

“*Guarantor Documents*” means, collectively, the Environmental Indemnity and the Guaranty of Recourse Obligations.

“*Guaranty of Recourse Obligations*” means the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, dated as of \_\_\_\_\_ 1, 2019, from the Guarantors, jointly and severally, in favor of the Issuer and the Trustee.

“*Hazardous Materials*” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBS”) and compounds containing them; lead and lead based paint; asbestos or asbestos containing materials in any form that is or could become friable; underground or above ground storage tanks, whether empty or containing any substance; any substance the presence of which at the Development is prohibited by any federal, state or local authority; any substance that requires special handling under any Hazardous Materials Law; and any other material or substance now or in the future defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” within the meaning of any Hazardous Materials Law, but does not include any such substance that is a customary and ordinary household, cleaning, office, swimming pool or landscape maintenance product used on the Development by the Borrower or any tenant or agent of the Borrower, or customary construction materials used during the course of rehabilitation and equipping of the Development by the Borrower or the Contractor, provided such use is in accordance with applicable hazardous material laws.

“*Hazardous Materials Law*” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to Borrower or to the Development. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901,

et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, and their state analogs, including laws of the State.

“*HUD*” means the U.S. Department of Housing and Urban Development.

“*HUD Regulatory Agreement*” means the Regulatory Agreement for Multifamily Projects between the Borrower and HUD, as amended or supplemented from time to time.

“*Indemnitors*” means the Guarantors.

“*Indenture*” means this Trust Indenture, dated as of \_\_\_\_\_ 1, 2019, between the Issuer and the Trustee, and any and all Supplements hereto, authorizing the issuance of the Bonds.

“*Independent*” means any person not an employee or officer of the Borrower or its affiliates.

“*Interest Payment Date*” means each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, beginning \_\_\_\_\_ 1, 2019.

“*Investor Limited Partner*” means R4 PDFL Acquisition LLC, a Delaware limited liability company, and its permitted successors and assigns in their capacity as the investor limited partner of the Borrower.

“*Issuer*” means the Housing Finance Authority of Broward County, Florida, a public body corporate and politic of the State of Florida, duly organized and existing under the laws of the State of Florida, including the Act, or any successor to its rights and obligations under the Bond Loan Agreement and this Indenture.

“*Issuer Costs of Issuance*” means the fees, costs and expenses incurred by the Issuer in connection with the issuance of the Bonds, payable from the Issuer Costs of Issuance Account.

“*Issuer Costs of Issuance Account*” means the Account by that name created in the Cost of Issuance Fund pursuant to Section 4.01(f).

“*Issuer Documents*” means the Bond Loan Agreement, this Indenture, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Arbitrage Certificate, the Arbitrage Rebate Agreement and any and all documents, agreements or instruments executed by the Issuer in connection with the Loan evidenced by the Bond Loan Agreement.

“*Issuer Fee*” means, collectively, the Issuer Closing Fee and the Ongoing Issuer Fee.

“*Issuer Closing Fee*” means the (i) Issuer’s one (1) time initial issuance fee in the amount equal to fifty basis points (0.50%) of the original principal amount of the Loan, as evidenced by the Note, for a total of \$ \_\_\_\_\_, (ii) Issuer’s indemnification fee of \$20,000, and (iii) Issuer’s counsel fee of \$5,000, all of which shall be payable to the Issuer by the Trustee on the Closing Date from amounts on deposit in the Issuer Cost of Issuance Account of the Cost of Issuance Fund pursuant to Section 4.04 of this Indenture.

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

“*Land Use Restriction Agreement*” means the Land Use Restriction Agreement dated \_\_\_\_\_ 1, 2019, by and among the Issuer, the Trustee and the Borrower relating to the Bonds and containing certain occupancy and income restrictions on the Development required by the Code, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

“*Loan*” means the loan in the principal amount of \$ \_\_\_\_\_ made by the Issuer to the Borrower evidenced by the Note, described in the Bond Loan Agreement and made in connection with the issuance of the Bonds.

“*Loan Documents*” means the Bond Loan Agreement and the Note.

“*Mandatory Tender Date*” means \_\_\_\_\_ 1, 2021.

“*Maturity Date*” means \_\_\_\_\_ 1, 2022.

“*Non-Critical Repair Escrow*” means that non-critical repair escrow created pursuant to the Escrow Agreement for Non-Critical, Deferred Repairs (form HUD-92476.1M) by and between the Borrower and FHA Lender and held by the FHA Lender.

“*Note*” means the Promissory Note, dated the Closing Date, from the Borrower to the Issuer in substantially the form attached as Exhibit B to the Bond Loan Agreement, and any amendments, supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee on the Closing Date.

“*Notice Address*” means, unless otherwise designated pursuant to Section 13.06 hereof:

(a) As to the Issuer:

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

with a copy to:

Nabors, Giblin & Nickerson, P.A.  
1500 Mahan Drive, Suite 200  
Tallahassee, Florida 32308  
Attention: Junious D. Brown III, Esq.  
Telephone: (850) 224-4070

(b) As to the Borrower:

Praxis Venture LP  
c/o MRK Partners Inc.  
2711 North Sepulveda Blvd.  
Manhattan Beach, California 90266  
Attention: Sydne Garchik  
Telephone: (424) 999-4580  
Email: [sgarchik@mrkpartners.com](mailto:sgarchik@mrkpartners.com)

with a copy to:

Nelson Mullins Broad and Cassel  
390 N. Orange Avenue, Suite 1400  
Orlando, Florida 32801  
Attention: Hollie A. Croft, Esq.  
Email: [hollie.croft@nelsonmullins.com](mailto:hollie.croft@nelsonmullins.com)  
Telephone: (407) 839-4239

with a copy to:

R4 PDFL Acquisition, LLC  
780 Third Avenue, 16<sup>th</sup> Floor  
New York, New York 10017  
Attention: Marc Schnitzer  
Telephone: (646) 576-7659  
Email: [mschnitzer@R4cap.com](mailto:mschnitzer@R4cap.com)

Praxis Investments LLC  
c/o MRK Partners Inc.  
2711 North Sepulveda Blvd.  
Manhattan Beach, California 90266  
Attention: Sydne Garchik  
Telephone: (424) 999-4580  
Email: [sgarchik@mrkpartners.com](mailto:sgarchik@mrkpartners.com)

(c) As to the Rating Agency:

S&P Global Ratings  
55 Water Street, 38th Floor  
New York, New York 10041  
Attention: Public Finance Structured Surveillance  
Email: [Pubfin\\_housing@spglobal.com](mailto:Pubfin_housing@spglobal.com)

(d) As to the Trustee:

The Bank of New York Mellon Trust Company, N.A.  
10161 Centurion Parkway North  
Jacksonville, Florida 32256  
Attention: Corporate Trust Department

Telephone: (904) 645-1900  
Facsimile: (904) 645-1930

(e) As to Investor Limited Partner:

R4 PDFL Acquisition, LLC  
780 Third Avenue, 16<sup>th</sup> Floor  
New York, New York 10017  
Attention: Marc Schnitzer  
Telephone: (646) 576-7659  
Email: [mschnitzer@R4cap.com](mailto:mschnitzer@R4cap.com)

with copies to:

Frost Brown Todd LLC  
400 West Market Street, Suite 3200  
Louisville, Kentucky 40202  
Attention: Amy Curry  
Telephone: (502) 779-8587  
Email: [acurry@fbtlaw.com](mailto:acurry@fbtlaw.com)

(f) As to FHA Lender:

Jones Lang LaSalle Multifamily, LLC  
[2177 Youngman Avenue-Suite 100  
St. Paul, Minnesota 55116  
Attention: Loan Servicing  
Telephone: (763) 656-4500  
Email: [loanservicing@am.jll.com](mailto:loanservicing@am.jll.com)]

with copies to:

Tiber Hudson, LLC  
1900 M Street NW, 4th Floor  
Washington, DC 20036  
Attention: James Peck, Esq.

(g) As to Remarketing Agent:

RBC Capital Markets, LLC  
100 Second Avenue S., Suite 800  
St Petersburg, Florida 33701  
Attention: Helen Feinberg  
Telephone: (727) 895-8892

“Official Statement” means the Official Statement dated \_\_\_\_\_, 2019, relating to the Bonds.

“Ongoing Issuer Fee” means the annual program administration fee of the Issuer, payable in advance by the Borrower to the Trustee for payment to the Issuer in the amount of eighteen basis points (0.18%) per annum of the outstanding principal amount of the Loan (calculated on the Business Day prior



to any principal reduction of the Loan). The first payment of the Ongoing Issuer Fee shall be payable on the Closing Date for the period beginning on the Closing Date and ending on \_\_\_\_\_, 2019. Thereafter, the Ongoing Issuer Fee shall be payable in semi-annual installments on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, with the first semi-annual payment due and payable on \_\_\_\_\_ 1, 2019; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Issuer, the Trustee, Bond Counsel, the Issuer's counsel, or the Trustee's counsel to be paid by the Borrower pursuant to the Bond Loan Agreement.

*"Outstanding," "outstanding" or "Bonds Outstanding"* when used with respect to the Bonds means any Bonds theretofore authenticated and delivered under this Indenture, except:

(a) Bonds theretofore canceled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee in accordance with Article VIII; or

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture.

*"Partnership Agreement"* means the Amended and Restated Agreement of Limited Partnership of the Borrower, dated \_\_\_\_\_ 1, 2019, as may be amended and supplemented from time to time.

*"Permitted Investments"* means (i) Government Obligations, (ii) to the extent permitted herein, money market funds rated "AAAm" by S&P that invest in Governmental Obligations which are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended (including any money market funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such money market fund and receives reasonable compensation therefor), and (iii) Fidelity Institutional Money Market Treasury Only – Class I as long as such is rated "AAAm" by S&P. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings or Permitted Investments after the initial purchase of such Permitted Investments.

*"Person"* shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

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

*"Proceeds Certificate"* means the Borrower's Tax Certificate, dated the Closing Date, executed by the Borrower in connection with the issuance of the Bonds.

*"Project Fund"* means the Project Fund created in Section 4.01(b) of this Indenture.

*"Qualified Project Costs"* means costs paid with respect to the Development that (i) 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 United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental development or developments within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse Costs of the Development with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Development were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Development (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Development that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Development that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Development is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Development is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), “Qualified Project Costs” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Development (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 Development, 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 construction of the Development or payments received by such Affiliate due to early completion of the Development (or any portion thereof).

“*Rating Agency*” means S&P.

“*Rebate Requirement*” means the amount, if any, which is to be paid to the United States of America pursuant to Section 148(f) of the Code and Section 5.01 hereof or to reduce the yield on investments to the yield on the Bonds pursuant to Section 148 of the Code.

“*Rebate Analyst*” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Borrower and at the expense of the Borrower (payable from the Program Fee paid by the Borrower).

“*Rebate Analyst Fee*” means the fee of the Rebate Analyst.

“*Rebate Fund*” means the Rebate Fund created in Section 4.01(c) of this Indenture.

“*Record Date*” means the 15<sup>th</sup> day of the month preceding the date on which interest is due and payable.

“*Remarketing Agent*” means initially RBC Capital Markets, LLC, and any successor Remarketing Agent that may be appointed by the Issuer.

“*Remarketing Agreement*” means the Remarketing Agreement, dated as of even date with this Indenture, between the Borrower and the Remarketing Agent.

“*Remarketing Notice Parties*” means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Limited Partner and the Rating Agency.

“*Remarketing Rate*” means the interest rate or rates established pursuant to Article III hereof and borne by the Bonds then Outstanding from and including the Mandatory Tender Date to the Maturity Date.

“*Requisition*” means (a) the request signed by the Borrower Representative to make a disbursement from the Project Fund on a Construction Draw Date in the manner provided pursuant to Section 6.02 of this Indenture, (b) the request signed by the Issuer to make a disbursement from the Issuer Costs of Issuance Account within the Cost of Issuance Fund in the manner provided pursuant to Section 4.04(b) of this Indenture, or (c) the request signed by the Borrower Representative to make a disbursement from the Borrower Costs of Issuance Account within the Cost of Issuance Fund in the manner provided pursuant to Section 4.04(b) of this Indenture.

“*Resolutions*” means, collectively, (i) the resolution adopted by the Issuer on May 8, 2019, and (ii) the resolution adopted by the Board on June 4, 2019, duly authorizing and directing the issuance, sale and delivery of the Bonds.

“*Responsible Officer*” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.

“*Revenues*” means, all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee hereunder, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement.

“*Securities Depository*” means the Depository Trust Company, its successors and assigns, or any other securities depository for the Bonds designated by the Issuer or the Borrower to the Trustee in writing.

“*SLGS*” means United States Treasuries – Time Deposit State and Local Government Series.

“*S&P*” means S&P Global Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Borrower.

“*State*” means the State of Florida.

“*Supplement*” or “*Supplements*” means any and all extensions, renewals, modifications, amendments, supplements and substitutions to this Indenture.

“*Tax Certificates*” means, collectively, the Arbitrage Certificate, the Arbitrage Rebate Agreement and the Proceeds Certificate.

“*Term of Agreement*” means the term of the Bond Loan Agreement as specified in Section 9.01 of the Bond Loan Agreement.

“*Trust Estate*” has the meaning given such term in the Granting Clauses of this Trust Indenture.

“*Trust Office*” means the corporate trust office of the Trustee located at the address set forth in Article I hereof or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States of America, and authorized to exercise corporate trust powers in the State, having a Trust Office in Jacksonville, Florida, and its successor or successors in the trust created by this Indenture.

“*Trustee’s Fee*” means the Trustee’s initial acceptance fee of \$3,500 plus fees and expenses of its counsel in conjunction with the issuance of the Bonds, all payable on the Closing Date, and the ongoing compensation and expenses payable to the Trustee as follows: (a) the annual administration fees of the Trustee, for the ordinary services of the Trustee rendered under this Indenture during each twelve-month period shall be \$3,750 per annum, with the initial annual fee of \$3,750 payable in advance on the Closing Date and subsequent annual fees payable in semiannual installments of \$1,875 in advance on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 thereafter commencing \_\_\_\_\_ 1, 2019; (b) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under this Indenture as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, however, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and (c) for purposes of the Bond Loan Agreement, indemnification of the Trustee by the Borrower.

“*Unassigned Rights of the Issuer*” and “*Unassigned Rights*” means the rights of the Issuer consisting of: (a) all rights which the Issuer Indemnified Parties may have under this Indenture, the Bond Loan Agreement and other Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, directors, officials, agents or employees; (b) the right of the Issuer to give and receive notices, reports or other information, including but not limited to the right to receive the reports and other information described in Section 4 of the Land Use Restriction Agreement, make determinations and grant approvals hereunder and under the Documents; (c) the right of the Issuer to give and withhold consents and approvals hereunder and under the Documents; (d) the right of the Issuer to receive its fees and expenses (including the Issuer’s Compliance Fee as defined in the Land Use Restriction Agreement) pursuant to the Bond Loan Agreement and the Land Use Restriction Agreement; (e) all rights of the Issuer not otherwise assigned to the Trustee to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly to the requirements of the Act or any requirements imposed by the Issuer with respect to the Development, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents or in any other certificate or agreement executed by the Borrower; (f) all rights of the Issuer in connection with any amendment to or modification of the Documents; (g) all rights of the Issuer to enforce the Land Use Restriction Agreement; and (h) all enforcement remedies with respect to the foregoing. All of these Unassigned Rights are reserved to the Issuer and are not being assigned by the Issuer to the Trustee.

“*Underwriter*” means RBC Capital Markets, LLC.

**Section 1.02. Rules of Construction.** The words “hereof,” “herein,” “hereunder,” “hereto,” and other words of similar import refer to this Indenture in its entirety.

The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

References to Articles, Sections, and other subdivisions of this Indenture are to the designated Articles, Sections, and other subdivisions of this Indenture.

The headings of this Indenture are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

Any reference to particular sections or subsections of the Code and applicable income tax regulations shall include any successor provisions of law or regulations, to the extent the same shall apply to the Bonds.

Any reference to a Bond or to the Bonds shall include each portion in the minimum authorized denomination of any registered bond having a denomination greater than the minimum authorized denomination.

Any direction, consent, approval or similar action required hereunder shall be in writing and signed by an authorized representative of the party providing such direction, consent, approval or similar action.

## ARTICLE II

### CREATION OF BONDS; DETAILS OF THE BONDS

#### Section 2.01. Authorization and Terms of Bonds.

(a) *Authorization of Bonds.* The Issuer hereby authorizes for issuance under this Indenture, bonds in the original aggregate principal amount of \$\_\_\_\_\_ which shall be designated the “Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach)” to be issued as hereinafter provided.

(b) *Registered Form; Numbering.* The Bonds shall be issuable only as fully registered Bonds in authorized denominations, substantially in the form, appropriately completed, attached hereto as Exhibit A and made a part hereof. The Bonds shall be lettered “R,” and shall be numbered separately from “1” consecutively upward.

(c) *Date, Denominations, Interest Rate and Maturity.* The Bonds shall be dated the Closing Date, shall be issued in denominations of \$5,000 each or integral multiples thereof, shall bear interest at the rate of \_\_\_% payable semiannually on each Interest Payment Date to the Mandatory Tender Date, and thereafter at the Remarketing Rate, and shall mature on the Maturity Date.

(d) *Book Entry Form.* Initially, the Bonds shall be in Book Entry Form by issuing a single bond in the amount of \$\_\_\_\_\_, registered in the name of Cede & Co., as nominee for DTC. In the event DTC discontinues its service with respect to the Bonds and the Book Entry System is terminated, replacement Bonds shall be issued in authorized denominations.

(e) *Dates from Which Interest Payable.* The Bonds shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or, unless authenticated prior to the first Interest Payment Date, in which case it shall bear interest from its date; provided, however, if at the time of authentication of any Bond, the Issuer is in default with respect to the payment of interest thereon, such Bond shall bear interest from the date to which interest shall have been paid. Interest payable on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

(f) *Medium and Place of Payment.* Principal of and interest on the Bonds shall be payable in lawful money of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts, but only from the Revenues and any other monies made available to the Issuer for such purpose. Principal of the Bonds shall be payable at Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due, and upon the request of any registered owner of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, such principal shall be paid by wire transfer of immediately available funds from the Trustee to the bank and account number specified by such Owner in writing to the Trustee. Interest on the Bonds shall be payable to the registered Owners of the Bonds by check or draft mailed to such Owners at their addresses as they appear on registration books kept by the Trustee as Bond Registrar, or, upon the request of any registered Owner of Bonds having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the domestic bank and account number specified by such Owner in writing to the Trustee at least three (3) Business Days prior to the applicable payment date.

(g) *Form of Bonds.* The definitive Bonds, which may be printed, typewritten, photocopied, or otherwise reproduced, including the Trustee's Certificate of Authentication to be endorsed thereon, shall be substantially in the form as set forth in Exhibit A attached hereto with such appropriate variations, omissions and insertions as permitted or required by this Indenture.

(h) *Payments or Actions to be taken on Saturdays, Sundays and Holidays.* In any case where the date of any action required hereunder to be taken or the date of maturity of interest on or principal of the Bonds, shall not be a Business Day, then payment of interest or principal or the taking of such action need not be made or taken on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date such action was to be taken.

**Section 2.02. Source of Payment of Bonds.** The Issuer covenants that it will promptly pay the principal of and the interest on the Bonds only out of (a) the Revenues pledged for the payment thereof under this Indenture, (b) the amounts held in any fund or account created under this Indenture, other than amounts held in the Rebate Fund or the Expense Fund, and (c) from any other moneys held pursuant to the Trust Estate. Nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer. All the Bonds to be issued hereunder shall be equally and ratably secured, to the extent provided herein, by this Indenture.

**Section 2.03. Execution of Bonds.** The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chair or Vice Chair of the Issuer, and the seal of the Issuer or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or any Assistant Secretary of the Issuer. In case any authorized officer of the Issuer whose signature or a facsimile of whose signature shall appear on any of the Bonds shall cease to be an authorized officer of the Issuer before the delivery of such Bonds, such signature or

such facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if such authorized officer of the Issuer had remained in office until delivery. Any Bond may be signed on behalf of the Issuer by such authorized officers as are at the time of execution of such Bond proper officers of the Issuer, even though at the date of such Bond, such authorized officer was not such officer. Furthermore, it shall not be necessary that the same authorized officer of the Issuer sign all of the Bonds that may be issued hereunder at any one time or from time to time.

**Section 2.04. Certificate of Authentication.** Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in the form of the Bond herein provided and duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder. At the time of authentication of any Bond, the Trustee shall insert therein the date from which interest on such Bond shall be payable as provided in Section 2.01(e) hereof.

**Section 2.05. Authentication and Delivery of Bonds.** The Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchaser or purchasers as may be directed by the Issuer as provided in this Section. Prior to the authentication by the Trustee of the Bonds, there shall have been filed with the Trustee:

- (a) A copy, certified by an authorized officer of the Issuer, of the Resolutions adopted by the Issuer and the Board relating to the Bonds, authorizing the execution, delivery and performance of this Indenture and the Bond Loan Agreement;
- (b) A fully executed counterpart of this Indenture;
- (c) A fully executed counterpart of the Bond Loan Agreement, the Land Use Restriction Agreement, the Tax Certificates, the Continuing Disclosure Agreement, the Guarantor Documents and the original, fully executed Note;
- (d) An opinion of Bond Counsel to the effect that the interest payable on the Bonds is excludable from the gross income of the holder thereof for federal income tax purposes;
- (e) An opinion or opinions of counsel to the Issuer addressed to the Issuer and the Trustee to the effect that the Bonds and the Issuer Documents have been duly executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally, and with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose;
- (f) A request and authorization signed by an authorized officer of the Issuer authorizing the Trustee to authenticate and to deliver the Bonds to the purchaser or purchasers therein identified upon payment to the Trustee for the account of the Issuer of the amount specified in such request and authorization plus accrued interest, if any, thereon to the date of delivery;

- (g) written evidence from the Rating Agency confirming that the Bonds have been assigned a rating of “[AA+]”;
- (h) the Capitalized Interest Deposit, for deposit to the Capitalized Interest Account; and
- (i) copies of all initial financing statements to be filed by the Borrower upon issuance of the Bonds.

The proceeds from the sale of the Bonds shall be paid over directly to the Trustee and deposited to the credit of the Project Fund, as provided under Article VI hereof.

**Section 2.06. Temporary Bonds.** Until Bonds in definitive form are ready for delivery, the Issuer may execute, and upon its request in writing, the Trustee shall authenticate and deliver in lieu of any thereof, and subject to the same provisions, limitations and conditions, one or more printed, typewritten or photocopied Bonds in temporary form, substantially of the tenor of the Bonds herein described, and with appropriate omissions, variations and insertions. Such Bond or Bonds in temporary form shall be delivered in denominations authorized by this Indenture, may be numbered using the prefix “T” before any number thereon as authorized by this Indenture, and may bear a legend thereon setting forth the terms for the exchange thereof for Bonds in definitive form. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit of this Indenture. The Issuer shall, without unreasonable delay (unless the Holders of the Bonds issued in temporary form agree otherwise), prepare, execute and deliver to the Trustee, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form, the Trustee shall authenticate and deliver, in exchange therefor, a Bond in a definitive authorized form in authorized denominations, of the same maturity or maturities, bearing the same interest rate or rates and for the same aggregate principal amount as the Bond in temporary form surrendered. Such exchange shall be made by the Issuer at the Borrower’s expense and without making any charge to the Holders of the Bonds therefor.

**Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds.** In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. The Trustee may, with the consent of the Holder, provide to the Holder a typewritten (or similarly reproduced) Bond certificate in lieu of a printed Bond certificate. In the event any such Bond shall have matured, instead of issuing a duplicate Bond the Trustee may pay the same without surrender thereof. The Issuer and the Trustee may charge the Holder of such Bond their expenses and reasonable fees, if any, in connection with the preparation, execution and authentication of a replacement Bond.

**Section 2.08. Registration, Negotiability, Transfer and Exchange of Bonds.** All of the Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration and transfer contained in this Indenture and in the Bonds. So long as any of the Bonds shall remain outstanding, the Issuer shall maintain and keep at the Trust Office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at such office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as the Issuer or the Trustee may prescribe, any Bond entitled to registration or transfer.



Each Bond shall be transferable only upon the books of the Issuer maintained for such purpose by the Trustee, at the written request of the registered Owner thereof or his attorney duly authorized in writing, upon presentation and surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond, the Issuer shall issue, and the Trustee shall authenticate, in the name of the transferee, in Authorized Denominations, a new Bond or Bonds without coupons of the same aggregate principal amount, series, maturity and interest rate as the surrendered Bond.

The Issuer and the Trustee shall deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Issuer as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

For every exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Indenture to the contrary, any expenses of the Issuer or the Trustee incurred in connection therewith (except any applicable tax or other governmental charge) shall be paid by the Borrower as required by the Bond Loan Agreement. The Issuer shall not be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding an Interest Payment Date.

The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**Section 2.09. Limited Obligation.** NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED BY THE ISSUER FOR THE PAYMENT THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL BE SOLELY THE OBLIGATIONS OF THE ISSUER AND NOT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL BE PAYABLE SOLELY OUT OF THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM THE FUNDS AND ACCOUNTS HELD UNDER AND PURSUANT TO THIS INDENTURE AND SUCH OTHER PROPERTY CONSTITUTING THE TRUST ESTATE PLEDGED HEREUNDER. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

**Section 2.10. Cancellation and Destruction of Bonds.** All Bonds which have been surrendered for payment, cancellation or for registration of transfer or exchange pursuant to Section 2.08 hereof shall be cancelled and destroyed by the Trustee and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer and, upon written request therefor, to the Borrower. Any Bonds so cancelled may be retained by the Trustee for such period of time as the Trustee may determine and shall be destroyed by the Trustee at the end of such period. Any Bond so cancelled shall thereafter no longer be considered Outstanding for any purpose of this Indenture or the Bond Loan Agreement.

**Section 2.11. Book Entry System.**

(1) Except as provided in subparagraph 3 of this Section 2.11, the registered owner of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. (“Cede”), as nominee of The Depository Trust Company (“DTC”). Payment of semi-annual interest for any Bonds shall be made by transfer of same day funds to the account of Cede on the Interest Payment Date at the address indicated for Cede in the registration books of the Issuer kept by the Trustee.

(2) The Bonds shall be initially issued in the form of a separate single fully registered bond in the amount of each separately stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registry books of the Issuer kept by the Trustee in the name of Cede, as nominee of DTC. With respect to Bonds registered in the registry books kept by the Trustee in the name of Cede, as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any participant of DTC (a “Participant”) or to any person for whom a Participant acquires an interest in the Bonds (a “Beneficial Owner”). Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, or (iii) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Issuer and the Trustee may treat as and deem DTC to be the absolute owner of each Bond for the purpose of payment of the principal of and interest on such Bond, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. Payments of principal may be made without requiring the surrender of the Bonds, and the Issuer and Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Bonds the payment of such principal. No person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal of and interest on the Bonds pursuant to the Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word “Cede” in the Indenture shall refer to such new nominee of DTC.

(3)(a) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is not a successor securities depository), Bond certificates will be delivered as described in the Indenture.

(b) The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that: (i) DTC is unable to discharge its responsibilities with respect to the Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds. In the event that no substitute securities depository is found by the Issuer, or restricted registration is no longer in effect, Bond certificates will be delivered as described in this Indenture.

(c) Upon the termination of the services of DTC with respect to the Bonds pursuant to subparagraph (3)(b)(ii) of this Section 2.11, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subparagraph (3)(a) or subparagraph (3)(b)(i) of this Section 2.11 after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

(4) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the applicable Representation Letter of the Issuer addressed to DTC, dated the date of delivery and issuance of the Bonds.

(5) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Issuer or the Trustee with respect to any consent or other action to be taken by the Bondholders, the Issuer or the Trustee, as the case may be, shall establish a special record date for such consent or other action and give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(6) In connection with any proposed transfer outside the Book-Entry Only system, the Issuer, the Borrower or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**Section 2.12. Non-Presentation of Bonds.** Subject to the provisions of Section 11.21 hereof, in the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liability of the Issuer to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on its part under the Indenture or on, or with respect to, such Bond. Any such Bonds shall cease to bear interest on the specified maturity and such Bonds or portions thereof shall no longer be protected by or subject to the benefit or security of this Indenture and shall not be deemed to be outstanding under the provisions of this Indenture.

### ARTICLE III

#### REDEMPTION, MANDATORY TENDER OF BONDS

**Section 3.01. No Optional Redemption of Bonds.** The Bonds are not subject to redemption prior to the Mandatory Tender Date.

**Section 3.02. Mandatory Tender.**

(a) The Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date and shall be purchased at a price equal to 100 percent of the principal amount of such Bonds, plus accrued interest, if any, to the Mandatory Tender Date, and without premium. No later than 10:00 a.m. Eastern time, on the Mandatory Tender Date, the Holders shall deliver the Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Eastern time on the Mandatory Tender Date, in the following priority: (i) amounts representing proceeds of remarketed Bonds received pursuant to Section 3.05(c) hereof, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund and the Project Fund, to pay the principal amount of Bonds tendered for purchase, (iii) amounts on deposit in the Capitalized Interest Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase, and (iv) any other Preference Proof Moneys available or made available for such purpose at the written direction of the Borrower Representative.

(b) In the event that the conditions set forth in Section 3.04 hereof are not satisfied and/or the Trustee shall not have received remarketing proceeds on the Mandatory Tender Date equal to the principal amount of the Bonds Outstanding on such date, the Bonds shall be purchased in whole on the Mandatory Tender Date using amounts on deposit in the Collateral Fund, the Project Fund and the Bond Fund, and, immediately following such purchase, the Bonds shall be deemed redeemed on the Mandatory Tender Date and cancelled by the Trustee.

(c) Not less than 30 days before the Mandatory Tender Date, the Trustee shall give written notice of tender and remarketing to the Holders by first class mail, postage prepaid, at their respective addresses appearing on the Bond Register. The notice shall state the Mandatory Tender Date and that:

- (1) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date and must be tendered for purchase on the Mandatory Tender Date;

- (2) all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date;
- (3) Holders will not have the right to elect to retain their Bonds and any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date; and
- (4) the address of the office of the Trustee at which Holders should deliver their Bonds for purchase on the Mandatory Tender Date.

If notice is given as stated in this section, failure of any Holder to receive such notice, or any defect in the notice, shall not affect the remarketing or the validity of the proceedings for the remarketing of the Bonds.

### **Section 3.03. Duties of Remarketing Agent.**

The Remarketing Agent shall do the following in connection with the remarketing of the Bonds:

(a) Not less than ten (10) days before the Mandatory Tender Date, the Remarketing Agent shall offer for sale and use its best efforts to sell Bonds on the Mandatory Tender Date at a price equal to one hundred percent (100%) of the principal amount of such Bonds plus accrued interest, if any.

(b) Establishment of Interest Rate In Connection With Remarketing of Bonds.

- (1) Establishment of Interest Rate. From and after the Mandatory Tender Date, the Bonds shall bear interest at the Remarketing Rate determined pursuant to this subsection. Any Remarketing Rate determined by the Remarketing Agent and taking effect pursuant to this Indenture for a remarketing period shall be conclusive and binding for the purposes of this Indenture upon the Trustee, the Issuer, the Borrower, and the Holders.
- (2) Determination of Remarketing Rate. The Remarketing Agent shall determine the Remarketing Rate on or before the Mandatory Tender Date. The Remarketing Rate shall be the minimum rate of interest necessary, in the professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the Mandatory Tender Date at par for the period beginning on the Mandatory Tender Date and ending on or before the final Maturity Date of the Bonds.
- (3) Notice. Immediately upon determining the Remarketing Rate, the Remarketing Agent shall give notice to the other Remarketing Notice Parties. In no event shall the Remarketing Agent give its notice later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate.

### **Section 3.04. Conditions Precedent to Remarketing of Bonds and Notice.**

(a) Conditions Precedent to Remarketing of Bonds. The remarketing of the Bonds on the Mandatory Tender Date is subject to the satisfaction of each of the following conditions precedent not less than four Business Days before the Mandatory Tender Date:

- (1) The Trustee has received written notice from the Remarketing Agent that all of the Bonds have been remarketed and that the proceeds from the remarketing are expected to be available to the Trustee on the Mandatory Tender Date and deposited into the Bond Fund in an amount equal to the principal amount of the Bonds.
- (2) The Trustee has received written notice from the Issuer that the Issuer has approved as to form and substance any disclosure document or offering materials which, in the opinion of counsel to the Issuer and the Remarketing Agent, are necessary to be used in connection with the remarketing of the Bonds.
- (3) The Trustee has received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then current rating assigned to the Bonds will continue to be effective on the Mandatory Tender Date.
- (4) The Trustee has received an opinion of Bond Counsel to the effect that the remarketing of the Bonds will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.
- (5) The Trustee has received an amount necessary to cover negative arbitrage, if any, in connection with remarketed Bonds as determined by the Remarketing Agent, through the Maturity Date or some other date as set by the Remarketing Agent.

(b) Notice of Satisfaction of Conditions Precedent. If the conditions set out in subsection (a) are satisfied, the Trustee shall immediately give notice to the other Remarketing Notice Parties stating that (i) all conditions precedent to the remarketing of the Bonds have been satisfied and (ii) the remarketing and settlement of the Bonds is expected to occur on the Mandatory Tender Date.

### **Section 3.05. Remarketing of Bonds.**

(a) Delivery of Bonds by Holder for Purchase. Each Holder must deliver its Bonds to the Trustee for purchase not later than 10:00 a.m. Eastern time on the Mandatory Tender Date. Bonds received by the Trustee shall be held by the Trustee in trust for the tendering Holders pending receipt of funds for the payment of such Bonds.

(b) Untendered Bond. Any Bond which is not tendered on the Mandatory Tender Date (an “Untendered Bond”) will be deemed to have been tendered to the Trustee as of such Mandatory Tender Date, and, from and after such Mandatory Tender Date shall cease to bear interest and no longer will be considered to be outstanding. In the event of a failure by owners to deliver Bonds on the Mandatory Tender Date, such Holders will not be entitled to any payment (including any interest to accrue from and after the Mandatory Tender Date) other than the purchase price for such Untendered Bond, and any Untendered Bond will no longer be entitled to

the benefits of this Indenture, except for the purpose of payment of the purchase price for such Untendered Bond.

(c) **Delivery of Purchase Price of Remarketed Bonds.** The Remarketing Agent shall give notice to the Remarketing Notice Parties no fewer than four (4) days prior to the Mandatory Tender Date specifying the names, addresses and taxpayer identification numbers of the purchasers of, and the principal amount and denominations of, such Bonds, if any, for which it has found purchasers. The Remarketing Agent shall instruct such purchasers to deliver to the Trustee, no later than 11:00 a.m. Eastern time on the Mandatory Tender Date, in immediately available funds, remarketing proceeds to the extent the Bonds have been successfully remarketed. Upon receipt by the Trustee of such amount from such purchasers, the Trustee shall transfer the registered ownership of the Bonds to the respective new purchasers and deliver such Bonds to such purchasers. Moneys deposited with the Trustee for the purchase of Bonds shall be held in trust in the Bond Fund and shall be paid to the tendering Holder upon presentation of its Bonds at the designated office of the Trustee.

(d) **Notice of Remarketing to Holders of Untendered Bonds.** The Trustee shall promptly give notice by registered or “certified first class” mail, postage prepaid, to each Holder of Bonds whose Bonds are deemed to have been purchased stating that interest on such Bonds ceased to accrue on the date of purchase and that moneys representing the purchase price of such Bonds are available against delivery of such Bonds at the designated office of the Trustee.

### **Section 3.06. Concerning the Remarketing Agent.**

The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Bonds. The Remarketing Agent shall provide to the Trustee its designated office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower and the Trustee. In addition, the Remarketing Agent will agree particularly to:

(a) keep such records relating to its computations of interest rates for the Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee, the Borrower and the Investor Limited Partner at all reasonable times; and

(b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent’s obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent’s obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints.

### **Section 3.07. Qualification of Remarketing Agent.**

The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower, the Investor Limited Partner and the Trustee. The Remarketing Agent may be removed, with prior notice to the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Bonds are then rated) and to the Holders of the Bonds.

## ARTICLE IV

### REVENUES AND FUNDS

**Section 4.01. Creation of Funds.** The following trust funds are hereby created by the Issuer and ordered established and held separately with the Trustee to be used for the purposes as hereinafter provided in this Indenture:

(a) *Bond Fund.* "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) - Bond Fund" (herein referred to as the "Bond Fund"), and within the Bond Fund, a "Capitalized Interest Account," which Fund and the account therein shall be administered as provided in Sections 4.02 and 4.06 hereof.

(b) *Project Fund.* "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) - Project Fund" (herein referred to as the "Project Fund"), and within the Project Fund, a "Proceeds Account", and an "Equity Account", which Fund and the accounts therein shall be administered in accordance with the provisions of Section 6.02 of this Indenture.

(c) *Rebate Fund.* "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) - Rebate Fund" (herein referred to as the "Rebate Fund"), which Fund shall be administered in accordance with the provisions of Section 5.01 of this Indenture. Moneys held in the Rebate Fund are not held for the benefit of the Owners and are not part of the Trust Estate.

(d) *Expense Fund.* "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) - Expense Fund" (herein referred to as the "Expense Fund"), which Fund shall be administered in accordance with the provisions of Section 4.07 of this Indenture. Moneys held in the Expense Fund are not held for the benefit of the Owners and are not part of the Trust Estate.

(e) *Collateral Fund.* "Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) - Collateral



Fund” (herein referred to as the “Collateral Fund”), which Fund shall be administered in accordance with the provisions of Section 4.03 of this Indenture.

(f) *Cost of Issuance Fund.* “Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) - Cost of Issuance Fund” (herein referred to as the “Cost of Issuance Fund”), and within the Cost of Issuance Fund, an “Issuer Costs of Issuance Account” and a “Borrower Costs of Issuance Account,” which Fund and the accounts therein shall be administered in accordance with the provisions of Section 4.04 of this Indenture. Moneys held in the Cost of Issuance Fund (other than amounts derived from the proceeds of the Bonds) are not held for the benefit of the Owners and are not part of the Trust Estate.

**Section 4.02. Deposits into the Bond Fund.** All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein) or the Collateral Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent of any fees, costs or expenses described in Section 4.07 hereof which are due and payable, and then to the Bond Fund. In accordance with the last sentence of Section 11.04, for so long as the Bonds are outstanding hereunder, funds on deposit in the Proceeds Account of the Project Fund, the Collateral Fund or the Bond Fund (including the Capitalized Interest Account therein) shall not be deposited in the Expense Fund or otherwise used to pay fees, costs or expenses described in Section 4.07 hereof.

In connection with the issuance of the Bonds, certain moneys may be deposited with the Trustee before the closing date pursuant to one or more letters of instruction from the provider or providers of such moneys. Such moneys will be held by the Trustee subject to the terms and conditions of this Indenture in addition to terms provided in such letter(s) of instruction. For such purpose the standards of care, provisions regarding responsibilities and indemnification and other sections relating to the Trustee contained in this Indenture and the Bond Loan Agreement (the “Effective Provisions”) shall be effective as of the first date of receipt by the Trustee of such moneys. The Effective Provisions shall be deemed incorporated into such letter(s) of instructions.

**Section 4.03. Use of Moneys in Collateral Fund.** Upon receipt from the FHA Lender of the proceeds of (a) the sale of a GNMA security, (b) a draw on FHA Lenders’ warehouse line of credit, or (c) from funds otherwise provided by FHA Lender (the “FHA Lender Collateral Deposit”), the Trustee shall deposit such amounts to the Collateral Fund and concurrently disburse an equal amount of Bond proceeds from the Project Fund to the FHA Lender or its designee. If the Trustee is unable to concurrently disburse funds from the Project Fund to the FHA Lender or its designee, it shall immediately return such funds comprising the FHA Lender Collateral Deposit to the FHA Lender via wire transfer. Together with amounts on deposit in the Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due.

**Section 4.04. Use of Moneys in the Cost of Issuance Fund.**

(a) *Deposits into the Cost of Issuance Fund.* On or before the Closing Date the Borrower shall deliver the Cost of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Cost of Issuance Deposit into the Issuer Cost

of Issuance Account and/or the Borrower Cost of Issuance Account of the Cost of Issuance Fund as designated in the closing memorandum prepared by the Underwriter and executed by the Borrower and the Issuer in connection with the issuance of the Bonds.

(b) *Disbursements from the Cost of Issuance Fund.* Except as otherwise provided in this Section 4.04, the amounts deposited in the Cost of Issuance Fund shall be expended for Costs of Issuance and for no other purpose. The Issuer shall deliver to the Trustee the Requisition in the form attached hereto as Exhibit C-1, executed by the Issuer, specifying in detail the amount which constitutes the Issuer Costs of Issuance to be paid or reserved to be paid under this Section, and the respective firms or persons to whom such payments are to be made. The Borrower shall deliver to the Trustee the Requisition in the form attached hereto as Exhibit C-2, executed by the Borrower (and approved by the FHA Lender), specifying in detail the amount which constitutes Borrower Costs of Issuance to be paid or reserved to be paid under this Section, and the respective firms or persons to whom such payments are to be made. The Trustee shall make the payments specified therein concurrently with or as soon as may be practicable after the delivery of the Bonds.

(c) *Disposition of Remaining Amounts.* Any moneys remaining in the Cost of Issuance Fund twelve months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower upon the written instruction to the Trustee from the Borrower, in accordance with Section 4.06 hereof. Upon final disbursement, the Trustee shall close the Cost of Issuance Fund.

**Section 4.05. Use of Moneys on Deposit in the Bond Fund; Application of Loan Payments.**

The funds on deposit in the Bond Fund shall be used by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made, whether by maturity, mandatory tender, or on a scheduled Interest Payment Date.

In the event that amounts on deposit in the Bond Fund on any Interest Payment Date, the Mandatory Tender Date, the Maturity Date or such other Bond payment date are insufficient to make the payment of principal of or interest on the Bonds when due, the Trustee shall transfer funds in the following order to the Bond Fund and use such funds, together with amounts then on deposit in the Bond Fund, to make such payments when due:

- (a) first, from amounts on deposit in the Capitalized Interest Account within the Bond Fund;
- (b) second, from amounts on deposit in the Collateral Fund; and
- (c) third, from amounts on deposit in the Project Fund.

So long as there are any Outstanding Bonds, payments due under the Note and the Bond Loan Agreement shall be deemed made by the Trustee's transfer of funds on each Interest Payment Date from the Capitalized Interest Account within the Bond Fund or from the Collateral Fund to the Bond Fund, in an amount necessary to pay the interest on and principal (if any) of the Bonds.

**Section 4.06. Payment to Borrower of Excess Moneys.** Any amounts remaining in the Cost of Issuance Fund after the payment in full of all Costs of Issuance shall be paid to the Borrower in accordance with Section 4.04 hereof, and any amounts remaining in the Collateral Fund or the Bond Fund (except for amounts then held by the Trustee in the Bond Fund for payment of principal of, or interest on, any of the Bonds) after payment in full of the principal of and interest on, the Bonds, payment of any and

all fees and expenses due in accordance with this Indenture and the Bond Loan Agreement, and payment of all other costs associated with the discharge of the Bonds (or provision for payment thereof having been made as provided in Section 9.01 hereof) shall, upon written instruction to the Trustee from the Borrower (with a copy to the Issuer), be paid to the Borrower upon the expiration or sooner termination of the Term of Agreement.

**Section 4.07. Expense Fund.** The Trustee shall deposit amounts received from the Borrower for the purpose of paying Trustee's Fees, the Issuer Fee, and any other fees and expenses required under the Bond Loan Agreement into the Expense Fund. The Trustee shall pay such amounts to the proper persons on the dates and in the amounts due when evidenced by a written invoice and written instruction of the Borrower or the Issuer to pay such amount. Amounts on deposit in the Expense Fund shall be withdrawn or maintained, as appropriate by the Trustee to pay (i) to the Issuer, the Issuer Fee, (ii) to the Trustee, the Trustee's Fee, (iii) upon receipt, to the Trustee, any amounts due to the Trustee which have not been paid, other than amounts paid in accordance with clause (ii) hereof, and (iv) upon receipt, to, or at the written direction of, the Issuer, the Issuer Fee due and unpaid, other than amounts paid in accordance with clause (i) above.

## ARTICLE V

### REBATE

**Section 5.01. Rebate Fund; Rebate Requirement.** The Trustee shall deposit into the Rebate Fund amounts paid by the Borrower pursuant to the Tax Certificates.

(a) The determination of the Rebate Requirement shall be made in accordance with the Arbitrage Rebate Agreement and the Rebate Requirement shall be paid at such times and in such installments as provided therein. The Borrower shall designate the Rebate Analyst. As further provided in the Arbitrage Rebate Agreement, the Borrower shall be responsible for causing the rebate calculations to be calculated by the Rebate Analyst and paying the Rebate Requirement.

(b) Neither the Issuer nor the Trustee shall be obligated to pay any portion of the Rebate Requirement (except from funds on deposit in the Rebate Fund). In addition, neither the Issuer nor the Trustee shall have any responsibility with respect to the calculation of the Rebate Requirement.

(c) Any moneys held as part of the Rebate Fund and not immediately required to be paid to the United States pursuant to the Arbitrage Rebate Agreement shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Government Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Government Obligations, including any such fund maintained by the Trustee or an affiliate thereof, having maturities consonant with the need for moneys as estimated by the Borrower. In connection with the investment of moneys held as part of the Rebate Fund, the provisions of Section 7.03 hereof control regarding the crediting to the Rebate Fund of interest and other income received on the investment of moneys held as part of the Rebate Fund.

(d) As provided in the Arbitrage Rebate Agreement, the Borrower is required to (i) obtain a rebate calculation with respect to the Rebate Requirement with respect to the Mandatory Tender Date, the Maturity Date or the earlier date upon which all of the Bonds have been redeemed or defeased in a timely manner and either (ii)(A) pay to the Trustee for deposit into the Rebate Fund an amount of money as determined by such calculation within 30 days of

such calculation or (B) provide the Trustee and the Issuer with written notice (signed by the Borrower Representative and the Rebate Analyst) that (1) no deposit is required or (2) the amount in the Rebate Fund is in excess of the amount required to be on deposit as determined by the most recent rebate calculation, in which case the Trustee shall, with the prior written consent of the Issuer, pay such excess over to the Borrower. If the Trustee does not receive either of the items required in (ii)(A) or (ii)(B) above within 30 days after the Maturity Date, the Trustee shall notify the Issuer; provided, however, that the Trustee shall not incur any liability if it should fail to provide such notice. The Borrower shall provide copies of all rebate calculations to the Issuer upon submission by the Rebate Analyst.

## ARTICLE VI

### CUSTODY AND APPLICATION OF BOND PROCEEDS

**Section 6.01. Custody and Application of Project Fund.** The proceeds received upon the issuance and sale of the Bonds shall be deposited in the Proceeds Account of the Project Fund.

**Section 6.02. Procedure for Making Disbursements from Project Fund.** Disbursements from the Project Fund shall be made upon the receipt by the Trustee of the following and shall be used solely to pay Costs of the Development incurred in connection with the acquisition and rehabilitation of the Development: (1) a request or requests therefor executed by the Borrower Representative and the FHA Lender, upon a Requisition in substantially the form attached as Exhibit B hereto in the case of requisitions from the Proceeds Account and/or the Equity Account, executed by the Borrower, (2) certification by a Borrower Representative that, in the case of amounts requisitioned from the Proceeds Account, such Costs of the Development are Qualified Project Costs, and (3) in the case of requisitions from the Proceeds Account, confirmation from the Trustee that an amount equal to the requested disbursement has been received by the Trustee and deposited to the Collateral Fund in accordance with this Indenture. Together with amounts on deposit in the Proceeds Account of the Project Fund and the proceeds of the Bridge Loan on deposit in the Capitalized Interest Account, if any, amounts on deposit in the Bond Fund and the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due.

Each Requisition shall be made in accordance with the FHA Lender Loan Documents and HUD requirements together with a written request signed by a Borrower Representative substantially in the form attached to the [Bond Loan Agreement] as Exhibit [G]. Upon approval of a Requisition by the FHA Lender (each an "Approved Advance") and, if required, HUD, the FHA Lender shall deliver to the Trustee an amount equal to the Approved Advance to be held by the Trustee and to be deposited into the Collateral Fund, together with the Requisition signed by the Borrower requesting a disbursement from the Project Fund in an amount equal to the Approved Advance. In the event that for any reason the Trustee is not prepared to promptly disburse funds from the Project Fund, the Trustee shall not deposit the amount of the Approved Advance in the Collateral Fund, shall so inform the FHA Lender and the Borrower and shall return such deposit to the FHA Lender in accordance with the written instructions of the FHA Lender.

Notwithstanding any provision of the Agreement or any other provision of this Indenture to the contrary, the Trustee shall not disburse moneys from the Project Fund, other than to pay principal and/or interest payments on the Bonds in accordance with Section 4.05 hereof, unless and until the Trustee

receives satisfactory evidence that a FHA Lender Collateral Deposit in an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund. Prior to making any disbursement, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund, (ii) the Capitalized Interest Account, (iii) the Project Fund and (iv) the Bond Fund, will be sufficient to pay principal of and interest on the Bonds as and when they become due to the Maturity Date. Upon satisfaction of the conditions precedent set forth in this Section 6.02, and notwithstanding anything in the Bond Documents to the contrary, once the FHA Lender deposits the FHA Lender Collateral Deposit the Trustee is irrevocably and unconditionally obligated to disburse an equal amount of moneys from the Project Fund in accordance with approved Requisitions.

All disbursements from the Project Fund will be made by the Trustee directly to the Borrower or other party entitled to payment for which payment is requested by the Borrower, or shall be transferred to the Bond Fund.

The Trustee and the Issuer shall not in any event be responsible or liable to any person (other than the Borrower, but only in the case of the Trustee and only in the event of a failure by the Trustee to make disbursements following request for disbursements in accordance with this Indenture, when such failure is within the Trustee's control, and after notice of such failure and a 3-day opportunity to cure such failure) for the disbursement of, or failure to disburse, moneys from the Project Fund, or any part thereof, and no contractor, subcontractor or material or equipment supplier shall have any right or claim against the Trustee or the Issuer under this Indenture.

The Borrower covenants in the Bond Loan Agreement that the proceeds of the Bonds, paid directly from the Project Fund shall be used or deemed used exclusively to pay Costs of the Development that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code, and (ii) are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code and that for the greatest number of buildings the proceeds of the Bonds shall be deemed allocated on a pro rata basis to each building in the Development and the land on which it is located so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any Person, including without limitation, the Borrower, the General Partner, any other affiliate of the Borrower or the Holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty.

**Section 6.03. Trustee May Rely on Requisitions and Certifications.** In making any such disbursement from the Project Fund, the Trustee may rely on any Requisition delivered to it pursuant to Section 6.02 hereof, and the Trustee shall be relieved of all liability with respect to making such payments in accordance with any such Requisition.

**Section 6.04. Completion of Development.** The completion of the rehabilitation of the Development and the payment of all costs and expenses incident thereto shall be evidenced for the Development by the filing with the Trustee of (a) the Completion Certificate, and (b) a certificate signed by the Borrower Representative stating that all obligations and Costs of the Development, have been paid and discharged except for Costs of the Development not then due and payable or then in dispute as provided in the Bond Loan Agreement. Additionally, the Borrower has agreed pursuant to Section 3.06 of the Bond Loan Agreement that in the event that there are insufficient moneys available in the Project Fund to pay the Costs of the Development, the Borrower will complete the rehabilitation of the Development and pay the portion of the Costs of the Development in excess of the moneys available therefor in the Project Fund.

## ARTICLE VII

### INVESTMENT OF FUNDS AND ACCOUNTS

**Section 7.01. Investment.** On the Closing Date, moneys on deposit in the Project Fund will be held by the Trustee uninvested until disbursed to the Borrower on the Closing Date in accordance with an approved Requisition.

Amounts on deposit in the Collateral Fund and the Bond Fund shall be invested at all times in Permitted Investments.

The Trustee is hereby directed to purchase in advance for delivery on the Closing Date, a portfolio of Government Obligations maturing on or before the Mandatory Tender Date, in accordance with the written directions of a Borrower Representative, with respect to the investment of certain amounts on deposit in the Project Fund, if any, the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein), the principal and interest of which, along with amounts on deposit in the Capitalized Interest Account, if any, will be sufficient to pay principal and interest on the Bonds when due. All interest earned from the foregoing investments shall be deposited in the Bond Fund. In the event that any investments in the Project Fund, the Bond Fund, or the Collateral Fund must be liquidated prior to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date, such investments shall be liquidated under the Indenture.

Any investment hereunder shall not bear a yield that would constitute a failure to comply with Section 148 of the Code. The Trustee may not sell any investment at a loss, unless being sold pursuant to Section 7.03 or in connection with an acceleration as set forth in Section 10.01 hereof.

As long as no Event of Default (as defined in Section 10.01 hereof) shall have occurred and be continuing, the Borrower shall have the right to designate the investments to be sold and to otherwise direct the Trustee in writing in the sale or purchase of the investments made with the moneys in the Collateral Fund provided that the Trustee shall be entitled to conclusively assume the absence of any such Event of Default unless it has notice thereof; if there has been an Event of Default, the Trustee shall have said right.

The investments described in each of the above paragraphs shall be made by the Trustee pursuant to the direction provided hereby and in accordance with the written direction of the Borrower to be provided on the Closing Date, which shall remain in effect until further written direction is provided by the Borrower. In the absence of investment instructions from the Borrower, the Trustee shall invest the moneys held in the Bond Fund or Collateral Fund in money market funds described in part (iii) of the definition of Permitted Investments.

Amounts, if any, on deposit in the Cost of Issuance Fund, until disbursed or returned to the Borrower pursuant to Section 4.04(c) hereof, shall be invested in Permitted Investments, with respect to amounts on deposit in the Issuer Costs of Issuance Account at the written direction of the Issuer, and with respect to amounts on deposit in the Borrower Costs of Issuance Account, at the written direction of the Borrower. The Expense Fund shall be invested in Permitted Investments at the direction of the Issuer. In the absence of written investment instructions from the Borrower or the Issuer, as applicable, the Trustee shall not be responsible or liable for keeping the moneys held in the Cost of Issuance Fund or the Expense Fund hereunder fully invested in Permitted Investments.

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

The Trustee may conclusively rely upon the Borrower's written instructions as to the suitability, legality and yield compliance of the directed investments. The Trustee shall have no liability for any loss, expense or liability incurred as a result of such investment made in accordance with directions of the Borrower or the Issuer, as applicable.

**Section 7.02. Investment of Rebate Fund.** Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Government Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Government Obligations, including any such fund maintained by the Trustee or an affiliate thereof having maturities consistent with the need for funds as estimated by the Borrower. In the absence of investment instructions from the Borrower Representative, the Trustee shall not be responsible or liable for keeping the moneys held as part of the Rebate Fund invested.

**Section 7.03. Accounting for Termination of Investments; No Arbitrage.** Subject to Section 7.01 herein, in the event the moneys in the Collateral Fund have been invested in Permitted Investments and the Permitted Investment at any time and for any reason fails to satisfy the requirements of Section 7.01 hereof, the Trustee shall, at the written direction of a Borrower Representative and with the written approval of the Rating Agency, terminate any such investment, and the proceeds of such termination, shall be credited to the Collateral Fund.

All investment earnings on moneys or any investment held in any fund or account created hereunder (other than the Rebate Fund, which shall be credited to the Rebate Fund) shall be credited to the fund or account in which such invested funds are deposited.

If the Issuer is of the opinion, upon receipt of advice of Bond Counsel, that it is necessary to restrict or limit the yield on the investment of any moneys, securities or other obligations paid to or held by the Trustee hereunder in order to comply with the provisions of the Documents intended to prevent any Bonds from being considered "arbitrage bonds" within the meaning of Section 148 of the Code, an authorized officer of the Issuer may give written notice to the Trustee and the Borrower to such effect (together with appropriate written instructions), in which event the Trustee will take such action as is set forth in such written instructions to restrict or limit the yield on such investment so as to comply with Section 148 of the Code.

**Section 7.04. Trustee's Own Bond or Investment Department.** The Trustee may make any and all investments permitted under Section 7.01 hereof through its own bond or investment department or that of any affiliate and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although the Issuer and the Borrower each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Borrower hereby agree that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account hereunder if no activity occurred in such fund or account during such month.

**Section 7.05. Moneys to be Held in Trust.** Subject to Section 4.07 hereof, all moneys required to be deposited with or paid to the Trustee for account of the Collateral Fund, the Bond Fund or the Project Fund under any provision of this Indenture shall be held by the Trustee in trust, and shall,

while held by the Trustee, constitute part of the Trust Estate and be subject to the lien and claim created by this Indenture. The Trustee, acting in its capacity as Trustee and not as sponsor, advisor or manager in connection with any investments hereunder, shall not be liable for any loss arising from investments made in accordance with this Section, or for any loss resulting from the redemption or sale of any such investments as authorized by this Section.

## ARTICLE VIII

### GENERAL COVENANTS

**Section 8.01. Payment of Bonds.** Each and every covenant made in this Indenture, including all covenants made in the several sections of this Article VIII, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall be payable solely (a) from Revenues, which are specifically assigned to secure the payment of the Bonds in the manner and to the extent specified in this Indenture, (b) from the moneys held in the funds and accounts created under this Indenture, except for amounts held in the Rebate Fund, the Cost of Issuance Fund (other than amounts on deposit in the Costs of Issuance Fund derived from proceeds of the Bonds) and the Expense Fund, and (c) from any other moneys held pursuant to the Trust Estate. Nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer.

The Issuer covenants that it will cause to be paid, as provided herein, the principal of and interest on the Bonds from the Trust Estate at the place, on the date and in the manner provided herein and in the Bonds.

The Revenues due under the Note are to be remitted by the Borrower directly to the Trustee for the account of the Issuer and constitute a part of the Trust Estate and are subject to the lien and claim created by this Indenture. The moneys held by the Trustee in the Bond Fund (including the Capitalized Interest Account therein) and the Collateral Fund shall be used to make timely payment of the principal of and interest on the Bonds. Such amounts are to be sufficient in amount at all times to pay the principal of and interest on the Bonds to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date. The entire amount of Revenues and the entire amount of moneys held in the Bond Fund (including the Capitalized Interest Account therein) and the Collateral Fund are assigned to secure the payment of the principal of and interest on the Bonds.

**Section 8.02. Performance of Covenants.** The Issuer covenants that it will faithfully perform at all times any and all applicable covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto, subject, however to the limitations set forth in Section 2.09 hereof. The Issuer covenants that it is duly authorized under the laws of the State to issue the Bonds, to enter into this Indenture and the Bond Loan Agreement and to assign the Revenues, and that, upon issuance, authentication, and delivery, the Bonds are and will be valid and enforceable limited obligations of the Issuer according to the import thereof.

**Section 8.03. Maintenance of Existence; Compliance with Laws.** The Issuer will (i) maintain its corporate existence or assure the assumption of its obligations under this Indenture by any public body succeeding to its powers under the Act, and (ii) comply with all valid material acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to this Indenture and the Bond Loan Agreement.

**Section 8.04. Enforcement of Borrower Obligations.** So long as any of the Bonds are Outstanding, the Issuer will cooperate with the Trustee in enforcing the obligations of the Borrower to



pay, or cause to be paid, all the payments and other costs and charges payable pursuant to the Bond Loan Agreement and the Note. Nothing contained in this Section or in any other Section of this Indenture shall be deemed to modify the provisions of the Act and Section 2.09 hereof or require that the Issuer expend any of its own funds or assets to enforce the obligations of the Borrower under the Documents.

**Section 8.05. Further Assurances, Instruments and Actions.** The Issuer will from time to time execute and deliver such further instruments, conveyances, assignments and transfers and take such further actions as may be reasonable and as may be required to better assure, convey, grant, assign or confirm the Trust Estate and all other rights, revenues or funds pledged, assigned or intended to be so pledged or assigned hereunder for the benefit of the owners of the Bonds; provided, however, that no such instruments or actions shall pledge the credit or taxing power of the State, the Issuer or any other political subdivision of the State, or create or give rise to any monetary obligation or liability of the Issuer. The Issuer has no taxing power.

**Section 8.06. Priority of Pledge.** The Issuer covenants and agrees that it will not create any lien or claim upon the Revenues other than the liens and claims hereby created. Except for the assignment to the Trustee, the Issuer will not sell, lease or otherwise dispose of or encumber any of the Revenues, and will cooperate in causing to be discharged or satisfied any lien or charge on any part of the Trust Estate.

**Section 8.07. Books and Documents Open to Inspection.**

The Issuer and the Trustee each hereby covenants and agrees that all books and documents in its possession relating to the Bonds, the Development, and the moneys, revenues and receipts derived from the Development, if any, that shall at any time be in its possession, shall, within a reasonable time of a written request by the Trustee or the Issuer, as applicable, or the Borrower, be open to inspection during the Trustee's regular business hours by such accountants or other agents as the Issuer, the Trustee or the Borrower may from time to time designate.

**Section 8.08. Borrower to Indemnify and Hold the Issuer and Trustee Harmless from Liability.** The Borrower has agreed to indemnify and hold the Issuer Indemnified Parties and the Trustee harmless from and against liability arising out of claims as defined and as provided in Sections 6.02 and 7.04 of the Bond Loan Agreement.

**Section 8.09. Tax Exempt Status of Bonds.** The Issuer (to the extent it exercises investment discretion) agrees that it will not (a) take any action, (b) fail to take any action, or (c) make any use of the Development or the proceeds of the Bonds, which would cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes (except for minimum or preference tax purposes or other indirect taxation). In connection with the foregoing, the Issuer covenants to comply with the provisions of the Arbitrage Certificate and the Arbitrage Rebate Agreement.

**ARTICLE IX**

**DISCHARGE**

**Section 9.01. Discharge of Lien.** If and when the Bonds secured hereby shall become due and payable in accordance with their terms as provided in this Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable hereunder by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of

the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Borrower, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Collateral Fund and all balances remaining in any other fund created under this Indenture and shall assign and transfer to the Borrower all other property then held by the Trustee under this Indenture and shall execute such documents as may be reasonably required by the Borrower.

If and when the Trustee shall hold sufficient moneys hereunder, as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations, to provide for payment of the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all the Bonds, together with all other amounts (exclusive of amounts in the Rebate Fund or the Expense Fund) payable or which may thereafter become payable hereunder by the Issuer, notwithstanding that all the Bonds have not yet become due and payable and that consequently the right, title and interest of the Trustee in and to the Trust Estate shall not have ceased, terminated and become void pursuant to the foregoing provisions of this Section 9.01, the Trustee, on demand of the Borrower, shall deposit with the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, or to such person, body or authority as may be entitled to receive the same, any surplus in the Collateral Fund in excess of the amount sufficient to pay the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable hereunder by the Issuer or the Borrower.

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations) either (i) moneys in an amount which shall be sufficient, or (ii) Government Obligations which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the mandatory tender date or maturity date thereof, and (b) the Borrower shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating such maturity upon which moneys are to be available for the payment of the principal and interest on such Bonds.

Neither the securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest, on such Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, may be reinvested in Government Obligations (including any short term investment fund rated AAA or A-1+ (or comparable) by the Rating Agency and secured by and investing solely in Government Obligations) maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be deposited into the Bond Fund.

The release of the obligations of the Issuer under this Section 9.01 shall be without prejudice to the right of the Trustee provided in Section 11.04 hereof to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements,

including those of its attorneys, agents and employees, and shall not affect the obligations of the Borrower to make the payments required by the Bond Loan Agreement or the Note.

Notwithstanding anything herein to the contrary, the purchase of Government Obligations in accordance with Section 7.01 hereof, together with the Capitalized Interest Deposit, shall not cause a discharge of the Indenture under this Section 9.01.

## ARTICLE X

### DEFAULTS AND REMEDIES

**Section 10.01. Events of Default and Acceleration.** If any of the following events occur, subject to the cure rights provided in Section 7.06 of the Loan Agreement, it is hereby defined as and declared to be and constitute an “Event of Default”:

- (a) any interest on any Bond is not paid on the date on which the same becomes due;  
or
- (b) the principal of any Bond is not paid on the date on which the same becomes due, whether at the stated maturity thereof, by acceleration or otherwise; or
- (c) an Event of Default occurs under the Bond Loan Agreement; or
- (d) the Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as specified in (a) or (b) of this Section 10.01) contained in the Bonds or in this Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of 90 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer and the Borrower by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within 90 days, it shall not be an Event of Default if the Issuer or the Borrower is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

If any Loan payment required under the Bond Loan Agreement to avoid a default under (a) or (b) of this Section shall not have been received at the close of business on the last business day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Investor Limited Partner of Borrower, which telephonic notice shall be confirmed by electronic, telegraphic or written notice to the Borrower and the Investor Limited Partner of Borrower. If any other default shall occur under the provisions of this Section 10.01, the Trustee shall, within five days after having actual knowledge of such default, give written notice of such default to the Issuer, the Borrower, the Investor Limited Partner of Borrower, the Holders of the Bonds and the Rating Agency. A default or an Event of Default specified in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

If an Event of Default specified in (a) or (b) of this Section 10.01 shall occur and be continuing, the Trustee, may, and upon written request of the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding to be

immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided in such notice, anything in this Indenture or in the Bonds to the contrary notwithstanding.

If an Event of Default specified in (c) or (d) of this Section 10.01 shall occur and be continuing, the Trustee, upon written request of the Holders of not less than 100% in aggregate principal amount of the Bonds then Outstanding, shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided in such notice, anything in this Indenture or in the Bonds to the contrary notwithstanding.

**Section 10.02. Trustee to Enforce Rights of the Issuer.** Only in accordance with the provisions of this Indenture, the Trustee, as the assignee of all the right, title and interest of the Issuer in and to each of the documents constituting a part of the Trust Estate (except the Unassigned Rights of the Issuer), may enforce the rights granted to the Issuer pursuant to such documents. In the enforcement of any rights or remedies under such documents, no provision of such documents shall require, and none shall be construed to require, that the Trustee post a bond or establish any surety of any kind as a condition precedent to exercising any such rights or remedies.

**Section 10.03. Remedies.** Upon the happening of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of not less than 51% in principal amount of the Bonds then Outstanding and receipt of satisfactory indemnity, shall:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents including, but not limited to, foreclosing upon the security interest in or otherwise using funds on deposit in the Collateral Fund;
- (b) bring suit upon the Bonds; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee 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 action

**Section 10.04. Termination of Proceedings.** In case any proceeding taken by the Trustee on account of any default or Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Issuer, the Trustee, the Bondholders, and the Borrower shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**Section 10.05. Right of Bondholders to Direct Proceedings.** No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or any other remedy hereunder or on the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also the Holders of not less than 51% in principal amount of the Bonds then outstanding shall have made written request of the Trustee to do so, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Indenture or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Bonds, except in the manner herein provided and for the equal benefit of all Holders of Outstanding Bonds. For purposes of the foregoing sentence, the Trustee shall be deemed to have failed to act within a reasonable time if it fails to take action within 60 days after receipt of written notice and compliance with the foregoing terms and conditions, whereupon, the Holders of 51% aggregate principal amount of the Bonds may take such action in the place of the Trustee. Nothing contained in this Indenture shall, however, affect or impair the right of any Holder of Bonds to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest, on each of the Bonds issued hereunder to the respective Holders of the Bonds at the time, place, from the source and in the manner herein and in such Bonds expressed.

**Section 10.06. Remedies Vested in Trustee.** All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of this Indenture.

**Section 10.07. Remedies Non-Exclusive and Cumulative.** No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 10.08. Delays or Omissions by Trustee.** No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or any acquiescence therein; and every power and remedy given by this Article X to the Trustee and to the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

**Section 10.09. Application of Moneys.** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article X shall, after payment of all fees, costs and expenses of the Trustee and the Issuer, be deposited in the Collateral Fund and all moneys so deposited in the Collateral Fund during the continuance of an Event of Default (other than moneys for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default, which moneys shall continue to be held for such payments) shall be applied as follows:

First - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the direct order of the maturity of the installments of such interest and, if the amounts available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second - To the payment to the persons entitled thereto of the unpaid principal, on any of the Bonds, which shall have become due (other than Bonds which have matured or otherwise become payable prior to such Event of Default and moneys for the payment of which are held in the Collateral Fund or otherwise held by the Trustee), with interest on such principal from the respective dates upon which the same became due and, if the amount available shall not be sufficient to pay in full the amount of principal, and the interest due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege; and

Third - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege; and

Fourth - The remainder, if any, shall be deposited in the Collateral Fund.

Whenever moneys are to be applied pursuant to the provisions of this Section 10.09, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts or principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Section 10.10. Severability of Remedies.** It is the purpose and intention of this Article X to provide rights and remedies to the Trustee and Bondholders which may be lawfully granted under the provisions of the Act, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture and by law.

**Section 10.11. No Interference or Impairment of FHA Loan.** Notwithstanding anything herein to the contrary, none of the Issuer, the Trustee or any other person shall:

- (a) 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 and payable under, the FHA Lender Loan; or
- (b) interfere with or attempt to interfere with or influence the exercise by the FHA Lender of any of its rights under the FHA Lender Loan, including, without limitation, the FHA Lender remedial rights under the FHA Lender Loan upon the occurrence of an event of default by the Borrower under the FHA Lender Loan.

The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of this Indenture so long as it does not violate HUD Program Obligations (as defined in the HUD Regulatory Agreement).

Notwithstanding anything in this Indenture to the contrary, and subject to Section 13.10 hereof, any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under this Indenture which includes any claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the FHA Lender Loan Documents.

No subsequent owner of the Development shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the person who was the Borrower at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned by the default or breach even after such person ceases to be the Borrower with regards the Development.

Promptly upon determining that an Event of Default under this Indenture has occurred, the Issuer or the Trustee shall, by notice in writing to the FHA Lender, inform the FHA Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the FHA Lender Loan or to foreclose on the FHA Lender Mortgage.

## ARTICLE XI

### CONCERNING THE TRUSTEE

**Section 11.01. Acceptance of Trusts.** The Trustee hereby accepts the trusts hereby created. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations should be read into this Indenture against the Trustee. If any Event of Default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs, but only upon the additional terms set forth in this Article XI, to all of which the Issuer agrees and the respective Holders of the Bonds agree upon and by their acceptance of delivery of any of the Bonds.

**Section 11.02. Trustee Not Responsible for Recitals, Statements and Representations.** Except as otherwise expressly provided herein, any representations or warranties by the Issuer in this Indenture or in the Bonds contained shall be taken and construed as made by and on the part of the Issuer, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

Except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any Official Statement or other disclosure material distributed with

respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

The Trustee shall not be responsible or accountable for the use or application by the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

**Section 11.03. Action by Trustee Through and in Reliance Upon Others.** The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers or employees. The Trustee shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder, and the written advice or opinion of such counsel shall be full and complete authorization and protection for any action taken or omitted by it in good faith and in accordance with such advice or opinion. The Trustee may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatever in connection with the trust, except only for negligence or willful misconduct with respect to its responsibilities hereunder.

Except for fraud and willful misconduct by the individual, no personal recourse may be taken, directly or indirectly, against any officer, director, employee or agent of the Trustee with respect to the obligations of the Trustee under this Indenture or any certificate or other writing delivered in connection therewith. The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties and functions under this Indenture shall extend to the Trustee's officers, directors, agents and employees.

The Trustee's immunities and protections from liability and its right to payment of compensation and indemnification in connection with performance of its duties and functions under this Indenture shall survive the Trustee's resignation or removal and the final payment of the Bonds.

**Section 11.04. Fees and Expenses of Trustee.** The Trustee shall be entitled to payment and/or reimbursement of such fees as the Trustee and the Borrower shall agree upon, to payment and/or reimbursement of reasonable fees, for its services rendered hereunder and as Dissemination Agent, and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. For so long as the Bonds are outstanding hereunder, in no event will monies on deposit in the Proceeds Account of the Project Fund, the Collateral Fund, and the Bond Fund (including the Capitalized Interest Account therein) be used for the payment and/or reimbursement of such Trustee fees.

**Section 11.05. Trustee's Obligations to Take or Have Notice of Default.** The Trustee shall not be required to take notice, or to be deemed to have notice, of any default under this Indenture other than an Event of Default under Section 10.01(a) or Section 10.01(b) hereof, unless a Responsible Officer of the Trustee is specifically notified in writing of such default by the Issuer or by the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding. The Trustee may, however, at any time, in its discretion, require of the Issuer information and advice as to the performance of any of the covenants, conditions and agreements contained herein.



**Section 11.06. Duties of Trustee.**

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default,

(1) The Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine those certificates and opinions to determine whether they conform to the requirements of the Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(1) This paragraph does not limit the effect of paragraph (b) of this Section or Section 11.03 hereof,

(2) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts,

(3) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it in accordance with this Indenture, and

(4) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(d) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability or expense, but the Trustee shall not require indemnity as a condition to making any payments on the Bonds, or declaring the principal of and interest on the Bonds to be due immediately hereunder.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Indenture and final payment of the Bonds.

(f) Except as otherwise provided in this Article XI, the Trustee shall be under no obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by the Holders of

not less than 51% in aggregate principal amount of the Bonds then Outstanding, and if in its opinion such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may require, with security and satisfactory indemnity. The foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provision of this Indenture to the Trustee to take action in respect of any default without such written notice or request from the Bondholders, or without such security or indemnity.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct as described in Section 11.06(c) above.

(h) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

The Trustee may conclusively rely upon and shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, requisition, direction, opinion or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of the Bonds shall be conclusive and binding upon all future owners of the same Bonds and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (as defined below); provided, however, that Borrower, the Issuer or such other party giving such instruction (the “Sender”) shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Borrower, the Issuer and any other Sender understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. Each Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees: (i) to assume all risks arising out of the use of Electronic Means by the Borrower to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Borrower for use by the Borrower, the Issuer and the other parties who may give instructions to the Trustee under this Indenture; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security

procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

(j) All of the provisions of this Indenture related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under this Indenture shall apply to the Trustee in the performance of its duties and obligations under any of the Bond Documents, Loan Documents or other related documents or instruments.

(k) The Trustee shall have no duty to review or analyze any financial statements provided to it by the Borrower pursuant to the Bond Loan Agreement and shall hold such financial statements solely as a repository for the benefit of the Bondholders; the Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner. The Trustee does not have a duty to verify the accuracy of such statements.

**Section 11.07. Trustee May Make Advances to Effect Performance.** If the Issuer shall fail to perform any of the covenants or agreements contained in this Indenture other than the covenants or agreements in respect of the payment of the principal of and interest on the Bonds, the Trustee may, in its absolute discretion and without notice to the Bondholders, at any time and from time to time, make advances to effect performance of the same on behalf of the Issuer, but the Trustee shall be under no obligation so to do; and any and all moneys paid or advanced by the Trustee for any such purposes, together with interest thereon at the rate equal to 8%, shall be reimbursed by the Borrower upon demand by the Trustee; but no such advance shall operate to relieve the Issuer from any default hereunder.

**Section 11.08. Trustee May Rely Upon Instruments.** The Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any indenture, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of the Indenture or the Documents, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements, and shall be protected and shall incur no liability in acting or proceeding in good faith in reliance thereon. The Trustee shall not be bound to recognize any person as a Holder of any Bond or to take any action at his request unless such Bond shall be deposited with the Trustee or satisfactory evidence of the ownership of such Bond shall be furnished to the Trustee.

**Section 11.09. Trustee May Own and Deal in Bonds and Deal With the Issuer and Borrower.** The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the Borrower or any related entity, and may act as depository, trustee, or agent for any committee or body of Holders of the Bonds secured hereby or other obligations of the Issuer as freely as if it were not Trustee hereunder.

**Section 11.10. Financial Liability of the Trustee.** No provision of this Indenture will require the Trustee to expend or risk its own funds or otherwise incur or risk any financial liability in the performance of any of its duties under this Indenture, or in the exercise of any of its rights or powers if it will have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Except as may otherwise be provided in this Indenture, the Trustee will have the right to demand, in respect to the authentication of any Bonds or the release of any property, any showings, certificates, opinions (including Opinions of Counsel), appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof or of the Bond Loan Agreement required as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer or the Borrower to the authentication of any Bonds, or the release of any property.

**Section 11.11. Trustee May Construe Ambiguous or Inconsistent Provisions.** The Trustee may construe any of the provisions of the Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provisions hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Bondholders.

**Section 11.12. Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than 60 days written notice to the Issuer specifying the date when such resignation shall take effect and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, in which event such resignation shall take effect immediately on the appointment of such successor, provided that such resignation shall not take effect unless and until a successor shall have been appointed.

**Section 11.13. Removal of Trustee.** The Trustee shall be removed by the Issuer, by the Borrower for cause (with the consent of the Issuer), or by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding or their attorney-in-fact duly authorized (with the consent of the Issuer), excluding any Bonds held by or for the account of the Issuer, if so requested by an instrument or concurrent instruments in writing giving not less than 60 days written notice, filed with the Trustee and the Issuer. The Issuer may also remove the Trustee at any time, except during the existence of any Event of Default as defined in Section 10.01 hereof, for cause or breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with any provision of this Indenture with respect to the duties and obligations of the Trustee by filing with the Trustee an instrument signed by an authorized officer of the Issuer. A copy of each such instrument providing for any such removal shall be delivered by the Issuer to any Bondholder who shall have filed his name and address with the Issuer. Such removal of the Trustee in accordance with this Section 11.13 shall not be effective until a successor trustee shall have been appointed.

**Section 11.14. Appointment of Successor Trustee.** In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer (upon direction of the Borrower) covenants and agrees that it will thereupon appoint a successor Trustee.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provision of this Section within 60 days after the Trustee shall have given to the Issuer written notice as provided in Section 11.12 hereof, within 60 days after the Issuer or the Holders shall have given to the Trustee written notice as provided in Section 11.13 hereof, or at any time after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, prescribe and appoint a successor Trustee.

Any Trustee appointed under the provision of this Section 11.14 in succession to the Trustee shall be a bank or trust company or national banking association with trust powers, having a combined capital, surplus and undivided profits of at least \$50,000,000 if there be such a bank or trust company or national

bank association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

**Section 11.15. Appointment of Successor Trustee by Court.** In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article XI within 60 days after a vacancy shall have occurred in the office of Trustee, the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Trustee.

**Section 11.16. Acceptance of Trust by Successor Trustee.** Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and the Rating Agency an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trust, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of the Trustee so ceasing to act, and the Trustee so ceasing to act shall pay over to the successor Trustee all moneys and other assets at the time held by it hereunder.

**Section 11.17. Merger or Consolidation of Trustee With Another Corporation.** Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, shall be the successor Trustee under this Indenture without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

**Section 11.18. Action of Trustee During Existence of an Event of Default.** Notwithstanding any other provisions of this Article, the Trustee shall, during the existence of an Event of Default known to the Trustee, exercise such of the rights and powers vested in it by the Indenture and use the same degree of skill and care in their exercise as a prudent person would use and exercise under the circumstances.

**Section 11.19. Notice of an Event of Default.** Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default known to a Responsible Officer of the Trustee, the Trustee shall within 30 days give written notice thereof to the Issuer, to the Rating Agency, and to each Bondholder at its last address appearing upon the registration books of the Issuer kept by the Trustee unless such Event of Default shall have been cured before the giving of such notice.

**Section 11.20. Trustee May Intervene.** In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Holders of the Bonds, the Trustee may intervene on behalf of the Holders of the Bonds and shall, upon receipt of satisfactory indemnity do so if requested in writing by the Holders of not less than 51% in aggregate principal amount of Bonds then Outstanding, if such intervention is permitted by the court having jurisdiction in the premises.

**Section 11.21. Unclaimed Moneys.** Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any Bonds

which remain unclaimed for a period of one year after the date when such Bonds have become due and payable either (i) at their stated maturity dates, if such moneys were held by the Trustee at such date, or (ii) for a period of one year after the date such moneys were deposited with the Trustee, if such moneys were deposited after the date when all Bonds became due and payable, shall be paid by the Trustee to the State pursuant to Chapter 717, Florida Statutes, and the Trustee shall thereupon be released and discharged. Thereafter, any person having a claim against any such moneys shall look solely to the State for payment of the same pursuant to Chapter 717, Florida Statutes.

**Section 11.22. Appointment of Co-Trustee.** It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as a trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Bond Loan Agreement, and in particular in case of the enforcement thereof on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Approval in writing from the Issuer shall be required prior to the appointment of the separate or co-trustee by the Trustee. All such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer at the expense of the Borrower. In case any separate or co-trustee or a successor to either shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee, so far as permitted by law and so approved by the Issuer, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate or co-trustee.

## ARTICLE XII

### MODIFICATION OF INDENTURE AND OTHER DOCUMENTS

**Section 12.01. Limitation on Amendments to this Indenture.** This Indenture shall not be modified or amended in any respect except as provided in accordance with and subject to the provisions of this Article XII.

**Section 12.02. Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders.**

(a) the Issuer and the Trustee may, from time to time and at any time, without the consent of Bondholders, enter into agreements supplemental to this Indenture and the Bond Loan Agreement as follows:

(1) to specify and determine any matters and things relative to Bonds which shall not materially adversely affect the interest of the Bondholders;

(2) to cure any formal defect, omission or ambiguity in this Indenture or the Bond Loan Agreement if such action does not materially adversely affect the rights of the Bondholders;

(3) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture as heretofore in effect;

(4) to add to the covenants and agreements of the Issuer in this Indenture or the Bond Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture or the Bond Loan Agreement as theretofore in effect;

(5) to add to the limitations and restrictions in this Indenture or the Bond Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture or the Bond Loan Agreement as theretofore in effect;

(6) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, this Indenture, of the Revenues or of any other moneys, securities or funds; or

(7) to modify, amend or supplement this Indenture or the Bond Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds.

(b) Before the Issuer shall enter into any agreement supplemental to this Indenture pursuant to this Section 12.02, there shall have been filed with the Trustee an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by this Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms. The opinion of Bond Counsel filed with the Trustee shall also state that the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(c) The Trustee shall send written notice to the Rating Agency, the Remarketing Agent and the Borrower of any amendment to this Indenture or the Bond Loan Agreement.

**Section 12.03. Amendments to Indenture Requiring Consent of Bondholders.**

(a) Subject to the terms and provisions contained in this Section 12.03 and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to this Indenture as shall be

deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by this Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in this Indenture, including (without limitation) that required for consent to such supplemental indentures. This Section 12.03 shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to this Indenture without the consent of the Bondholders pursuant to Section 12.02 hereof.

(b) If at any time the Issuer and the Trustee shall determine to enter into any supplemental indenture for any of the purposes of this Section 12.03, the Trustee shall cause written notice of the proposed supplemental indenture to be given to all Holders of the Bonds; provided, however, that failure to give such notice or any defect therein, shall not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the Trust Office of the Trustee for inspection by all Bondholders.

(c) Within 120 days after the date of giving such notice, the Issuer and the Trustee may enter into such supplemental indenture in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding (or 100% if required hereunder) and (ii) an opinion of Bond Counsel stating that (1) such supplemental indenture is authorized or permitted by this Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(d) If the Holders of not less than the percentage of Bonds required by this Section 12.03 shall have consented to and approved the supplemental indenture as herein provided, no Holder of any Bond shall have any right to object to such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Issuer or the Trustee from entering into the same or from taking any action pursuant to the provisions thereof.

(e) Upon the effectiveness of any supplemental indenture entered into pursuant to the provisions of this Section 12.03, this Indenture shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced under this Indenture subject in all respects to such modifications and amendments.

(f) The Trustee shall send written notice to the Rating Agency of any amendment to this Indenture.



**Section 12.04. Supplemental Indentures Part of Indenture.** Any supplemental indenture entered into in accordance with the provisions of this Article XII shall thereafter form a part of this Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and shall be deemed to be a part of the terms and conditions of this Indenture for any and all such purposes.

**Section 12.05. Required Consent.** Notwithstanding anything herein to the contrary, the Trustee shall not be required to enter into or consent to any supplemental indenture or any amendment of any other Document that would materially adversely affect the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein or therein, except to the extent necessary, as set forth in an opinion of Bond Counsel, to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes.

**Section 12.06. Amendments to Documents Requiring Consent of Bondholders.** Except as provided in Section 12.02 of this Indenture, the Issuer and the Trustee shall not consent to any amendment, change or modification of the Documents without the giving of notice and the written approval or consent of the Holders of the Bonds at the time Outstanding given and procured as provided in Section 12.03 hereof; provided, however, no such separate approval or consent shall be required in connection with the issuance of refunding Bonds if any required consent of the required number of Holders to the issuance thereof shall have been previously obtained. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 12.03 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Trust Office of the Trustee for inspection by all Bondholders.

## ARTICLE XIII

### MISCELLANEOUS

**Section 13.01. The Issuer's Successors.** In the event of the dissolution of the Issuer, all the covenants, stipulations, promises and agreements in the Indenture contained by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer shall be transferred.

**Section 13.02. Indenture for Benefit of the Issuer, Trustee and Bondholders.** Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, other than the Issuer, the Trustee and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Issuer and the Trustee and the Holders of the Bonds; provided that this Indenture shall also be for the benefit of the Borrower, and the Borrower shall be deemed to be a third-party beneficiary of and in connection with those matters in which the terms of this Indenture fairly construed are indicative that they are for the benefit of the Borrower.

**Section 13.03. Severability.** In case any one or more of the provisions of this Indenture or of the Bonds for any reason, is held to be illegal or invalid such illegality or invalidity shall not affect any other provisions of this Indenture or the Bonds, and this Indenture and the Bonds shall be construed and enforced to the end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced as if such illegal or invalid provisions had not been contained therein.

**Section 13.04. Officials of the Issuer Not Liable.** No personal recourse may be taken, directly or indirectly, against any past, present or future officer, director, employee or agent of the Issuer with respect to the obligations of the Issuer under this Indenture or any certificate or other writing delivered in connection therewith. The Issuer's immunities and protections from liability and its right to indemnification in connection with the performance of its duties and functions under this Indenture shall extend to the Issuer's past, present and future officers, directors, employees and agents.

**Section 13.05. Governing Law.** The laws of the State shall govern the construction of this Indenture and of all Bonds issued hereunder.

**Section 13.06. Notices; Publication of Notice.**

(a) All notices, advice, certifications or other communications hereunder between the Issuer and the Trustee shall be sufficiently given and shall be deemed given when provided in writing and when delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return receipt requested, or transmitted by electronic means (including, without limitation, facsimile transmission) addressed to the appropriate Notice Address. The Issuer or the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, advice, certifications or other communications shall be sent. Notices to persons other than the Issuer or the Trustee (such as, for example, notices to owners of Bonds) shall be governed by the other applicable provisions of this Indenture.

(b) Whenever the Issuer or the Trustee is required or permitted to give or publish notice of any event or occurrence under this Indenture, such notice shall be given or published in such manner and by such means as the Issuer or the Trustee, as the case may be, shall determine to be appropriate. Such publication may be by (but is not limited to) any of the following means: (1) publication in one or more newspapers or trade journals selected by the Issuer or the Trustee, as the case may be; (2) publication by or through one or more financial information reporting services; (3) delivery to the Municipal Securities Rulemaking Board's EMMA System or any successor repository or entity fulfilling a substantially similar or like role; or (4) by mailing a copy of such notice by first class mail, postage prepaid, to the person entitled to receive the notice at such person's address as shown on the records of the Issuer or the Trustee.

**Section 13.07. Trustee as Paying Agent and Bond Registrar.** The Trustee is hereby designated and agrees to act as paying agent and Bond registrar for and in respect to the Bonds.

**Section 13.08. Execution of Instruments by Bondholders and Proof of Ownership of Bonds.** Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be conclusively proved by the registration books kept under the provisions of Section 2.08 of this Indenture.

Nothing contained in this Article XIII shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Trustee pursuant to such request or consent.

**Section 13.09. Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

**Section 13.10. Supremacy of HUD Documents & Requirements.** Notwithstanding other provisions in this Indenture or the Bond Loan Agreement, and so long as the U.S. Department of Housing and Urban Development (“HUD”) or a successor or assign of HUD is the insurer or holder of the FHA Note, the following provisions shall apply:

(a) Borrower, Trustee and the Issuer acknowledge that this Indenture, and any obligations of Borrower hereunder, are subject and subordinate to the FHA Loan Documents. The rights and obligations of the parties under this Indenture and all other documents evidencing, implementing, or securing this Indenture (collectively, the “Subordinate Bond Documents”) are and shall be subordinated in all respects to the FHA Loan Documents. The rights and obligations of the parties under this Indenture and all other documents evidencing, implementing, or securing this Indenture (collectively, the “Subordinate Bond Documents”) are and shall be subordinated in all respects to the FHA Loan Documents.

(b) No obligation of the Borrower hereunder shall be payable except from: (1) Surplus Cash (as available pursuant to Program Obligations which may limit any payments to 75% of Surplus Cash), or (2) Non-Project Sources, which are funds that are not derived from: (i) revenues of the Development or (ii) any HUD-required reserve or deposit in connection with the FHA Loan (collectively, “Non-Project Sources”). Enforcement of the covenants in this Indenture will not result in, and neither the Issuer, Trustee or Bondholder has or shall be entitled to assert, any claim against the Development, any HUD-required reserves or deposits in connection with the FHA Loan, the proceeds of the FHA Note, the assets of the Borrower, or rents, deposits or other income of the Development, except from Non-Project Sources.

(c) In the event of any conflict between the provisions of (i) this Indenture or the other Subordinate Bond Documents, and (ii) the FHA Loan Documents, Program Obligations (as defined in the FHA Lender Mortgage), and/or GNMA statutory, regulatory or administrative requirements, the provisions of the HUD Documents & Requirements shall control. If there is any inconsistency or ambiguity between this Indenture or the other Subordinate Bond Documents, and the HUD Documents & Requirements, such inconsistency or ambiguity shall be interpreted in favor of and in a manner which is consistent with the HUD Documents & Requirements. The provisions of this Section 13.10 shall control over any inconsistent provisions in this Indenture or the other Subordinate Bond Documents.

(d) Any subsequent amendment to this Indenture or the Bond Loan Agreement is subject to prior written approval of HUD (so long as the Development is subject to a mortgage insured or held by HUD). No amendment to this Indenture or the Bond Loan Agreement shall conflict with the provisions of the HUD Documents & Requirements.

(e) The Bonds are not a debt of the United States of America, HUD, FHA, GNMA or any other agency or instrumentality of the federal government, and are not guaranteed by the full faith and credit of the United States or any agency or instrumentality thereof.

(f) There is no pledge hereunder or under the Bond Loan Agreement of the gross revenues or any of the assets of the Development.

(g) Neither a default under this Indenture nor under the Bond Loan Agreement shall constitute a default under the FHA Loan Documents.

(h) Nothing contained herein or in the Bond Loan Agreement shall inhibit or impair the right of HUD to require or agree to any amendment, change or modification of any FHA Loan Documents.

(i) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Development will not be payable to the Trustee, but will be payable in accordance with the FHA Loan Documents.

(j) Any indemnification by the Borrower shall be solely from Surplus Cash or the proceeds of an insurance policy.

(k) In no event shall HUD have any claim to or lien upon the Trust Estate under this Indenture and funds held by the Trustee under this Indenture and pledged to secure the repayment of the Bonds. Further, nothing herein shall restrict the rights of Bondholders and obligations of the Trustee hereunder as they relate to the Bonds and the rights of Bondholders and obligations of the Trustee herein are not subordinated.

For purposes of this Section 13.10, the following terms shall be defined as set forth below:

“FHA Loan Documents” means the HUD Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement, HUD-insured note and HUD Regulatory Agreement.

“HUD Documents & Requirements” means the FHA Loan Documents, Program Obligations, and GNMA statutory, regulatory and administrative requirements.

“Surplus Cash” has the meaning as used in the FHA Loan Documents.

“Available Surplus Cash” means no more than 75% of Surplus Cash per Program Obligations.

“Program Obligations” has the meaning as used in the FHA Loan Documents.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be signed and sealed in its name by its authorized officers, and the Trustee has caused this Indenture to be signed and sealed in its name by its duly authorized officers, all as of the day and year first above written.

[SEAL]

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

ATTEST:

By: \_\_\_\_\_  
Milette Manos, Chair

By: \_\_\_\_\_  
Daniel D. Reynolds, Secretary

[Counterpart Signature Page to Trust Indenture]

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

### CONSENT AND AGREEMENT OF BORROWER

For and in consideration of the issuance of the Bonds by the Issuer, the Borrower consents to and approves the Indenture in all respects. In addition, the Borrower agrees that whenever the Indenture by its terms imposes any duty or obligation on the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform its duties and obligations thereunder.

**BORROWER:**

**PRAXIS VENTURE LP**, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida not-for-profit corporation, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**FORM OF BONDS**

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

\$ \_\_\_\_\_  
UNITED STATES OF AMERICA  
STATE OF FLORIDA  
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES B  
(PRAXIS OF DEERFIELD BEACH)

THIS BOND AND THE ISSUE OF WHICH IT FORMS A PART ARE NOT GENERAL OBLIGATIONS OF THE ISSUER BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE MONEYS AND PROPERTIES PLEDGED FOR PAYMENT THEREOF. THE ISSUER HAS NO TAXING POWER.

Unless this Bond is presented by an authorized representative of the Securities Depository (as defined in the Indenture) to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of the depository), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

DATED DATE	INTEREST RATE	MANDATORY TENDER DATE	MATURITY DATE	CUSIP NUMBER
_____ 1, 2019	%	_____ 1, 2021	_____ 1, 2022	_____

**Registered Owner:** CEDE & CO.

**Principal Amount:** \_\_\_\_\_ MILLION DOLLARS

**FOR VALUE RECEIVED**, the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (“the Issuer”), a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “State”), hereby promises to pay (but only out of the Trust Estate pledged therefor) to the registered owner identified above, or its successor or registered assignee or legal representative, unless previously called for redemption or mandatory tender, the principal amount set forth above, on the Maturity Date identified above, in lawful money of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon the presentation and surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee, or its successor in trust (the “Trustee”), and to pay interest thereon (but only out of the Revenues) to the registered owner hereof from the Dated



Date identified above until maturity, at the interest rate per annum identified above to the Mandatory Tender Date, and thereafter at the Remarketing Rate (subject to adjustment or change as herein provided), payable at the times and in the manner hereinafter set forth. Principal hereof shall be payable, upon the request of any registered holder of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the bank and account number specified by such holder to the Trustee in writing. All interest hereon shall be paid by check or draft mailed by the Trustee to the registered owner hereof at his address as it appears on the registration books of the Issuer, or, upon the request of any registered holder of Bonds having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the bank and account number provided by such registered owner to the Trustee in writing, such interest to the maturity hereof being payable semiannually on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 1, 2019, in lawful money of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED BY THE ISSUER FOR THE PAYMENT THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL BE SOLELY THE OBLIGATIONS OF THE ISSUER AND NOT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL BE PAYABLE SOLELY OUT OF THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM THE FUNDS AND ACCOUNTS HELD UNDER AND PURSUANT TO THE INDENTURE AND SUCH OTHER PROPERTY CONSTITUTING THE TRUST ESTATE PLEDGED UNDER THE INDENTURE. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

This Bond is one of an issue of the \$ \_\_\_\_\_ the Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the "Bonds"), of like date and tenor, except as to number and denomination, issued under and pursuant to the laws of the State, Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Ordinance No. 79-41 enacted by the Board of County Commissioners (the "Board") of Broward County, Florida (the "County"), on June 20, 1979 (the "Ordinance"), a Resolution of the Issuer adopted on May 8, 2019, and a Resolution of the Board adopted on June 4, 2019 (the "Act"), for the purpose of financing a portion of the costs of the acquisition, rehabilitation and equipping by Praxis Venture LP, a Florida limited partnership (the "Borrower"), of a multifamily rental housing development consisting of 224 units for persons or families of low, moderate or middle income known as Praxis of Deerfield Beach and located at 1450 SW 11th Way, Deerfield Beach, Broward County, Florida 33441 (the "Development"). The proceeds of the Bonds are being loaned to the Borrower by the Issuer under a Loan Agreement dated as of \_\_\_\_\_ 1, 2019, between the Borrower and the Issuer (the "Bond Loan Agreement") and evidenced by a [Multifamily Promissory Note] dated the Closing Date from the Borrower to the Issuer (the "Note").

The Bonds are issued under a Trust Indenture dated as of \_\_\_\_\_ 1, 2019, between the Issuer and the Trustee (the "Trust Indenture"), and, to the extent provided therein, are, together with all other Bonds that may be issued thereunder, equally and ratably secured and entitled to the protection given by the Trust Indenture. Pursuant to the Trust Indenture, the Issuer has assigned to the Trustee (among other

things) the Revenues. Pursuant to the Note and the Bond Loan Agreement, payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Borrower to the Trustee for the account of the Issuer. The obligations of the Borrower under the Note and the Bond Loan Agreement are secured by the proceeds of the Bonds deposited into the Project Fund created pursuant to Section 4.01 of the Trust Indenture, and from moneys deposited into the Collateral Fund created pursuant to Section 4.01 of the Trust Indenture.

Reference is made to the Trust Indenture, the Note and the Bond Loan Agreement and to all amendments and supplements thereto for a description of the property pledged and assigned and the provisions, among others, with respect to the nature and extent of the security, the rights, duties and other obligations of the Issuer and the Trustee, the terms on which the Bonds are issued and secured, the rights of the holders of the Bonds and provisions for defeasance of such rights. Capitalized terms used herein have the same meaning as set forth in the Trust Indenture. The terms and conditions set forth herein concerning payment and other rights and remedies of the owners of the Bonds are descriptive only and are subject in all cases to the terms and conditions as set forth in the Trust Indenture.

This Bond is negotiable and is transferable, as provided in the Trust Indenture, only upon the books of the Issuer kept at the office of the Trustee, by the registered owner hereof in person or by his duly authorized attorney, and may be exchanged for new Bonds of the same aggregate principal amount of authorized denominations, maturity and interest rate, in registered form, but only upon presentation and surrender of this Bond, all in the manner and subject to the limitations and conditions provided in the Trust Indenture. The Issuer and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes; and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

The Bonds are issuable in the form of registered Bonds without coupons in denominations of \$5,000 each or integral multiples thereof.

The Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date specified above and shall be purchased at a price equal to 100 percent of the principal amount of such Bonds, plus accrued interest, if any, to the Mandatory Tender Date, and without premium, as set forth in the Indenture.

The Bonds are not subject to redemption prior to maturity as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds then outstanding under the Trust Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

The Holder of this Bond shall have no right to enforce the provisions of the Trust Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture. The Trustee shall treat the registered owner of this Bond as the person exclusively entitled to payment of principal and interest, and the exercise of all rights and powers of the owner of this Bond.

All acts, conditions and things required by the statutes of the State, the Act and the Trust Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed.

In any case where the date of maturity of or interest on this Bond shall not be a Business Day, then payment of interest or principal need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity.

This Bond shall not be entitled to any benefit under the Trust Indenture, or be valid or become obligatory for any purpose, until the Trustee shall have executed the Certificate of Authentication appearing hereon.

IN WITNESS WHEREOF, the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chair and has caused its official seal (or a facsimile thereof) to be reproduced hereon and attested by the manual or facsimile signature of its Secretary.

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

By: \_\_\_\_\_  
Milette Manos, Chair

ATTEST:

\_\_\_\_\_  
Daniel D. Reynolds, Secretary

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the Trust Indenture referred to in this Bond.

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

By \_\_\_\_\_  
Authorized Signature

Date of Authentication: \_\_\_\_\_

**FORM OF ASSIGNMENT**

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

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(Please Print or Type Name and Address of Assignee)

Social Security or Taxpayer Identification Number: \_\_\_\_\_

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

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Attorney to transfer the said bond on the books of the within named issuer maintained by the Trustee for the registration thereof, with full power of substitution in the premises.

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Notice: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed.

Signature guaranteed by:

---

[Bank, Trust Company or Firm]

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Authorized Signature

(Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program (STAMP, SEMP, MSP)).

**EXHIBIT B**

**FORM OF REQUISITION (PROCEEDS ACCOUNT/EQUITY ACCOUNT)**

BORROWER: PRAXIS VENTURE LP

PROJECT: PRAXIS OF DEERFIELD BEACH

REQUISITION NO.: \_\_\_\_\_

In the Amount of \$ \_\_\_\_\_

TO: The Bank of New York Mellon Trust Company, N.A., as trustee

The Borrower hereby requests payments in the following amounts, from the following sources and to be made to the following parties, all as set forth on the Request for Payment attached to this Requisition:

Amount

Source

Payable to:

[identify name of Account and  
Fund]

[Borrower's account number]  
[third party payment/wire  
instructions must be attached]

**Requisition - Contents and Attachments**

Borrower's Representations and Warranties  
Contractor's Application and Certification for Payment (AIA Form G 702)  
Requisitions and Invoices Supporting Application

## Representations and Warranties

1. Reserved
2. Reserved.
3. Funding of this Requisition shall be in accordance with the terms and provisions of (i) the Loan Agreement dated as of \_\_\_\_\_ 1, 2019 (the “Agreement”) and (ii) the Trust Indenture dated as of \_\_\_\_\_ 1, 2019 with respect to the Bonds (the “Indenture”).
4. All monies requisitioned by the Borrower for acquisition and rehabilitation and disbursed by the Trustee under previously approved requisitions have been paid to the Contractor or other contractor or supplier or other party entitled to payment and, to Borrower’s best knowledge, all subcontractors, vendors and suppliers; all other funds requisitioned by the Borrower and disbursed by the Trustee under previously approved requisitions have been expended for the purpose for which they were requisitioned.
5. All of the information submitted to the Trustee in connection with this Requisition is true and accurate as of the date of submission.
6. The representations and warranties set forth in the Documents are true and correct as of the date hereof with the same effect as if made on this date unless such representation or warranty relates to a specific time.
7. The Borrower represents and warrants that (i) there has occurred no Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default on the part of the Borrower under the terms of the Documents, and (ii) the Documents are in full force and effect.
8. The Borrower represents and warrants that, following the disbursement by the Trustee of the aggregate amounts requested under these Requisitions, not less than 95% of all amounts paid from proceeds of the Bonds disbursed to the Borrower will have been applied to the payment of Qualified Project Costs and that to the extent that amounts have been applied or drawn incorrectly, such amounts shall be deemed reallocated to Qualified Project Costs as set forth in the Proceeds Certificate of the Borrower delivered upon issuance of the Bonds.



9. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto under the Indenture.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2019.

**BORROWER:**

**PRAXIS VENTURE LP**, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida  
not-for-profit corporation, its general partner

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

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

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

**JONES LANG LASALLE MULTIFAMILY, LLC**

By: \_\_\_\_\_  
C.W. Early, Managing Director

**Contractor's Application For Payment**

**Requisitions And Invoices**

**EXHIBIT C-1**  
**FORM OF REQUISITION**  
**(Issuer Costs of Issuance)**

Bond Issue: HOUSING FINANCE AUTHORITY OF BROWARD COUNTY,  
FLORIDA  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)

Property Name: Praxis of Deerfield Beach

Trustee: The Bank of New York Mellon Trust Company, N.A.

Payee: See Schedule A

Amount: See Schedule A

Method of Payment: See Schedule A

Description of Expense: See Schedule A

Fund and Account which  
expenses are to be paid  
from: See Schedule A

Account Number: See Schedule A

You are hereby instructed to pay the amount above to the payee set forth above by means acceptable to you and such payee.

Very truly yours,

HOUSING FINANCE AUTHORITY OF BROWARD  
COUNTY, FLORIDA

By: \_\_\_\_\_  
Authorized Officer

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

**EXHIBIT C-2**

**FORM OF REQUISITION**

**(Borrower Costs of Issuance)**

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)**

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

Costs of Issuance Requisition No. \_\_\_\_

TO: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the “**Trustee**”) under the Trust Indenture dated as of \_\_\_\_\_ 1, 2019, with the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the “**Indenture**”).

Terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

The undersigned, Borrower Representative of Praxis Venture LP (the “**Borrower**”), hereby certifies to you that he/she is authorized and empowered to submit this requisition to you and that attached hereto as Schedule “A” is a schedule of costs of issuance incurred in connection with the issuance of the above described Bonds, including the names and addresses of the payees and the specific amounts payable to each such payee, and that to the best of the undersigned’s information and belief, such amounts are true and correct.

This requisition is being delivered to you in accordance with the Indenture pursuant to which the referenced Bonds were issued. You are hereby instructed to withdraw from the Borrower Costs of Issuance Account of the Cost of Issuance Fund created under the Indenture the amounts shown across from each payee listed on Schedule “A” hereto and pay such amounts to each such payee by check delivered by first class mail or by such other means as is acceptable to you and any such payee.

(SIGNATURES APPEAR ON FOLLOWING PAGE)

**IN WITNESS WHEREOF**, the undersigned has signed this Requisition by and on behalf of the Borrower.

**BORROWER:**

**PRAXIS VENTURE LP**, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida  
not-for-profit corporation, its general partner

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

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

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

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

**LOAN AGREEMENT**

By and Between

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

and

**PRAXIS VENTURE LP,**  
as Borrower

\_\_\_\_\_  
Dated as of \_\_\_\_\_ 1, 2019  
\_\_\_\_\_

Relating to:

§ \_\_\_\_\_  
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)

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The interest of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the “Issuer”) in this Loan Agreement has been assigned (except for “Unassigned Rights of the Issuer” defined in the Indenture) pursuant to the Trust Indenture, dated as of the date hereof (the “Indenture”), from the Issuer to The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (the “Trustee”), and is subject to the security interest of the Trustee thereunder.



TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.01. Definitions.....	2
Section 1.02. Uses of Phrases.....	2

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the Issuer.....	3
Section 2.02. Representations, Covenants and Warranties of the Borrower and the General Partner.....	3

ARTICLE III

REHABILITATION OF THE DEVELOPMENT; ISSUANCE OF THE BONDS

Section 3.01. Agreement for Rehabilitation of the Development.....	11
Section 3.02. Agreement to Issue, Sell and Deliver the Bonds; Deposit of Bond Proceeds.....	12
Section 3.03. Disbursements from the Project Fund.....	12
Section 3.04. Furnishing Documents to the Trustee.....	12
Section 3.05. Establishment of Completion Date.....	12
Section 3.06. Borrower Required to Pay in Event Project Fund Insufficient.....	13
Section 3.07. Special Arbitrage Certifications.....	13
Section 3.08. Rebate Calculations and Payments.....	13
Section 3.09. Rebate Analyst.....	14
Section 3.10. Remarketing of Bonds.....	14

ARTICLE IV

LOAN PROVISIONS

Section 4.01. Loan of Proceeds.....	14
Section 4.02. Amounts Payable.....	14
Section 4.03. Fees and Expenses.....	15
Section 4.04. Obligations of the Borrower Unconditional.....	15
Section 4.05. FHA Loan to Borrower.....	16

ARTICLE V

SPECIAL COVENANTS

TABLE OF CONTENTS  
(continued)

	Page
Section 5.01. No Warranty of Condition or Suitability by the Issuer. ....	16
Section 5.02. Access to the Development. ....	17
Section 5.03. Further Assurances and Corrective Instruments. ....	17
Section 5.04. Issuer and Borrower Representatives. ....	17
Section 5.05. Financing Statements. ....	17
Section 5.06. Certain Deposits with the Trustee. ....	17
Section 5.07. Reserved. ....	18
Section 5.08. Requisitions. ....	18
Section 5.09. Covenant with Bondholders. ....	18
Section 5.10. Covenant to Provide Ongoing Disclosure. ....	19
Section 5.11. Borrower Receipt of Insurance or Condemnation Proceeds. ....	19
Section 5.12. Reporting Requirements of the Borrower. ....	19
Section 5.13. Indenture. ....	19
Section 5.14. Financial Information. ....	20
Section 5.15. Tax Credit Requirement. ....	20
Section 5.16. Brokers and Financial Advisors. ....	20
Section 5.17. Trial by Jury. ....	21
Section 5.18. Issuer, Trustee and Lender Not in Control; No Partnership. ....	21

ARTICLE VI

RESTRICTION ON TRANSFER; ASSIGNMENT, SELLING,  
LEASING; INDEMNIFICATION

Section 6.01. Restriction on Transfer. ....	22
Section 6.02. Indemnification by Borrower. ....	25
Section 6.03. the Issuer to Grant Security Interest to Trustee. ....	28

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Defaults Defined. ....	28
Section 7.02. Remedies on Default. ....	29
Section 7.03. No Remedy Exclusive. ....	29
Section 7.04. Payment of Attorneys' Fees and Expenses. ....	30
Section 7.05. No Additional Waiver Implied by One Waiver. ....	30
Section 7.06. Right to Cure. ....	30
Section 7.07. No Interference or Impairment of FHA Loan. ....	30

TABLE OF CONTENTS  
(continued)

Page

ARTICLE VIII

HAZARDOUS MATERIALS

Section 8.01. Representation and Warranty Regarding Hazardous Materials.....	31
Section 8.02. Compliance Regarding Hazardous Substances.....	32
Section 8.03. Notices Regarding Hazardous Substances.....	32
Section 8.04. Remedial Work.....	32
Section 8.05. Indemnity Regarding Hazardous Substances.....	33
Section 8.06. Defense of Indemnified Parties.....	34

ARTICLE IX

MISCELLANEOUS

Section 9.01. Term of Agreement.....	34
Section 9.02. Notices; Publication of Notice.....	34
Section 9.03. Nonrecourse Liability of Borrower.....	34
Section 9.04. No Pecuniary Liability of the Issuer.....	35
Section 9.05. Binding Effect.....	36
Section 9.06. Severability.....	36
Section 9.07. Amounts Remaining in Funds.....	36
Section 9.08. Amendments, Changes and Modifications.....	36
Section 9.09. Execution in Counterparts.....	36
Section 9.10. Applicable Law.....	36
Section 9.11. Captions.....	36
Section 9.12. Supremacy of HUD Documents & Requirements.....	36
Section 9.13. Comptroller of the Currency.....	38
Section 9.14. Patriot Act.....	38

EXHIBIT A	PROJECT DESCRIPTION
EXHIBIT B	FORM OF PROMISSORY NOTE
EXHIBIT C	HAZARDOUS SUBSTANCES REPORT

## LOAN AGREEMENT

**THIS LOAN AGREEMENT** (“Agreement” or “Loan Agreement”) is entered into as of            1, 2019, between the **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA**, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “Issuer”), and **PRAXIS VENTURE LP**, a Florida limited partnership (together with its permitted successors and assigns, the “Borrower”).

### WITNESSETH:

**WHEREAS**, the Legislature of the State of Florida (the “State”) has enacted the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended (the “Act”), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority; 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 Housing Finance Authority of Broward County, Florida to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act; and

**WHEREAS**, the Act authorizes the Issuer: (a) to make loans to any person, or to purchase loans, including federally insured mortgage loans, in order to provide financing for residential rental developments located within the Issuer’s area of operation, which are to be occupied by persons of low, moderate or middle income; (b) to issue its revenue bonds pursuant to the Act, for the purpose of obtaining money to make or to purchase such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds; and

**WHEREAS**, the Issuer has determined to issue and sell the Bonds, for the purpose of financing the cost of the acquisition, rehabilitation, and equipping of a multifamily rental housing facility to be occupied to the extent required by federal tax law and state law, by persons or families of low, moderate or middle income, consisting of a total of 224 units and related personal property and equipment, and located in Deerfield Beach, Broward County, Florida (the “Project Facilities”); and

**WHEREAS**, the Loan will be evidenced by this Loan Agreement and a Promissory Note, dated the Closing Date (the “Note”), from the Borrower to the Issuer; and

**WHEREAS**, contemporaneously with the issuance of the Bonds and making of the Loan, the Borrower will obtain a separate senior mortgage loan with respect to the Development from

Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (the “FHA Lender”), in the principal amount of \$ \_\_\_\_\_, to be insured by FHA pursuant to Section 207 pursuant to Section 223(f) of the National Housing Act (the “FHA Loan”); and

**WHEREAS**, the obligations of the Borrower to make payments to the FHA Lender under the FHA Loan will be evidenced by a Note dated as of \_\_\_\_\_ 1, 2019 (the “FHA Note”), which FHA Note will be secured by a Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement on the Project for the benefit of the FHA Lender, dated as of \_\_\_\_\_ 1, 2019 (the “FHA Mortgage”); and

**WHEREAS**, pursuant to a Disbursement Agreement dated as of the date hereof (the “FHA Loan Disbursement Agreement”) between the FHA Lender, Trustee and the Borrower, the FHA Lender Collateral Deposit will be disbursed by the FHA Lender to the Trustee for deposit into the Collateral Fund in exchange for the unconditional and immediate disbursement of an equal amount of Bond Proceeds from the Project Fund to the Borrower, which FHA Lender Collateral Deposit shall be part of the Trust Estate pledged therefor (but neither the FHA Loan proceeds nor the FHA Mortgage shall be part of the Trust Estate or otherwise secure the Bonds); and

**WHEREAS**, the parties hereto, intending to be legally bound hereby, and for and in consideration of the premises and the mutual covenants hereinafter contained, do hereby covenant, agree and bind themselves as follows; provided, that any obligation of the Issuer created by or arising out of this Loan Agreement shall never constitute a debt or a pledge of the faith and credit or the taxing power of the Issuer, the County or the State, but shall be payable solely out of the Trust Estate (as defined in the Indenture), anything herein contained to the contrary by implication or otherwise notwithstanding.

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** All capitalized, undefined terms used herein shall have the same meanings as used in Article I of the Indenture, except as otherwise defined herein.

**Section 1.02. Uses of Phrases.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “Bond,” “Bondholder,” “Holder,” “Owner,” “registered Holder” and “person” shall include the plural as well as the singular number, and the word “person” shall include corporations and associations, including public bodies, as well as persons. Any percentage of Bonds, specified herein for any purpose, is to be figured on the unpaid principal amount thereof then Outstanding. All references herein to specific sections of the Code refer to such sections of the Code and all successor or replacement provisions thereto.

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

**Section 2.01. Representations, Covenants and Warranties of the Issuer.** The Issuer represents, covenants and warrants that:

(a) The Issuer is a public body corporate and politic duly organized and validly existing under the laws of the State. Under the provisions of the Act and the resolutions adopted by the Issuer and the Board, the Issuer is authorized to enter into the Issuer Documents and to carry out its obligations thereunder. By proper action of its board, the Issuer has been duly authorized to execute and deliver the Issuer Documents and to issue and sell the Bonds.

(b) The Issuer covenants that it will not pledge the amounts derived from this Loan Agreement other than as contemplated by the Indenture.

(c) The Issuer hereby finds and determines that financing the Development by the issuance of the Bonds will further the public purposes of the Act.

(d) No member or director of the Issuer, nor any other official or employee of the Issuer, has any interest, financial, employment or other, in the Borrower, the Development or in the transactions contemplated hereby.

(e) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the title to office of any member of the Issuer; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any of the Issuer Documents, or the issuance, execution or delivery of the Bonds; (iii) affects or questions the validity or enforceability of any of the Issuer Documents or the Bonds; (iv) questions the exclusion from gross income for federal income taxation of interest on the Bonds; or (v) questions the power or authority of the Issuer to perform its obligations under any of the Issuer Documents or the Bonds or to carry out the transactions contemplated by any of the Issuer Documents or the Bonds.

(f) The Issuer makes no representation or warranty, express or implied, that the proceeds of the Bonds will be sufficient to finance the acquisition, rehabilitation and equipping of the Development or that the Development will be adequate or sufficient for the Borrower's intended purposes.

**Section 2.02. Representations, Covenants and Warranties of the Borrower and the General Partner.** The Borrower and the General Partner represent, covenant and warrant that:

(a) *Good Standing; Single Purpose Covenants.* The Borrower (i) is a limited partnership duly organized and existing in good standing under the laws of the State of Florida, (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Loan Agreement and the Tax Certificates, and

(iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The Borrower's business and purpose shall consist solely of the ownership, development, operation and management of the Development and such other lawful activities as are incidental, necessary or appropriate thereto. The Borrower shall not incur any indebtedness other than Development indebtedness, a seller loan in the approximate amount of \$[2,000,000], an equity bridge loan in the approximate amount of \$[3,600,000], any unsecured loans made by the partners of the Borrower (or their affiliates) pursuant to the terms of the Partnership Agreement) and normal trade accounts payable in the ordinary course of the Borrower's business. The Borrower shall not assume or guaranty any other person's indebtedness or obligations. The Borrower shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The Borrower shall not institute or consent to any bankruptcy, insolvency or reorganization proceedings with respect to it, consent to the appointment of a receiver or similar official with respect to it, make any assignment for the benefit of its creditors or admit in writing in such proceedings its inability to pay its debts generally as they become due. The Borrower shall: maintain books and records and bank accounts separate from those of any other person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with affiliates; and transact all business with affiliates on an arm's length basis and pursuant to enforceable agreements. The Borrower shall not commingle its assets or funds with those of any other person.

The General Partner (i) is duly organized and existing in good standing under the laws of the State of Florida, (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Loan Agreement, and the Tax Certificates, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The General Partner shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The General Partner shall not, with respect to itself or the Borrower, institute or consent to any bankruptcy, insolvency or reorganization proceedings, consent to the appointment of a receiver or similar official, make or consent to any assignment for the benefit of creditors or admit in writing its or the Borrower's inability to pay debts generally as they become due. The General Partner shall: maintain books and records and bank accounts separate from those of any other person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to

creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with affiliates; and transact all business with affiliates on an arm's length basis and pursuant to enforceable agreements. The General Partner shall not commingle its assets or funds with those of any other person.

(b) *Authority.* The Borrower has full power and authority to (i) execute and deliver the Documents to which it is a party and (ii) incur the obligations provided for herein and therein, all of which have been duly authorized by all proper and necessary corporate action. All consents or approvals of any public authority which are required as a condition to the validity of the Documents to which the Borrower is a party have been obtained.

(c) *Binding Agreements.* The Borrower Documents have been properly executed by a duly authorized officer of Affordable Housing Institute, Inc., a Florida not-for-profit corporation, as General Partner of the Borrower, and constitute valid and legally binding obligations of the Borrower, and are fully enforceable against the Borrower in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally, and with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose.

(d) *Litigation.* There is no litigation or proceeding pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or the General Partner before any court or administrative agency which, if determined adversely to the Borrower, will materially adversely affect the Borrower or the Development, or the authority of the Borrower to enter into or perform under the Borrower Documents or which in any way would adversely affect the validity or enforceability of the Bonds or the Documents.

(e) *Conflicts; Defaults.* There is (i) no provision of the Borrower's organizational documents or the organizational documents of the General Partner, or resolutions of the Borrower and no provision of any existing mortgage, indenture, contract or agreement binding on the Borrower or the General Partner or affecting any of the Borrower's property and (ii) no order of court, or to the Borrower's or the General Partner's knowledge, provision of law binding upon the Borrower or the General Partner or affecting any of the Borrower's property, in each case which would conflict with or in any way prevent the execution, delivery, or performance of the terms of the Borrower Documents and the other financing documents and regulatory agreements to be entered into at closing in connection with this transaction, or which would be in default or violated as a result of such execution, delivery or performance. The Borrower is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.



(f) *Title to Development.* The Borrower has or will have on the Closing Date a fee simple interest in the land constituting the site of the Development free and clear of any liens or encumbrances, other than those encumbrances set forth on Schedule B-II of the Title Commitment File No. \_\_\_\_\_ issued by First American Title Insurance Company. The Borrower is the sole borrower under the Loan.

(g) *Indenture.* The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Loan Agreement, that it has reviewed the Indenture, and it hereby approves the Indenture. The Borrower agrees to perform fully and faithfully all the duties and obligations which the Issuer has covenanted and agreed to in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower or the Issuer is required by the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Issuer which by its nature cannot be delegated or assigned.

(h) *Events Affecting Tax Exemption.* The Borrower has not taken or permitted to be taken any action that would impair the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds, and the Borrower has never been advised that the interest is or will be subject to inclusion in gross income. As of the Closing Date, the Borrower is in compliance with all requirements contained in the Tax Certificates, and the representations set forth in the Tax Certificates pertaining to the Borrower and the Development are true and accurate in all material respects. Notwithstanding the above, if the Borrower becomes aware of any situation, event or condition which would result in the interest on the Bonds being included in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the Issuer and the Trustee.

(i) *Compliance with Laws and Documents.* The Development is of the type authorized and permitted by the Act and will, from the Closing Date forward, be operated in compliance with the provisions of the Act and the provisions of the Code applicable thereto. The Borrower will use due diligence to cause the Development to be operated in accordance with the Act and all other applicable laws, rulings, regulations and ordinances of any applicable Governmental Authority and the departments, agencies and political subdivisions thereof. The Borrower has obtained or will cause to be obtained all requisite approvals of the Issuer and of any applicable Governmental Authority or other federal and local governmental bodies required for the operation of the Development.

Compliance by the Borrower with the provisions of the Bond Documents and the Borrower Documents will not involve, to the extent applicable, any prohibited transaction within the meaning of the Employee Retirement Income Security Act of 1974, as amended (sometimes referred to in this subparagraph 2.02(i) as “ERISA”), or Section 4975 of the Code. No “employee pension benefit plans”, that are subject to Title IV of ERISA (sometimes referred to in this subparagraph 2.02(i) as “Plans”), maintained by the Borrower, nor any trust created thereunder, have incurred any “accumulated funding deficiency” as defined in Section 302 of ERISA, to the extent applicable and the present value of all benefits vested under all Plans, if any, did not

exceed, as of the last annual valuation date, the value of the assets of the Plans allocable to such vested benefits.

The Borrower intends to cause the residential units in the Development to be rented or available for rental on a basis, which satisfies the requirements of the Land Use Restriction Agreement, including all applicable requirements of the Act and the Code, and pursuant to leases, which comply with all applicable laws. The Borrower will timely file the Income Certification and the Certificate of Continuing Program Compliance with the Issuer as required by the Land Use Restriction Agreement.

The Borrower shall, through the term of this Loan Agreement and at no expense to the Issuer, promptly comply or cause compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Development or to the repair and alteration thereof, or to the use or manner of use of the Development, including, but not limited to, the Americans with Disabilities Act, Florida Accessibility Code for Building Construction, all Federal, State and local environmental, health and safety laws, rules, regulations and orders applicable to or pertaining to the Development and Federal Worker Adjustment and Retraining Notification Act.

(j) *No Material Misstatements.* The representations and warranties of the Borrower contained in the Borrower Documents (including, without limitation, any information furnished by the Borrower in connection with the preparation of any materials related to the issuance or delivery of the Bonds on the Closing Date), contain no material misstatement of fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. The representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Closing Date, are true, correct and complete in all material respects, do not contain any untrue statement or misleading statement of material fact, and do not omit to state a material fact necessary to make the certifications, representations, warranties, statements, information and descriptions contained therein, in light of the circumstances under which they were made, not misleading. The estimates and assumptions contained in this Loan Agreement and in any certificate of the Borrower delivered as of the Closing Date are reasonable and based on the most accurate information available to the Borrower.

The information used in the preparation of the financial statements of the Borrower, the Borrower Documents and any other written statement furnished by the Borrower to the Issuer (including the descriptions and information contained in the Official Statement relating to (i) the Borrower and the Development, (ii) the operations and financial and other affairs of the Borrower, (iii) the application by the Borrower of the proceeds to be received by it from the Loan, and (iv) the participation by the Borrower in the transactions contemplated in this Loan Agreement and in the Official Statement, including, without limitation, the information relating to the Borrower in the Official Statement under the caption "Certain Bondholders' Risks"), do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading. There is no fact which the Borrower has not

disclosed to the Issuer in writing which materially adversely affects or, so far as the Borrower can now foresee, will materially adversely affect the financial condition of the Borrower, the ability of the Borrower to own and operate the Development or the Borrower's ability to make payments on the Note when and as the same become due and payable.

(k) *Interest of Member or Agent of the Issuer.* To the knowledge of the Borrower, no member or agent of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other persons, in the loan of the Bond proceeds, the Bonds, the Documents, the Borrower or the Development, in any contract for property or materials to be furnished or used in connection with the Development, or in any aspect of the transactions contemplated by the Documents. There (i) is no completed, pending or threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Development, the Borrower or the General Partner, and (ii) has been no assertion or exercise of jurisdiction over the Development, the Borrower or the General Partner by any court empowered to exercise bankruptcy powers.

(l) *Arbitrage Bonds.* No money on deposit or to be deposited in any fund or account in connection with the Bonds, whether or not such money was or is to be derived from other sources, has been or will be used by or under the direction of the Borrower in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(m) *Tax Returns.* The Borrower has filed or caused to be filed all required tax returns (including any federal, state or local tax returns, if required) and has paid all taxes as shown on such returns as such taxes have become due. No claims have been assessed and are unpaid with respect to such taxes.

(n) *No Reliance on the Issuer.* The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Development; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including without limitation the risk of loss of the Development; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Bonds.

(o) *Fees.* The Borrower shall pay all fees as provided under the Note and in this Loan Agreement, when due and payable without demand pursuant to Section 4.03 herein.

(p) *Name of Borrower.* The Borrower filed its Certificate of Limited Partnership with the State of Florida under the name of Praxis Venture LP.

(q) *Governmental Requirements.* To the Borrower's knowledge, no violation of any Governmental Requirement exists with respect to the Development, the Borrower, or any other asset of the Borrower, the Development conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of Governmental Authorities having jurisdiction over the Development, all necessary utilities are or will be available to the Development, and the Borrower has obtained or will obtain all requisite zoning approvals necessary with respect to the Development.

(r) *Condemnation.* No condemnation, eminent domain or similar proceeding is pending, or to the knowledge of the Borrower, threatened in writing, with respect to the Development or any portion thereof.

(s) *Governmental Approvals.* The Borrower has obtained, or will obtain and there are currently in full force and effect, or will be in full force and effect, all consents, and permits, licenses, accreditations, certifications and other approvals (governmental or otherwise) that:

(i) would constitute a condition precedent to, or the absence of which would materially adversely affect, the enforceability of and the performance by the Borrower of its obligations hereunder; and

(ii) are necessary for the acquisition, rehabilitation, equipping, financing and operation of the Development.

(t) *No Cease and Desist.* The Borrower is not presently under any cease or desist order or other orders of a similar nature, temporary or permanent, of any federal or state authority which would have the effect of preventing or hindering performance of its duties hereunder, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any such order.

(u) *Acknowledgment of Nature of Development.* The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Development; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Development; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement and the Indenture or otherwise relied on the Issuer in any manner.

(v) *Average Maturity.* The average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the facilities of the Development.

(w) *Federally Guaranteed.* The Bonds are not and shall not be "federally guaranteed" as defined in Section 149(b) of the Code.

(x) *No Intent of Sale of Development.* The Borrower intends to hold the Development for its own account and has no current plans to sell and has not entered into any agreement to sell any of the Development.

(y) *Notification of Default.* The Borrower agrees to immediately notify the Trustee and the Issuer in writing of any Default, or any event which with notice or the passage of time would constitute a Default.

(z) *Payment of Real Estate Taxes and Maintenance of Insurance.* The Borrower will promptly cause to be paid all real estate taxes, assessments or other levies assessed on the Development and all premiums for insurance policies required to be maintained for the Development. Borrower shall, at all times during the term of the Loan, maintain at its sole cost and expense, for the mutual benefit of Borrower, Lender and the Trustee, all of the insurance specified in Section [6.10] of the Lender Disbursement Agreement, as required by Lender and applicable law, and in such amounts and with such maximum deductibles as Lender may require, as those requirements may change.

(aa) *Application of Disbursements.* The full amount of each disbursement will be applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Bonds (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 Bonds will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Bonds (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital.

(bb) *Lease or Use of Development.* In connection with any lease or grant by the Borrower of the use of the Development as may be permitted by the Documents, the Borrower will require that the lessee or user of any portion of the Development not use that portion of the Development in any manner which would violate the covenants set forth in this Loan Agreement or the Land Use Restriction Agreement.

(cc) *Proceeds of Bonds.* No proceeds of the Bonds 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.

(dd) *Costs of Issuance Paid from Proceeds.* From the proceeds of the Bonds and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Bonds, may be used for Costs of Issuance of the Bonds, all within the meaning of Section 147(g)(1) of the Code.

(ee) *Ineligible Use of Proceeds.* No proceeds of the Bonds shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility (other than a workout facility functionally related to the Development and available to all residents at no additional charge), facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(ff) *Non-Discrimination.* The Borrower has not and shall not discriminate on the basis of race, creed, religion, color, sex, marital status, age or national origin in the lease, use, or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and management of the Development. Notwithstanding anything in this Section 2.02(ff) to the contrary, the Borrower may lease the units in the Development to (1) Lower-Income Persons, (2) Eligible Persons, and (3) Elderly Persons, as permitted pursuant to the Land Use Restriction Agreement. The Borrower specifically agrees that the Borrower will not refuse to lease units in the Development to persons whose family includes minor dependents who will occupy such unit, unless such refusal is based upon factors not related to the presence of such minors in the family, which factors may include, but shall not be limited to, negative credit, rental history or potential overcrowding of a unit.

### ARTICLE III

## REHABILITATION OF THE DEVELOPMENT; ISSUANCE OF THE BONDS

### Section 3.01. Agreement for Rehabilitation of the Development.

(a) The Borrower agrees to make or cause to be made all contracts and do all things necessary for the acquisition, rehabilitation and equipping of the Development. The Borrower further agrees that it will acquire and rehabilitate the Development in accordance with approved Plans and Specifications and the Credit Underwriting Report with all reasonable dispatch and use its best efforts to cause acquisition, rehabilitation and equipping of the Development to be completed by the Completion Date, or as soon thereafter as may be practicable, delays caused by force majeure as defined in Section 7.01 hereof only excepted; but if for any reason such acquisition, rehabilitation and equipping is not completed by said Completion Date, there shall be no resulting liability on the part of the Borrower or the Issuer and no diminution in or postponement of the payments required in Sections 4.02 and 4.03 hereof, or otherwise required under this Agreement, to be paid by the Borrower.

(b) The Borrower shall cause the Development to be maintained in good, habitable and safe (so as to not threaten the health or safety of the Development's tenants or their invited guests) condition and repair (reasonable wear and tear excepted) and shall

not remove, demolish or materially alter the improvements to the Development (except for the performance of the rehabilitation work comprising the Development or removal of aging or obsolete equipment or furnishings in the normal course of business). After completion of repairs, no structural or other material defect or damages to the Development will exist, whether latent or otherwise.

**Section 3.02. Agreement to Issue, Sell and Deliver the Bonds; Deposit of Bond Proceeds.** In order to provide funds for the payment of the Qualified Project Costs, the Issuer, concurrently with the execution of this Loan Agreement, will issue, sell and deliver the Bonds and deposit the proceeds thereof with the Trustee, which amounts shall be immediately deposited into the Project Fund.

**Section 3.03. Disbursements from the Project Fund.** In the Indenture, the Issuer has authorized and directed the Trustee to make disbursements from the Project Fund to pay Costs of the Development in the manner consistent with the Tax Certificates. The Trustee shall make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture as Exhibit B and with respect to an Approved Advance in accordance with the FHA Loan Documents. The Borrower agrees that the moneys transferred by the Trustee from the Project Fund to the Non-Critical Repair Escrow, if any, shall only be disbursed from the Non-Critical Repair Escrow for Qualified Project Costs as permitted by the Tax Certificates.

**Section 3.04. Furnishing Documents to the Trustee.** The Borrower agrees to cause such Requisitions to be directed to the Trustee as may be necessary to effect payments out of the Project Fund in accordance with Section 3.03 hereof.

**Section 3.05. Establishment of Completion Date.**

(a) The Borrower shall evidence completion of the rehabilitation of the Development and the actual date of completion to the Issuer and the Trustee by an executed Completion Certificate. The Completion Certificate shall be executed by the Borrower Representative and shall state to the best information and belief of the Borrower, after due inquiry, that rehabilitation of the Development has been completed in material compliance with all applicable laws, regulations and agreements, and all costs of labor, services, materials and supplies used in the Development have been paid, all equipment necessary for the operation of the Development has been purchased, installed and paid for, is suitable and sufficient for its intended purposes, and is fully operable, all costs and expenses incurred in connection with the Development have been paid except for amounts not yet due and payable or being diligently contested in good faith by the Borrower, and the Development is suitable and sufficient for its intended purposes. The Completion Certificate shall include a table of sources and uses showing the final allocation for all sources of funding for the Development, a confirmation of compliance with clause (b) below and with the tax covenants contained herein and in the documents delivered in connection with the issuance of the Bonds. Notwithstanding the foregoing, the Completion Certificate shall further state that it is given without prejudice to any rights of the Borrower against third parties which exist at the date of the Completion Certificate or which may subsequently come into being. The Completion Certificate

shall be furnished by the Borrower to the Issuer and the Trustee promptly following the completion of the rehabilitation of the Development.

(b) At least ninety five percent (95%) of the net proceeds of the Bonds will be used from the Project Fund or the Reserve Fund to pay Qualified Project Costs.

**Section 3.06. Borrower Required to Pay in Event Project Fund Insufficient.** In the event the moneys in the Project Fund available for payment of the Costs of the Development are not sufficient to pay the Costs of the Development in full, the Borrower agrees to complete the rehabilitation of the Development and to pay that portion of the Costs of the Development in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Development will be sufficient to pay all of the Costs of the Development. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Costs of the Development pursuant to the provisions of this Section 3.06, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under this Loan Agreement. Notwithstanding the foregoing, the terms, conditions and covenants of this Section 3.06 do not in any way affect the ability of the Issuer to pursue its rights and remedies under the Guarantor Documents.

**Section 3.07. Special Arbitrage Certifications.** The Borrower and the Issuer covenant, severally, and not jointly, (i) not to take any action or fail to take any action which would cause the interest on any of the Bonds to be or become includable in the gross income of the Holders for federal income tax purposes and (ii) not to cause or direct any moneys on deposit in any fund or account to be used in a manner that would cause the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. The Borrower certifies and covenants to and for the benefit of the Issuer and the Bondholders that so long as there are any Bonds Outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that will cause the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code.

**Section 3.08. Rebate Calculations and Payments.** Within twenty (20) days after payment in full of the Bonds, the Borrower shall cause the Rebate Analyst to calculate the Rebate Requirement as of the date of such payment and the Rebate Analyst shall notify the Trustee and the Borrower of that amount. If the amount then on deposit in the Rebate Fund created under the Indenture is less than the Rebate Requirement (taking into account the amount or amounts, if any, previously paid to the United States), the Borrower shall, within thirty (30) days after the date of the aforesaid calculation, deposit or cause to be deposited to the credit of the Rebate Fund an amount sufficient to cause the Rebate Fund to contain an amount equal to the Rebate Requirement. The obligation of the Borrower to make or cause to be made such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture or the termination of this Loan Agreement. The Borrower shall obtain such records of the computations made pursuant to this Section 3.08 as are required under Section 148(f) of the Code and shall retain such records for at least six (6) years after the maturity or retirement of the Bonds.



**Section 3.09. Rebate Analyst.** In accordance with Section 3.08 hereof, the Rebate Analyst shall perform any calculations required under Section 5.01 of the Indenture at the sole expense of the Borrower (such expense to be paid by the Borrower directly to the Rebate Analyst). The Rebate Analyst shall be selected by the Borrower as provided in the Indenture. The Borrower further covenants that, during the term of the Bonds, in the event the Borrower sells or otherwise disposes of the Development, it will require that the transferee execute a covenant similar to that in this Section 3.09 in the sale or other documents concerning the disposition and will require such transferee to include such a covenant in future transfer documents. The special covenants of the Borrower in this Section shall survive the defeasance or payment in full of the Bonds notwithstanding any other provision of this Loan Agreement until the requirements for payment of any Rebate Requirement has been fully satisfied.

**Section 3.10. Remarketing of Bonds.**

The Borrower is hereby granted the right to request a remarketing of the Bonds in the manner and to the extent set forth in Section 3.05 of the Indenture and, in consultation with the Remarketing Agent, designate the length of the remarketing period and the related mandatory tender date in the manner and to the extent set forth in Sections 3.03 and 3.05 of the Indenture.

**ARTICLE IV**

**LOAN PROVISIONS**

**Section 4.01. Loan of Proceeds.** The Issuer agrees, upon the terms and conditions contained in this Loan Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Section 3.03 hereof.

**Section 4.02. Amounts Payable.**

(a) (i) On or prior to the Closing Date, the Borrower shall deliver or cause to be delivered the Capitalized Interest Deposit to the Trustee for deposit to the Capitalized Interest Account.

(ii) The Borrower hereby covenants and agrees to repay the Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the Capitalized Interest Account and the Collateral Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Deposits into the Bond Fund for payments by the Trustee of principal and interest on the Bonds from amounts in the Capitalized Interest Account or the Collateral Fund shall be credited against the Borrower's obligation to pay principal and interest on the Loan.

It is understood and agreed that all payments of principal and interest payable by the Borrower under subsection (a) of this Section 4.02 are assigned by the Issuer in accordance with the terms of the Indenture to the Trustee for the benefit of the Bondholders (excluding amounts on deposit in the Rebate Fund, the Expense Fund and the Cost of Issuance Fund). The Borrower consents to such assignment.

(b) In the event the Borrower should fail to make any of the payments required in this Section 4.02, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

**Section 4.03. Fees and Expenses.** The Borrower agrees to pay, when due, the Issuer Fee, the Trustee's Fee, and in the manner provided in Section 3.09 hereof, the Rebate Analyst Fee, and any and all other costs or expenses at any time incurred by the Issuer, the Trustee, the Dissemination Agent or the Rebate Analyst (including the reasonable fees and expenses of their counsel actually incurred) in connection with the issuance, sale and delivery of the Bonds and the performance of their duties, and the obligations and performance of the Borrower, in connection with the transactions contemplated hereby, including, without limitation, all costs of recording and filing. The Borrower will also pay any reasonable expenses actually incurred in connection with any redemption of the Bonds. Specifically, and without limiting the foregoing, the Borrower agrees to pay to and indemnify any Issuer Indemnified Party (as defined below), the Trustee or any payee designated by the Issuer, within 30 days after receipt of request for payment thereof, all reasonable expenses of the Issuer and the Trustee actually incurred and related to the Development and the financing thereof which are not paid from the funds held under the Indenture, including, without limitation, reasonable legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Development or the Bonds or in connection with questions or other matters arising under such documents. The Borrower also agrees to pay, on each remarketing date, any remarketing expenses and other sums required under Section 3.05 of the Indenture in order to remarket the Bonds, and the Borrower further agrees to execute any and all certificates required by the Issuer, the Trustee or the Remarketing Agent in order to effectuate such remarketing.

The obligations of the Borrower under this Section 4.03 shall survive the termination of this Loan Agreement and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents.

**Section 4.04. Obligations of the Borrower Unconditional.** The obligations of the Borrower to make the payments required under this Loan Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other person. Subject to termination as provided herein, the Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Loan Agreement, (ii) will perform and observe all of its other agreements contained in this Loan Agreement and the other Documents and (iii) will not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of

consideration, eviction or constructive eviction, destruction of or damage to the Development, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

#### **Section 4.05 FHA Loan to Borrower.**

To provide and secure funds for the repayment of the Loan, and to provide for the delivery of the FHA Lender Collateral Deposit, the Borrower shall concurrently with the execution and delivery hereof, obtain the FHA Loan from the FHA Lender and enter into the FHA Loan Disbursement Agreement. The Borrower will promptly take all necessary actions on its part to close the FHA Loan and to satisfy all other terms and conditions of the FHA Commitment and the requirements of the FHA Lender.

The Borrower represents that the FHA Loan is to be insured by FHA pursuant to and in accordance with the provisions of Section 207 pursuant to Section 223(f) of the National Housing Act and applicable regulations thereunder, and that the FHA Loan will be in the maximum original principal amount of \$ \_\_\_\_\_. The FHA Loan will be secured pursuant to the FHA Loan Documents. In connection with the FHA Loan, the Borrower shall execute and deliver such documents as may be customarily utilized for insured mortgage loans under the provisions of Section 207 pursuant to Section 223(f) of the National Housing Act and applicable regulations thereunder.

The FHA Lender will advance funds in an aggregate amount not to exceed \$ \_\_\_\_\_ comprising the FHA Lender Collateral Deposit to the Trustee for deposit into the Collateral Fund conditioned upon the Trustee unconditionally and irrevocably disbursing an equal amount of Bond proceeds from the Project Fund to the FHA Lender or its designee. Upon receipt by the Trustee of the FHA Lender Collateral Deposit, the Trustee shall be unconditionally and irrevocably obligated to concurrently disburse an equal amount from the Project Fund to the FHA Lender or at the direction of FHA Lender, its designee; provided however, if the Trustee is unable to concurrently disburse funds from the Project Fund, it must immediately wire back to FHA Lender, the FHA Lender Collateral Deposit.

### **ARTICLE V**

#### **SPECIAL COVENANTS**

**Section 5.01. No Warranty of Condition or Suitability by the Issuer.** THE BORROWER RECOGNIZES, ACKNOWLEDGES AND AGREES THAT THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE DEVELOPMENT OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, CONDITION, WORKMANSHIP, OR FITNESS, SUITABILITY OR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR

DURABILITY THEREOF. THE BORROWER FURTHER RECOGNIZES THAT THE ISSUER HAS NO TITLE INTEREST TO ANY PART OF THE DEVELOPMENT AND THAT THE ISSUER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE BORROWER'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE DEVELOPMENT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THESE PROVISIONS HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE DEVELOPMENT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OF FLORIDA OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

**Section 5.02. Access to the Development.** The Borrower agrees that the Issuer, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Development and the rehabilitation thereof at all reasonable times upon reasonable notice. The Issuer, the Trustee, and their duly authorized agents shall also be permitted, at all reasonable times and upon reasonable notice, to examine the books, accounts, contracts, documents, and other papers of the Borrower with respect to the Development which shall all be maintained by the Borrower in reasonable condition and for audit.

**Section 5.03. Further Assurances and Corrective Instruments.** The Borrower agrees that it will, and will request the Issuer to, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

**Section 5.04. Issuer and Borrower Representatives.** Whenever under the provisions of this Loan Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given in writing both for the Issuer by an authorized representative of the Issuer and for the Borrower by a Borrower Representative. The Trustee shall be authorized to act on any such approval or request pursuant to the Indenture.

**Section 5.05. Financing Statements.** The Borrower shall file, or shall cause to be filed, and shall deliver copies to the Trustee of any and all financing statements, or any amendments thereof or continuation statements thereto, to perfect the security interests granted in the Indenture, in the manner prescribed in the Indenture. The Borrower shall pay all costs of filing such instruments and any fees and expenses (including reasonable attorney's fees) associated therewith.

**Section 5.06. Certain Deposits with the Trustee.** In connection with the issuance of the Bonds, certain moneys may be deposited with the Trustee before the closing date pursuant to

one or more letters of instruction from the provider or providers of such moneys. Such moneys will be held by the Trustee subject to the terms and conditions of the Indenture in addition to terms provided in such letter(s) of instruction. For such purpose the standards of care, provisions regarding responsibilities and indemnification and other sections relating to the Trustee contained in the Indenture and this Loan Agreement (the “Effective Provisions”) shall be effective as of the first date of receipt by the Trustee of such moneys. The Effective Provisions shall be deemed incorporated into such letter(s) of instructions.

**Section 5.07. Reserved.**

**Section 5.08. Requisitions.**

(a) On the Closing Date, the Borrower shall complete, execute and deliver to the Trustee a Requisition for disbursement of amounts on deposit in the Project Fund to the Borrower to pay Costs of the Development. Each Requisition shall be signed on behalf of the Borrower and shall be in the form set forth on Exhibit B to the Indenture. Each Requisition for amounts on deposit in the Project Fund shall state: (1) the number of the Requisition, (2) the amount to be disbursed and the sources of such disbursement, (3) that each obligation described therein is a Cost of the Development, has been properly incurred and has not been the basis for any previous disbursement, and (4) that the expenditure of such disbursement when added to all previous disbursements will result in not less than 95% of all disbursements from proceeds of the Bonds having been used to pay or reimburse the Borrower for Qualified Project Costs. The Borrower shall submit the Requisitions to the Trustee for payment. Approved Requisitions may be submitted to the Trustee by telecopier and shall not include accompanying supporting materials. The Trustee may conclusively rely on the statements and certifications contained in any Requisition.

(b) The amounts deposited into the Project Fund may be disbursed by the Trustee only in accordance with Section 6.02 of the Indenture, including delivery of a written Requisition of the Borrower satisfying the requirements of this Section 5.08 and Section 6.02 of the Indenture.

(c) On the Closing Date, the Borrower shall complete, execute and deliver to the Trustee a Requisition for disbursement of amounts, if any, on deposit in the Borrower Costs of Issuance Account of the Cost of Issuance Fund to pay Borrower Costs of Issuance. Each Requisition shall be signed on behalf of the Borrower, and shall be in the form set forth on Exhibit C-2 to the Indenture.

**Section 5.09. Covenant with Bondholders.** The Issuer and the Borrower agree that this Loan Agreement is executed and delivered in part to induce the purchase by others of the Bonds and, accordingly, all covenants and agreements of the Issuer and the Borrower contained in this Loan Agreement are hereby declared to be for the benefit of the Trustee and the Bondholders from time to time. Notwithstanding the foregoing, the Bondholder’s rights to enforce this provision of this Loan Agreement are governed by the terms of the Indenture.

**Section 5.10. Covenant to Provide Ongoing Disclosure.** The Borrower shall enter into a written undertaking for the benefit of the Holders to provide for the continuing disclosure of information about the Bonds, the Borrower and other matters as may be required to cause compliance with the Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). Failure of the Borrower to comply with the Rule shall not be a default under the Indenture, this Loan Agreement or any of the other Bond Documents; provided, however, the Borrower acknowledges that the Issuer, the Trustee or any Bondholder shall be entitled to bring an action for specific performance to cause the Borrower to comply with the covenant set forth in this Section 5.10.

**Section 5.11. Borrower Receipt of Insurance or Condemnation Proceeds.** In the event the Borrower receives any proceeds of insurance or any condemnation awards with respect to the Development from a party other than the Trustee, the Borrower shall promptly upon receipt remit all such insurance proceeds or condemnation awards to the Lender for deposit and application in accordance with the Lender Disbursement Agreement.

**Section 5.12. Reporting Requirements of the Borrower.** The Borrower will furnish to the Issuer and agencies of the State such periodic reports or statements as are required under the Act, or as such agencies may otherwise reasonably require of the Issuer or Borrower throughout the term of this Loan Agreement.

(a) Pursuant to Florida Statutes, Section 119.0701(2), the Borrower is required to comply with public records laws, specifically to:

(i) Keep and maintain public records (as defined in Florida Statutes, Section 119.011) that ordinarily and necessarily would be required by the Issuer in order to perform the service.

(ii) Provide the public with access to public records on the same terms and conditions that the Issuer would provide the records and at a cost that does not exceed the cost provided by Florida Statutes, Chapter 119, or as otherwise provided by law.

(iii) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.

(iv) Meet all requirements for retaining public records and transfer, at no cost, to the Issuer all public records in possession of the Trustee upon termination of this 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 Issuer in a format that is compatible with the information technology systems of the Issuer.

**Section 5.13. Indenture.** The provisions of the Indenture concerning the Bonds and other matters therein are an integral part of the terms and conditions of the Loan, and this Loan Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the

Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

**Section 5.14. Financial Information.** The Borrower agrees that it will have the books and records of the Borrower audited annually by an independent certified public accountant as soon as practicable after the close of each fiscal year of the Borrower, and will furnish within 120 days after the end of each fiscal year to the Issuer and the Trustee commencing in the fiscal year in which the rehabilitation of the Development is complete a copy of the audit report certified by such Accountant and prepared in accordance with generally accepted accounting principles, which report shall include calculations of the availability of funds for distributions and disclose the amount of General Partner and other partner distributions for the preceding year. The Borrower and the Issuer acknowledge that the Trustee shall have no obligations under this Section 5.14 other than to receive such statements and, if requested, to furnish such statements to Bondholders.

**Section 5.15. Tax Credit Requirement.** Notwithstanding anything to the contrary set forth in the Documents, including, without limitation, IRS Form 8038 completed at the time of issuance of the Bonds, all of the Bond proceeds shall, for federal income tax purposes, be (1) allocated on a pro rata basis to each building in the Development, and (2) used exclusively to pay costs of acquisition, rehabilitation and equipping of the Development which are includable in the aggregate basis of any building and the land on which the building is located (“Eligible Costs”) in a manner such that each building satisfies the requirement of Section 42(h)(4)(B) of the Code. Accordingly, no Bond proceeds will be used to pay any of the Costs of Issuance for the Bonds or to fund any reserve account other than the Project Fund or an account to be used to pay Eligible Costs. The Issuer, the Trustee and the Borrower each acknowledge that the Borrower intends to cause the Development to satisfy the requirements necessary for low-income housing tax credit (“Tax Credit”) pursuant to Section 42 of the Code. In the event that any of the restrictions described in this Loan Agreement conflict with any Tax Credit requirements imposed by Section 42 of the Code or any Tax Credit requirements imposed by the Issuer, the Trustee and the Borrower each agree that the more restrictive requirements shall control. The provisions of this Section 5.15 are for the benefit of the Borrower and neither the Trustee nor the Issuer shall have any obligation to enforce this Section 5.15 nor shall they incur any liability to any Person, including without limitation, the Borrower, the General Partner and any other affiliate of the Borrower or the Bondholders for any failure to meet the requirements of this Section 5.15; and provided further, failure to comply with this Section 5.15 shall not constitute a default or Event of Default under this Loan Agreement.

**Section 5.16. Brokers and Financial Advisors.** The Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with this Loan, other than those disclosed to the Issuer and the Lender and whose fees shall be paid by the Borrower pursuant to a separate agreement. The Borrower and the Lender shall indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in a way relating to or arising from a claim by any person that such person acted on behalf of the indemnifying party in connection with the transactions contemplated herein. The provisions of this Section 5.16 shall survive the

expiration and termination of this Loan Agreement and the repayment of the Borrower's Obligations.

**Section 5.17. Trial by Jury.** The Borrower hereby agrees not to elect a trial by jury of any issue triable of right by a jury, and waives any right to trial by jury fully to the extent that any such right shall hereafter exist with regard to the Documents, or any claim, counterclaim or other action arising in connection therewith. This waiver of right to trial by jury is given knowingly and voluntarily by the Borrower, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue. The Trustee is hereby authorized to file a copy of this paragraph in any proceeding as conclusive evidence of this waiver by the Borrower. This Section in no way affects the right of the Issuer to elect a trial by jury.

**Section 5.18. Issuer, Trustee and Lender Not in Control; No Partnership.** None of the covenants or other provisions contain in this Loan Agreement shall, or shall be deemed to, give the Issuer, the Trustee or the Lender the right or power to exercise control over the affairs or management of the Borrower, the power of the Issuer, the Trustee and the Lender being limited to the rights to exercise the remedies referred to in the Documents. The relationship between the Borrower and the Issuer, the Trustee, the Lender and the Bondholders is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Documents is intended, nor shall be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between the Borrower and the Issuer, the Trustee, the Lender or any Bondholder or to create an equity interest in the Development in the Issuer, the Trustee, the Lender or any Bondholder. Neither the Issuer, the Trustee, the Lender nor any Bondholder undertakes or assumes any responsibility or duty to the Borrower or to any other person with respect to the Development, except as expressly provided in the Documents; and notwithstanding any other provision of the Documents: (1) the Issuer, the Trustee and the Bondholders are not, and shall not be construed as, a partner, joint venture, alter ego, manager, controlling person or other business associate or participant of any kind of the Borrower or its stockholders, members or partners and the Issuer, the Trustee and the Bondholders do not intend to ever assume such status; (2) the Issuer, the Trustee and the Bondholders shall in no event be liable for any of the Borrower's Obligations, expenses or losses incurred or sustained by the Borrower; and (3) the Issuer, the Trustee and the Bondholders shall not be deemed responsible for or a participant in any acts, omissions or decision to the Borrower or its stockholders, members or partners. The Issuer, the Trustee the Bondholders and the Borrower disclaim any intention to create a partnership, joint venture, agency or common interest in profits or income between the Issuer, the Trustee, the Bondholders and the Borrower or to create an equity interest in the Development of the Issuer, the Trustee or the Bondholders, or any sharing of liabilities, losses, costs or expenses.



## ARTICLE VI

### RESTRICTION ON TRANSFER; ASSIGNMENT, SELLING, LEASING; INDEMNIFICATION

#### Section 6.01. Restriction on Transfer.

(a) In the event the Borrower intends to sell, lease (except to the tenants who will occupy units in the Development), sublease or otherwise materially encumber the whole of or any part of the Development or sell, assign or otherwise, except as otherwise provided herein, transfer any interest in the Borrower (a “transfer”), it shall (i) apply to the Issuer for consent to transfer, provided that consent of the Issuer shall not be unreasonably withheld, conditioned or delayed with respect to any transfer which is subject to the approval of the Issuer pursuant to this Section 6.01 and (ii) comply with the provisions of the Land Use Restriction Agreement restricting any such transfer.

(b) In addition, in connection with a proposed transfer, the Borrower and any transferee shall comply with all applicable provisions of the laws and regulations of the State in effect at that time regarding notice to tenants, and tenants’ rights generally, including, specifically, the right of first refusal, or any successor legislation thereto. The transferee shall expressly assume the Borrower’s duties and obligations under this Loan Agreement and any other Documents to which the Borrower is a party in writing (which writing shall be in form and substance acceptable to the Issuer) simultaneously with any approved transfer as set forth in this Section 6.01. The Borrower shall, prior to any such transfer, make available to the Trustee and the Issuer copies of any documents reflecting an amendment to partnership interests in the Borrower or other organizational documents relating to the sale or other transfer of assets of the Borrower.

(c) Except as otherwise provided for herein, the Borrower will not, directly or indirectly, by operation of law or otherwise, sell, assign, grant a deed of trust, pledge, hypothecate, transfer or otherwise dispose of the Development or any interest in the Development, and will not encumber, alienate, hypothecate, grant a security interest in or grant any other ownership or control interest whatsoever in the Development, in the leases or in the rents, issues and profits therefrom.

(d) Except as otherwise provided for herein, no interest in the Borrower and no ownership interest in the General Partner may be sold, conveyed, transferred, assigned, pledged or otherwise transferred, in whole or in part, directly or indirectly, by operation of law or otherwise.

(e) Notwithstanding anything to the contrary contained in the subsections above or otherwise in the Borrower Documents, each of the following transactions are hereby deemed to be expressly permitted hereunder and shall not require any further consent of the Issuer and shall not be a default under any of the other Borrower Documents:

(i) Issuance of partnership interests in the Borrower equal to 99.99% of the profits, losses, credits, distributions and other interests in the Borrower to the Investor Limited Partner and/or the Class B Limited Partner;

(ii) The transfer by the Investor Limited Partner of all or any portion of its partnership interest in the Borrower to (A) any other entity which is an affiliate of the Investor Limited Partner or its members, (B) any other entity which is controlled by, or under common control with, R4 Capital LLC, a Delaware limited liability company (the "Investor Sponsor"), or (C) an entity that is sponsored by Investor Sponsor; and

(iii) The pledge and encumbrance of the partnership interests in the Borrower of the Investor Limited Partner to or for the benefit of any financial institution which enables the Investor Limited Partner to make its capital contributions to Borrower and any subsequent realization by any such lender upon the interests of the Investor Limited Partner in the Borrower.

(iv) The removal of the General Partner by the Investor Limited Partner (or an affiliate thereof) pursuant to the terms of the Partnership Agreement of the Borrower and the replacement of the General Partner with the Investor Limited Partner or an affiliate of the Investor Limited Partner of Borrower;

(v) The transfer of interests in the General Partner so long as the Borrower on the date thereof retains a controlling interest in the General Partner; and

(vi) The pledge and encumbrance of the partnership interest in the General Partner of the Borrower in accordance with the terms of the Partnership Agreement and the Land Use Restriction Agreement;

(vii) a transfer of membership interest in the Investor Limited Partner; and

(viii) the transfer by the Investor Limited Partner of all or any portion of its partnership interest in the Borrower if necessary for Investor Limited Partner or the Investor Sponsor to comply with banking regulations.

(f) The Borrower will not become a party to any merger or consolidation, or agree to effect any asset acquisition or stock acquisition.

(g) The Borrower will not convert the ownership of the Development into condominium or cooperative housing corporation form of ownership other than a limited

equity cooperative that is a qualified cooperative housing corporation as defined in Section 143(k)(9) of the Code.

(h) The Borrower will not seek the dissolution or winding up, in whole or in part, of the Borrower or voluntarily file, or consent to the filing of, a petition for bankruptcy, reorganization, or assignment for the benefit of creditors or similar proceedings.

(i) The Borrower will not enter into any arrangement, directly or indirectly, whereby the Borrower shall sell or transfer any property owned by it in order then or thereafter to lease such property or lease other property that the Borrower intends to use for substantially the same purpose as the property being sold or transferred without the prior written consent of the Issuer in its sole and absolute discretion.

(j) The Borrower will not take any action that would adversely affect the exclusion of interest on the Bonds from gross income, for purposes of federal income taxation nor omit or fail to take any action required to maintain the exclusion of interest on the Bonds from gross income, for purposes of federal income taxation.

(k) [Reserved].

(l) This Loan Agreement may not be sold, transferred or otherwise disposed of by the Borrower without the prior written consent of the Issuer (which consent shall be within the reasonable discretion of the Issuer), subject to each of the following conditions:

(i) No such assignment will relieve the Borrower from primary liability for any of its obligations hereunder (unless the Issuer agrees in writing to release the Borrower) and in the event of any such assignment, the Borrower will continue to remain primarily liable for payment of its obligations hereunder and for performance and observance of the other covenants and agreements on its part herein provided.

(ii) No such assignment will, in the opinion of Bond Counsel (all such expenses related to such opinion shall be paid by the Borrower), adversely affect the excludability of interest on the Bonds from gross income for purposes of federal income taxation.

(iii) The assignee will assume in writing the obligations of the Borrower hereunder and under the Land Use Restriction Agreement to the extent of the interest assigned in a form acceptable to the Issuer (the "Assumption Agreement").

(iv) Prior to any such assignment, the Borrower will furnish or cause to be furnished to the Issuer and the Trustee an executed original of the Assumption Agreement.

## Section 6.02. Indemnification by Borrower.

(a) *Borrower's Obligations.* The Borrower releases the Issuer, the Trustee, the Servicer and their respective officers, directors, agents, officials, employees (and as to the Issuer, members of its governing board) and any person who controls the Issuer or the Trustee (only in its capacity as Trustee and not for the benefit of Bondholders), within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer and the Trustee (individually and not for the benefit of the Bondholders), and their respective officers, directors, employees, agents, officials (and as to the Issuer, members of its governing board) and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "Indemnified Party") from and against, any and all losses, claims, damages, demands, liabilities and expenses (including but not limited to, reasonable attorneys' fees and expenses, whether or not suit is brought and whether incurred in settlement negotiations, investigations of claims, at trial, on appeal or otherwise), litigation and court costs, taxes, amounts paid in settlement, amounts paid to discharge judgments, causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person directly or indirectly resulting from, arising out of or related to:

(i) the approval of financing for the Development or the making of the Loan;

(ii) the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by the Borrower, or its affiliates, in connection therewith, including, but not limited to, any (A) statement or information made by the Borrower with respect to the Borrower or the Development in any offering document or materials regarding the Bonds, the Development or the Borrower or in the Arbitrage Rebate Agreement of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (B) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Development contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Development required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (C) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;

(iii) the Borrower's failure to comply with any requirement of this Loan Agreement, the Regulatory Agreement or any of the Bond Documents or Loan Documents other than the payment of the principal of and interest on the Bonds;

(iv) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Development or the Bonds or in connection with any federal or state tax audit, securities investigation, or any questions or other matters arising under such documents;

(v) any act or omission of the Borrower or any of its agents, servants, employees, contractors, subcontractors or licensees in connection with the Loan or the Development or the rehabilitation of the Development, including violation of any law (including specifically, environmental laws whether related to a toxic substance or otherwise), ordinance, court order or regulation affecting the Development or any part of it or the ownership, occupancy, rehabilitation or use of it;

(vi) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Development or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related to the Development, or resulting from the acquisition, rehabilitation, design, equipping, repair, operation, use or management of all or any part of the Development;

(vii) the Trustee's acceptance or administration of the trusts created by, and the exercise of its powers or duties under, the Indenture or under this Loan Agreement, the Regulatory Agreement, or any other agreements in connection with such agreements to which it is a party;

(viii) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in this Loan Agreement and the other Loan Documents and Bond Documents or otherwise in connection with the Development or the rehabilitation thereof, the Bonds or the execution or amendment of any document relating to the Bonds or the Development;

(ix) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Development;

(x) taxes, charges, assessments, fees, excises and levies imposed upon Issuer or Trustee by reason of its interest in, or measured by amounts payable under, or the payment of which is a condition to the enforceability of, any of the Bond Documents, and any and all stamp taxes and other taxes required to be paid hereon or thereon; and

(xi) any and all claims arising in connection with the operation of the Development, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the acquisition, rehabilitation or equipping of, the Development or any part of it,

including, but not limited to, the Americans with Disabilities Act (as evidenced by an architect's certificate to such effect).

(b) *Scope of Indemnification.* This indemnification shall not be affected by any investigation by or on behalf of the Trustee or the Issuer or by any information the Trustee or the Issuer may have or obtain with respect thereof. This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim to the fullest extent permitted by law (i) with respect to the Issuer and its Indemnified Parties, notwithstanding negligence, willful misconduct or fraud on the part of the Issuer and its Indemnified Parties, and (ii) except in the case of the foregoing indemnification of the Trustee or any of its Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person. The indemnification provided in this Article VI is in addition to, and not in substitution of, the indemnification provisions in other documents executed and delivered in connection with the making of the Loan and the issuance of the Bonds.

(c) *Defense of Claims.* In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under this Loan Agreement, the Borrower, upon written notice from the Indemnified Party, will assume the investigation and defense of the action or proceeding, including the engagement of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion, provided, however, that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to engage separate counsel in any such action or proceeding and participate in the investigation and defense of such action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel if (i) the Indemnified Party determines that a conflict exists between the interests of the Indemnified Party and the interests of the Borrower, or (ii) such separate counsel is engaged with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed; provided, that notwithstanding the foregoing, each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding at the Borrower's expense if the Borrower fails to assume the defense of such Indemnified Party. The Borrower shall not be liable for any settlement obtained without the Borrower's consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) *Borrower's Continuing Obligations.* Notwithstanding any transfer of the Development to another owner in accordance with the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.02 for all matters arising prior to such transfer, and, as a condition to the release of the transferor on and after the transfer date, the Issuer must consent to the transfer, and the transferee must, in a writing in form and substance acceptable to the Issuer, assume the obligations of the Borrower under this Section 6.02 and the other Borrower Documents on and after the transfer date. Each Indemnified Party's rights under the

Loan Agreement shall survive the termination of this Loan Agreement, the payment of the Loan and the payment or defeasance of the Bonds.

All amounts payable to the Issuer under this Loan Agreement shall be deemed to be fees and expenses payable to the Issuer for the purposes of the provisions of this Loan Agreement, and of the Indenture dealing with assignment of the Issuer's rights under this Loan Agreement. The Issuer and its members, officers, agents, employees and their successors and assigns shall not be liable to the Borrower for any reason.

Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to (i) enforce any applicable Federal or State law or regulation or resolution of the Issuer, and (ii) enforce any rights accorded to the Issuer by Federal or State law or regulation of the Issuer, and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof. The obligations of the Indemnitors under this Section 6.02 are joint and several, and the indemnifications provided by the Indemnitors shall survive the termination of this Loan Agreement and the satisfaction of the Note, and the resignation or removal of the Trustee.

**Section 6.03. The Issuer to Grant Security Interest to Trustee.** The parties hereto agree that pursuant to the Indenture, the Issuer shall assign to the Trustee, in order to secure payment of the Bonds, all of the Issuer's right, title and interest in and to this Loan Agreement and the Note, except for Unassigned Rights of the Issuer. The Issuer retains the right to enforce any or all of the Unassigned Rights, and may take independent action to so enforce such Unassigned Rights.

## ARTICLE VII

### DEFAULTS AND REMEDIES

**Section 7.01. Defaults Defined.** The following shall be "Defaults" under this Loan Agreement and the term "Default" shall mean, whenever it is used in this Loan Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay any amount required to be paid under subsection (a) or (b) of Section 4.02 and Section 4.03 hereof.

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed herein other than as referred to in subsection (a) of this Section 7.01 or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Tax Certificates, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure covered by this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60 day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby.

(c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Development, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.

(d) The occurrence and continuance of an Event of Default under the Indenture.

The provisions of subsection (b) of this Section 7.01 are subject to the following limitation: if by reason of force majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained herein (other than its obligations contained in Article IV hereof), the Borrower shall not be deemed in Default during the continuance of such inability. Such force majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; terrorism; landslides; earthquakes; fires; storms; droughts; floods; or explosions; not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement.

**Section 7.02. Remedies on Default.** A copy of any notice of default provided to Borrower under any of the Borrower Documents shall also be provided to Investor Limited Partner and the Lender. Whenever any Default referred to in Section 7.01 hereof shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement, the Note, the Land Use Restriction Agreement or any other Document in the event of default thereunder. Any amounts collected pursuant to action taken under this Section 7.02 shall be paid into the Collateral Fund.

**Section 7.03. No Remedy Exclusive.** Subject to Section 10.01 of the Indenture, no remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy



reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VII. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Bondholders, subject to the provisions of the Indenture, including, but not limited to the Unassigned Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements herein contained.

**Section 7.04. Payment of Attorneys' Fees and Expenses.** If any party to this Loan Agreement takes any action to enforce its rights hereunder, then the prevailing party to such action may recover from the other party all of such prevailing party's costs incurred in bringing or defending such action, as the case may be, including (without limitation) attorneys' fees and costs of appeals.

**Section 7.05. No Additional Waiver Implied by One Waiver.** In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 7.06. Right to Cure.** Notwithstanding anything to the contrary herein or otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Investor Limited Partner shall receive a notice of any such events under the Borrower Documents and shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower herein or otherwise in the Borrower Documents. Any cure of any event of default by the Investor Limited Partner under the Borrower Documents (including, but not limited to, the Indenture) shall be deemed a cure by Borrower thereunder and shall be accepted or rejected on the same basis as if made by the Borrower.

**Section 7.07. No Interference or Impairment of FHA Loan.** Notwithstanding anything herein to the contrary, none of the Issuer, the Trustee or any other person shall:

- (a) 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 and payable under, the FHA Loan; or
- (b) interfere with or attempt to interfere with or influence the exercise by the Lender of any of its rights under the FHA Loan, including, without limitation, the Lender remedial rights under the FHA Loan upon the occurrence of an event of default by the Borrower under the FHA Loan.

The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of this Loan Agreement so long as it does 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.

Notwithstanding anything in this Loan Agreement to the contrary, any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under this Loan Agreement which includes any claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the FHA Loan Documents.

No subsequent owner of the Development shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the person who was the Borrower at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned by the default or breach even after such person ceases to be the Borrower with regards the Development.

Promptly upon determining that an Event of Default of this Loan Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Lender, inform the Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the FHA Loan or to foreclose on the FHA Lender Mortgage.

## ARTICLE VIII

### HAZARDOUS MATERIALS

**Section 8.01. Representation and Warranty Regarding Hazardous Materials.** Before signing this Loan Agreement, the Borrower engaged qualified professionals to research and inquire into the previous uses and owners of the Development and prepare the reports and studies described in Exhibit C attached hereto, each of which (collectively, the “Hazardous Materials Reports”) has been delivered to the Investor Limited Partner and the Issuer. Based solely on the Hazardous Materials Reports, the Borrower represents and warrants that, except as Borrower has disclosed to Investor Limited Partner and the Issuer in writing or in the Hazardous Materials Reports prior to the execution of this Loan Agreement, to the best of Borrower’s knowledge, (i) no Hazardous Materials have been disposed of, or released to or from, or otherwise now exists in, on, under or around the Development at a level of concentration that results in the Hazardous Materials being subject to regulation, control, removal or restriction by any governmental agency under any law, regulation or ordinance, and (ii) no aboveground or underground storage tanks are now or have ever been located on or under the Development. Notwithstanding anything to the contrary, disclosure to the Issuer of any Hazardous Materials located at the Development prior to the Closing Date shall in no way release the Borrower from its indemnification obligations provided in this Loan Agreement or in the Environmental Indemnity (the provisions of which are in addition to the provisions set forth in this Article VIII).

**Section 8.02. Compliance Regarding Hazardous Substances.** Borrower has complied, will comply, and will use commercially reasonable efforts to cause all tenants and any other persons who may come upon the Development to comply, with all federal, state and local laws, regulations and ordinances governing or applicable to Hazardous Materials, including those requiring disclosures to prospective and actual buyers or tenants of all or any portion of the Development. The Borrower will not install or allow to be installed any aboveground or additional underground storage tanks on the Development without the prior written approval of the Issuer. The Borrower must comply with the reasonable recommendations of any qualified environmental engineer or other expert engaged by the Borrower, the Issuer or the Investor Limited Partner with respect to the Development.

**Section 8.03. Notices Regarding Hazardous Substances.** The Borrower must promptly notify the Investor Limited Partner and the Issuer in writing (i) if it has actual knowledge that there may be any Hazardous Materials in or around any part of the Development, any improvements constructed on the Development, or the soil, groundwater or soil vapor on or under the Development at a level of concentration that results in the Hazardous Materials being subject to regulation, control, removal or restriction by any governmental agency under any law, regulation or ordinance, or that the Borrower or the Development may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Materials, and (ii) of any claim made or threatened in writing by any person, other than a governmental agency, against the Borrower arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Development, any improvements constructed on the Development or the soil, groundwater or soil vapor on or under the Development (any of the matters described in clauses (i) and (ii) above is a “Hazardous Materials Claim”).

**Section 8.04. Remedial Work.** The Borrower must promptly undertake any and all remedial work (“Remedial Work”) in response to Hazardous Materials Claims to the extent required by governmental agency or agencies involved, or to comply with the reasonable recommendations set forth in any written environmental assessment report prepared by a third party engineer retained by the Investor Limited Partner or the Issuer or in the Hazardous Materials Report attached hereto as Exhibit C, if such standard requires a higher degree of remediation, and in all events to minimize any impairment to Trustee’s security under the Loan Documents. All Remedial Work must be conducted (i) in a diligent and timely fashion by licensed contractors acting under the supervision of a consulting environmental engineer; (ii) pursuant to a detailed written plan for the Remedial Work approved by all public or private agencies or persons with a legal or contractual right to such approval; (iii) with insurance coverage pertaining to liabilities arising out of the Remedial Work as is then customarily maintained with respect to such activities; and (iv) only following receipt of any required permits, licenses or approvals. The selection of the Remedial Work contractors and consulting environmental engineer, the contracts entered into with such parties, any disclosures to or agreements with any public or private agencies or parties relating to Remedial Work and the written plan for the Remedial Work (and any changes thereto) is subject to the prior written approval of the Investor Limited Partner and the Issuer, which approval may not be unreasonably withheld or delayed.

**Section 8.05. Indemnity Regarding Hazardous Substances.** The Indemnitors each jointly and severally indemnify, defend and hold each of the Issuer Indemnified Party and the Trustee Indemnified Parties harmless from and against any and all costs directly or indirectly arising out of or resulting from any Hazardous Materials being present or released in, on or around any part of the Development, or in the soil, groundwater or soil vapor on or under the Development (collectively, “Indemnified Costs”), arising out of or as a result of events prior to the later of the full and final payment of the Bonds or before the date of a transfer of the Development, as applicable, including:

(i) any claim for such Indemnified Costs asserted against any of the Issuer Indemnified Party or the Trustee by any federal, state or local governmental agency, including the United States Environmental Protection Agency and all of the environmental regulatory authorities of the State, and including any claim that any Indemnified Party is liable for any such Indemnified Costs as an “owner” or “operator” of the Development under any law relating to Hazardous Materials; and

(ii) any claim for such Indemnified Costs asserted against any Issuer Indemnified Party by any person other than a governmental agency, including (i) any person who may purchase or lease all or any portion of the Development from Borrower, from any Indemnified Party or from any other purchaser or lessee, (ii) any person who may at any time have any interest in all or any portion of the Development, (iii) any person who may at any time be responsible for any cleanup costs or other Indemnified Party relating to the Development, and (iv) any person claiming to have been injured in any way as a result of exposure to any Hazardous Materials; and

(iii) any Indemnified Costs incurred by any Issuer Indemnified Party in the exercise by the Issuer Indemnified Party of its rights and remedies under this Loan Agreement; and

(iv) any Indemnified Costs incurred by any Issuer Indemnified Party as a result of currently existing conditions in, on or around the Development, whether known or unknown by the Indemnitors or the Issuer Indemnified Party at the time this Loan Agreement is executed, or attributable to the acts or omissions of the Indemnitors, any of the Borrower’s tenants, or any other person in, on or around the Development with the consent or under the direction of the Indemnitors; and

(v) any Indemnified Costs incurred by any Indemnified Party as a result of the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in on or from the Development of Hazardous Materials or the violation or alleged violation of any Hazardous Materials Law or official interpretation thereof in connection with the Development or the land on which it is located.

The obligations of the Indemnitors under this Section are joint and several, and are in addition to and shall not be limited by the provisions of Section 9.03 hereof and shall survive the termination of this Loan Agreement and the resignation or removal of the Trustee.

**Section 8.06. Defense of Indemnified Parties.** Upon demand by any Issuer Indemnified Party, the Indemnitors must defend any investigation, action or proceeding involving any Indemnified Costs that is brought or commenced against any Issuer Indemnified Party, whether alone or together with Borrower or any other person, all at the Borrower's own cost and by counsel approved by the Indemnified Party. In the alternative, any Indemnified Party may elect to conduct its own defense at the Borrower's expense.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.01. Term of Agreement.** This Loan Agreement shall remain in full force and effect from the date hereof until such time as all of the Bonds and all amounts payable hereunder and under the Indenture shall have been fully paid or provision made for such payments, whichever is later, provided, that the provisions of Sections 3.08, 6.02, 7.04 and Article VIII hereof shall survive termination of this Loan Agreement.

#### **Section 9.02. Notices; Publication of Notice.**

(a) All notices, advice, certifications or other communications hereunder between the Issuer and the Borrower shall be sufficiently given and shall be deemed given when delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return receipt requested, or transmitted by electronic means (including, without limitation, facsimile transmission) addressed to the appropriate Notice Address. Additionally, a duplicate copy of each notice or other communication given hereunder by any party to the Borrower shall also be given to the Investor Limited Partner and Class B Limited Partner. The Issuer, the Borrower, Class B Limited Partner or the Investor Limited Partner may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, advice, certifications or other communications shall be sent. Notices to persons other than the Issuer, the Borrower, Class B Limited Partner or the Investor Limited Partner (such as, for example, notices to owners of Bonds) shall be governed by the other applicable provisions of the Indenture.

(b) Whenever the Issuer or the Borrower is required or permitted to give or publish notice of any event or occurrence under this Loan Agreement, such notice shall be given or published in such manner and by such means as the Issuer or the Borrower, as the case may be, shall determine to be appropriate. Such publication may be by (but is not limited to) any of the following means: (1) publication in one or more newspapers or trade journals selected by the Issuer or the Borrower, as the case may be; (2) publication by or through one or more financial information reporting services; (3) delivery to the Municipal Securities Rulemaking Board's EMMA System or any successor repository or entity fulfilling a substantially similar or like role; or (4) by mailing a copy of such notice by first class mail, postage prepaid, to the person entitled to receive the notice at such person's address as shown on the records of the Issuer or the Borrower.

**Section 9.03. Nonrecourse Liability of Borrower.** From and after the date of this Loan Agreement, (i) the liability of the Borrower and the General Partner under this Loan Agreement

shall be limited to the Trust Estate, and such amounts as may be invested in accordance with Section 7.01 of the Indenture, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower or the General Partner under this Loan Agreement shall be limited to the Development and moneys derived from the operation of the Development, and any other security so given for satisfaction thereof; and (ii) no deficiency or other personal judgment shall be sought or rendered against the Borrower or the General Partner or their respective successors, transferees or assigns, in any action or proceeding arising out of this Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing herein shall limit the Issuer's or the Trustee's ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or any trustee under this Loan Agreement, or both, or to exercise any right against the Borrower or the General Partner, on account of any claim for fraud or deceit, and against any other person or entity on account of any claim for fraud or deceit. Subject to Section 9.12 hereof, notwithstanding anything else herein to the contrary, nothing in this Section 9.03 shall limit the rights of indemnification against the Borrower and the General Partner pursuant to Sections 4.03, 6.02, 8.05 and 8.06 hereof. Furthermore, notwithstanding anything to the contrary, the Borrower and the General Partner shall be fully liable for: (1) amounts payable to the Issuer constituting Unassigned Rights of the Issuer, (2) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, (3) payment of the Issuer Fee, and (4) the indemnification and the payment obligations to the Issuer under Sections 4.03, 6.02, 7.04, 8.05 and 8.06 hereof.

The limit on the Borrower's and the General Partner's liability set forth in this Section 9.03 shall not, however, be construed, and is not intended to in any way, constitute a release, in whole or in part, of the indebtedness evidenced by this Loan Agreement or a release, in whole or in part, or an impairment of the security interest, or in case of any default or enforcing any other right of the Issuer under this Loan Agreement or to alter, limit or affect the liability of any person or party who may now or hereafter or prior hereto guarantee, or pledge, grant or assign its assets or collateral as security for, the obligations of the Borrower under this Loan Agreement.

The provisions of this Section shall survive the termination of this Loan Agreement.

For the avoidance of doubt, neither the Investor Limited Partner nor any of its members shall have any personal liability under any of the Borrower Documents.

**Section 9.04. No Pecuniary Liability of the Issuer.** All obligations of the Issuer incurred under any of the Bond Documents shall be limited obligations of the Issuer, payable solely and only from the Trust Estate (as defined in the Indenture). The Bonds shall be payable solely from the Revenues (as defined in the Indenture) and other funds pledged under the Indenture for the payment of the Bonds, and no owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body of the State, nor to enforce the payment of the Bonds against any development of the Issuer, the State or any such political subdivision or other public body, except as provided in the Indenture. No member, officer, agent, director, employee, or attorney of the Issuer, including any person executing this Loan Agreement or the Indenture or any other

Issuer Document on behalf of the Issuer, shall be liable personally under this Loan Agreement or the Indenture or any other Issuer Document for any reason relating to the issuance of the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds, or for any claim based on the Bonds, or otherwise in respect of the Bonds, or based in or in respect of this Loan Agreement or any amendment to this Loan Agreement, against any member, officer, agent, director, employee or attorney of the Issuer, as such, or any successor thereof whether by virtue of any constitution, statute or rule of law, or by enforcement of any assessment or penalty or otherwise; all such liability is, by acceptance of this Loan Agreement and as part of the consideration for the issuance of Bonds, expressly waived and released. The Issuer has no taxing power.

**Section 9.05. Binding Effect.** This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee, the Holders of Bonds and their respective successors and assigns.

**Section 9.06. Severability.** In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 9.07. Amounts Remaining in Funds.** It is agreed by the parties hereto that any amounts remaining on deposit under the Indenture upon expiration or earlier termination of this Loan Agreement, as provided in this Loan Agreement, shall be used to pay the fees and expenses of the Trustee and the Issuer in accordance with the Indenture and any balance thereafter shall be paid pursuant to the provisions of the Indenture.

**Section 9.08. Amendments, Changes and Modifications.** Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture.

**Section 9.09. Execution in Counterparts.** This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 9.10. Applicable Law.** This Loan Agreement shall be governed exclusively by and construed in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

**Section 9.11. Captions.** The captions and headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

**Section 9.12. Supremacy of HUD Documents & Requirements.**

Notwithstanding any other provision contained in this Loan Agreement, and so long as the U.S. Department of Housing and Urban Development (“HUD”) or a successor or assign of HUD is the insurer or holder of the FHA Note, the following provisions shall apply:

(1) Borrower, Trustee and the Issuer acknowledge that this Loan Agreement and any obligations of Borrower hereunder, are subject and subordinate to the FHA Loan Documents. In addition, the rights and obligations of the parties under this Loan Agreement and all other documents evidencing, implementing, or securing this Loan Agreement (collectively, the “Subordinate Bond Documents”) are and shall be subordinated in all respects, to the rights and obligations of the parties to and under the FHA Loan Documents.

(2) No obligation of the Borrower hereunder shall be payable except from: (a) Surplus Cash (as such term is defined in the HUD Regulatory Agreement and available pursuant to Program Obligations which may limit any payments to 75% of Surplus Cash), or (b) Non-Project Sources, which are funds that are not derived from: (i) revenues of the Development, or (ii) any HUD-required reserve or deposit in connection with the FHA Loan (collectively, “Non-Project Sources”). Enforcement of the covenants in this Loan Agreement will not result in, and neither the Issuer, Trustee or Bondholder has or shall be entitled to assert, any claim against the Development, any HUD-required reserves or deposits in connection with the FHA Loan, the proceeds of the FHA Note, the assets of the Borrower, or rents, deposits or other income of the Development, except from Non-Project Sources.

(3) In the event of any conflict between the provisions of (a) this Loan Agreement or the other Subordinate Bond Documents, and (b) the FHA Loan Documents, Program Obligations (as defined in the FHA Mortgage), and/or GNMA statutory, regulatory or administrative requirements (collectively, “HUD Documents & Requirements”), the provisions of the HUD Documents & Requirements shall control. If there is any inconsistency or ambiguity between this Loan Agreement or the other Subordinate Bond Documents, and the HUD Documents & Requirements, such inconsistency or ambiguity shall be interpreted in favor of and in a manner which is consistent with the HUD Documents & Requirements. The provisions of this Section 9.12 shall control over any inconsistent provisions in this Loan Agreement or the other Subordinate Bond Documents.

(4) Any subsequent amendment to this Loan Agreement or the Indenture is subject to prior written approval of HUD. No amendment to this Loan Agreement or the Indenture shall conflict with the provisions of the HUD Documents & Requirements.

(5) The Bonds are not a debt of the United States of America, HUD, FHA, GNMA or any other agency or instrumentality of the federal government, and are not guaranteed by the full faith and credit of the United States or any agency or instrumentality thereof.

(6) There is no pledge under the Indenture or under the Loan Agreement of the gross revenues or any of the assets of the Development.

(7) Neither a default under this Loan Agreement nor under the Indenture shall constitute a default under the FHA Loan Documents.



(8) Nothing contained herein or in the Indenture shall inhibit or impair the right of HUD to require or agree to any amendment, change or modification of any -FHA Loan Documents.

(9) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Development will not be payable to the Trustee, but will be payable in accordance with the FHA Loan Documents.

(10) Any indemnification by the Borrower shall be solely from Surplus Cash or the proceeds of an insurance policy.

For purposes of this Section 9.12, "Program Obligations" has the meaning as used in the FHA Loan Documents.

### **Section 9.13. Comptroller of the Currency.**

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

### **Section 9.14. Patriot Act.**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity the Trustee will request documentation to verify its formation and existence as a legal entity. Furthermore, if required by the Patriot Act, the Trustee may request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed in their respective official names and their respective official seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

[SEAL]

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

ATTEST:

By: \_\_\_\_\_  
Milette Manos, Chair

By: \_\_\_\_\_  
Daniel D. Reynolds, Secretary

**BORROWER:**

**PRAXIS VENTURE LP**, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida not-for-profit corporation, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The General Partner hereby agrees with the representations applicable to the General Partner set forth in Article II of this Loan Agreement.

**GENERAL PARTNER:**

**AFFORDABLE HOUSING INSTITUTE, INC.**, a Florida not-for-profit corporation, its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A**

### **DEVELOPMENT DESCRIPTION**

The Borrower plans to use the proceeds of the Loan for the purpose of financing a portion of the costs of the acquisition, rehabilitation and equipping by the Borrower of a 224-unit multifamily housing facility and related facilities known as Praxis of Deerfield Beach and located in Deerfield Beach, Broward County, Florida (the “Development”).

**EXHIBIT B**  
**FORM OF PROMISSORY NOTE**

**EXHIBIT C**  
**HAZARDOUS SUBSTANCES REPORT**

The following list is derived from information contained in the Credit Underwriting Report:

1. Phase I Environmental Site Assessment prepared by \_\_\_\_\_ dated \_\_\_\_\_, 2019

**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

**Draft #3 05/06/19**  
**NGN File No.: 370.44**

LAND USE RESTRICTION AGREEMENT

Owner's  
Name and Address:

Praxis Venture LP  
c/o MRK Partners Inc.  
2711 N. Sepulveda Boulevard  
Manhattan Beach, California 90266

Location of Property:

1450 SW 11th Way  
Deerfield Beach, Florida 33441

Name of Project:

Praxis of Deerfield Beach

Issuer's Name  
and Address:

Housing Finance Authority of Broward County, Florida  
110 N.E. 3<sup>rd</sup> Street, Suite 300  
Fort Lauderdale, Florida 33301

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement"), made and entered into as of \_\_\_\_\_ 1, 2019, by and among the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida, whose mailing address is listed above (the "Issuer"); THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, whose mailing address is 10161 Centurion Parkway, Jacksonville, Florida 32256, as trustee (the "Trustee"), pursuant to the Trust Indenture dated as of \_\_\_\_\_, 2019, between the Issuer and the Trustee (the "Indenture"), authorizing and securing the issuance of the Issuer's \$ \_\_\_\_\_ Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the "Bonds"), and PRAXIS VENTURE LP, a Florida limited partnership, and its successors and assigns, whose mailing address is listed above (the "Owner");



WITNESSETH:

**WHEREAS**, Owner, the fee simple owner of the Project (as such term is herein defined), intends to acquire and rehabilitate a multifamily residential rental project located within Broward County, Florida (the “County”) to be occupied by Lower-Income Persons and Eligible Persons (as such terms are herein defined), all for the public purpose of assisting persons or families of low, moderate or middle income within the County to afford the costs of decent, safe and sanitary housing; and

**WHEREAS**, the Issuer has authorized the issuance and delivery of the Bonds in the original principal amount of \$ \_\_\_\_\_ pursuant to the Indenture in order to make a loan to the Owner (the “Loan”) pursuant to a Loan Agreement dated as of \_\_\_\_\_ 1, 2019 (the “Loan Agreement”), by and between the Issuer 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 Bonds, all under and in accordance with the Constitution and laws of the State of Florida (the “State”); and

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

**WHEREAS**, in order to satisfy such requirement, the Issuer, the Trustee and the Owner have determined to enter into this Agreement to set forth certain terms and conditions relating to the operation of the Project, which is located on the 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 Issuer to the Owner, acknowledging that compliance with this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds, the Owner covenants and agrees with the other parties hereto as follows:

Section 1. Definitions and Interpretation.

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

“Affiliated Party” of a person means a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (ii) such persons are members of the same controlled group of corporations as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code.

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

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

“Bonds” means the Issuer’s \$\_\_\_\_\_ Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach).

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

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

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

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

“County” means Broward County, Florida.

“Current Annual Family Income” is determined in accordance with Section 8 of the Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination), and includes wages and salaries, overtime pay, commissions, fees, tips and bonuses and other forms of compensation for personal services, net income from operation of a business or a profession, interest, dividends and other net income of any kind from real or personal property, periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits or similar types of periodic receipts, payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay, welfare assistance, periodic and determinable allowances such as alimony and child support and regular pay, special pay and allowances of a member of the Armed Forces, and other forms of income described in the Income Certification (as promulgated by the Issuer from time to time in accordance with the Housing Act) but does not include earnings of children under 18, payments received for care of foster children or adults, lump sum insurance payments, inheritances, capital gains and

settlements for personal or property losses, amounts received specifically for, or in reimbursement of, the cost of medical expenses, income of a live-in aide, certain student financial assistance, special pay to a member of the Armed Forces who is exposed to hostile fire, amounts received under certain training programs and other social service programs, temporary, nonrecurring or sporadic income or other forms of income that the Income Certification specifies may be excluded.

“Elderly Persons” means [TO COME]

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

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

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

“Indenture” means the Trust Indenture, dated as of \_\_\_\_\_ 1, 2019, between the Issuer and the Trustee relating to the issuance of the Bonds, as amended or supplemented from time to time.

“Investor Limited Partner” means R4 PDFL Acquisition LLC, a Delaware limited liability company, the investor limited partner of the Owner, and its permitted successors and assigns.

“Issuer’s Compliance Fee” means a compliance monitoring fee in an annual amount equal to \$25.00 per rental unit in the Project (or such other amount as is implemented by the Issuer) to be paid by or on behalf of the Owner to the Issuer, if, but only if, at any time during the Qualified Project Period or for such longer period if the set-aside requirements required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force, there are no Bonds outstanding. Such fee will be due in a lump sum payment on the date the Bonds are paid in full. The fee will be calculated for the period commencing on the date the Bonds are paid in full and ending on the last date of the Qualified Project Period, or such longer period if the set-aside required by the Code, Chapter 159, Part IV, Florida Statutes or other Issuer requirements remain in force after there are no Bonds outstanding.

“Land” shall have the meaning given that term in the Recitals of this Agreement.

“Lender” means the owner of the Bonds, which shall initially mean Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company.

“Loan” means the loan to the Owner made in connection with the issuance and delivery of the Bonds, evidenced by the Note and further described in the Loan Agreement.

“Loan Agreement” means that certain Loan Agreement entered into between the Owner and the Issuer dated as of \_\_\_\_\_ 1, 2019, as amended or supplemented from time to time.

“Loan Documents” means any and all documents executed in connection with the issuance of the Bonds and the making of the Loan to the Owner by the Issuer.

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

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

“Project” means the acquisition and rehabilitation of a multifamily residential rental housing project known as Praxis of Deerfield Beach, located on the Land and financed with proceeds of the Loan pursuant to the Loan Agreement. The Project consists of 224 units.

“Qualified Project Period” means the period beginning on the date the Bonds are issued, and ending on the latest of (a) the date that is fifteen (15) years after the date on which at least 50% of the units in the Project are first occupied; or (b) the first date on which no tax-exempt private activity bond issued with respect to the Project is outstanding (within the meaning of the Code).

“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.

“Transition Period” means a period of up to twelve (12) months beginning on the issue date of the Bonds.

(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, 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, (2) Eligible Persons, or (3) Elderly Persons. Lower-Income Persons and Elderly Persons who are residents of the Project will have equal access to and enjoyment of all common facilities of the Project at all times. The Owner will not discriminate against children of any age when renting the units in the Project.
- (e) The Land primarily consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Project primarily comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance or security personnel) are functionally related and subordinate to the Project and are commensurate with its size and intended use.
- (f) The Owner or an Affiliated Party of the Owner shall not occupy any of the units in the Project; provided, however, that the Owner or an Affiliated Party of the Owner may occupy a unit in a building or structure in the Project that contains five or more units if the Owner or an Affiliated Party of the Owner is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.
- (g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

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 Issuer’s Compliance Fee and Late Reporting Fee; Maintenance.

- (a) The Owner shall obtain and maintain on file an Income Certification from each Lower-Income Person and Eligible Person dated immediately prior to the initial occupancy of such tenant in the Project in the form and containing such information as may be required by Section 142(d) of the Code, as the same may be from time to time amended by the Issuer on the advice of Bond Counsel in the exercise of its opinion that any such amendment is necessary, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Photocopies of each such Income Certification and any verifications of such income, to the extent

requested by the Issuer, shall be submitted to the Issuer (i) within 10 days following the end of the calendar month during which the tenant first occupies a unit in the Project, (ii) within 10 days following the end of the calendar month thereafter in which the lease is renewed or extended, and (iii) as reasonably requested by the Issuer or the Trustee, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Issuer, such submissions may be made electronically.

- (b) The Owner shall file with the Issuer, on the tenth (10<sup>th</sup>) business day of each month, copies of the Income Certifications specified in Section 4(a) hereof obtained by the Owner during the previous month.
- (c) At all times during the term of this Agreement, the Owner will obtain and maintain on file from each Lower-Income Person residing in the Project the information demonstrating each tenant's income eligibility.
- (d) The Owner shall maintain complete and accurate records pertaining to the incomes of (as of the date of initial occupancy of each tenant) and rentals charged to Lower-Income Persons and Eligible Persons residing in the Project, and shall permit, upon five (5) business days' notice to the Owner, any duly authorized representative of the Issuer or the Trustee to inspect the books and records of the Owner pertaining to the incomes of and rentals charged to all tenants residing in the Project.
- (e) The Owner shall prepare and submit at the beginning of the Qualified Project Period, subject to the Transition Period provisions in Section 3(a) hereof, and on the tenth (10<sup>th</sup>) day of each month thereafter, to the Issuer, rent rolls and a Certificate of Continuing Program Compliance in the form and content approved by the Issuer, executed by the Owner stating (i) the percentage of residential units that were occupied by Lower-Income Persons and Eligible Persons as of the 20th day of the previous month, (ii) that at all times during the previous month 60% of the residential units, were occupied (or held available for occupancy) by Eligible Persons (as determined in accordance with Section 3 of this Agreement), (iii) that at all times during the previous month at least 40% of the residential units were occupied (or held available for occupancy) by Lower-Income Persons (as determined in accordance with Section 3 of this Agreement), and (iv) that no default has occurred under this Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Owner has taken or proposes to take to correct such default.
- (f) During the Qualified Project Period, the Owner shall submit to the Secretary of the Treasury (the "Secretary") (at such time and in such manner as the Secretary shall prescribe) an annual certification required by Section 142(d)(7) of the Code. As of the date of this Agreement, the Owner shall make such certification to the Secretary annually by completing and submitting IRS Form 8703 by March 31



after the close of the calendar year for which the certification is made. The Owner shall be responsible for making such certification at such other time or in such other manner as the Secretary may prescribe from time to time.

- (g) In the event the Issuer transfers responsibility for compliance monitoring to the Trustee or a newly designated Compliance Agent under Section 23 hereof, the Issuer may direct the Owner to provide and the Owner shall provide to the Trustee or the newly designated Compliance Agent copies of all of the reports, documents and certificates required under this Section. The Owner shall pay all reasonable fees and expenses of the Trustee or the newly designated Compliance Agent in connection with such responsibilities. Upon the designation of the Trustee or the Compliance Agent as the compliance monitor under this Agreement, all references herein to the Issuer as the recipient of reports and filings shall be deemed to be the Trustee and/or the Compliance Agent, as applicable.
- (h) The Owner shall immediately notify the Trustee and the Issuer of any change in the management of the Project.
- (i) If at any time during the term of this Agreement there are no Bonds outstanding (as provided in the Indenture), the Owner shall pay the Issuer's Compliance Fee.
- (j) The Owner will keep the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other improvements of any kind now or hereafter erected as part of the Project, in good condition and repair (normal wear and tear excepted), will not commit or suffer any waste and will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Project or any part thereof. In order to ensure the Owner's compliance with this covenant, the Issuer or its representatives are hereby authorized to enter upon and inspect the Project at any time during normal business hours upon reasonable notice and subject to the rights of tenants. Notwithstanding the foregoing, the Issuer has no affirmative duty to make such inspection.
- (k) The Owner will rehabilitate and operate the Project so that it conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990.
- (l) The Owner hereby agrees to pay a late fee in the amount of \$100 per day (including weekends) for each day that the Owner fails to timely submit (in the sole, reasonable opinion of the Issuer) any of the information, Income Certifications, rent rolls, Certificates of Continuing Program Compliance, reports, documents and/or certificates (collectively, the "Compliance Reporting Information") required by this Section 4, as may be amended from time to time (the "Late Reporting Fee"). The Owner acknowledges and hereby agrees that, notwithstanding anything in this Agreement to the contrary, a Late Reporting Fee

shall apply to and be payable in connection with each separate instance in which any of the Compliance Reporting Information (including individual components thereof) is not timely submitted pursuant to this Section 4, as may be amended from time to time.

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

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

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

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

Section 7. Fair Housing Laws.

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

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

Section 9. Tenant Lease Restrictions. All tenant leases shall contain clauses, among others, wherein each individual lessee:

- (a) Certifies the accuracy of the statements made in the Income Certification;
- (b) Agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of such lessee's tenancy; that such lessee will comply promptly with all requests for information with respect thereto from the Owner, the Trustee, the Lender or the Issuer, and that such lessee's failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of such lessee's tenancy; and

- (c) Agrees not to sublease to any person or family who does not execute and deliver an Income Certification.

Section 10. Sale, Assignment, Conveyance or other Disposition of Project or Interest in Owner. Except with respect to transfer of interests within the Owner, as permitted under the terms and conditions of the Owner's [Amended and Restated Agreement of Limited Partnership], dated as of \_\_\_\_\_ 1, 2019 (as may be further amended, the "Partnership Agreement"), the Owner shall not sell, assign, convey or transfer any material portion of the Land, fixtures or improvements constituting a part of the Land or Project, or any material portion of the personal property constituting a portion of the Project during the term of this Agreement without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes, and (iii) upon receipt by the Issuer of a fee from the Owner upon transfer of ownership in excess of fifty percent (50%) interest in the Project or the Owner (which fee shall be refunded by the Issuer to the Owner in the event the Issuer does not approve the transfer of the Project to the proposed purchaser or assignee thereof, or in the event such transfer is not consummated) in the amount of one-half (1/2) of one percent (1%) of the amount of the Bonds outstanding on the date of the written transfer request ("Transfer Fee"). Provided that the above conditions have been satisfied, the Issuer will provide to the Owner and the purchaser or transferee on request its written consent to any transfer in accordance with this Section an estoppel certificate. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 10 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Agreement. Nothing contained in this Section 10 shall affect any provision of any other document or instrument to which the Owner is a party which requires the Owner to obtain the consent of the holder of the Note or any other person as a precondition to sale, transfer or other disposition of the Project. The Transfer Fee will apply if a material portion of the Project financed with proceeds from the Loan is sold during the term hereof and such material portion of such Project consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Owner to purchase property of similar function to be used in connection with the Project, otherwise, the proceeds from such sale shall be applied in accordance with the documents executed in connection with the Bonds and the Loan. If such material portion of such Project consists of real property and improvements, the purchaser thereof must execute and deliver to the Owner and the Trustee a document in form and substance reasonably satisfactory to the Issuer and the 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 Partnership Agreement, the Owner shall not sell or otherwise transfer the Project in whole, nor shall there be substituted a new general partner of the Owner or a change in the controlling ownership of the general partner of the Owner, or other merger, transfer or consolidation of the Owner, unless (a) the Owner has received the prior written consent of the Issuer (which shall respond within a reasonable period

of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Issuer and its professionals have been paid, including the Transfer Fee, if any, (c) the Owner shall not be in default hereunder, (d) it is reasonably expected that continued operation of the Project will comply with the requirements of this Agreement, (e) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer and, for so long as the Loan is outstanding, the Lender, with respect to assuming the obligations of the Owner under this Agreement, (f) the Lender, if the Loan is outstanding, and the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (g) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (h) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer, the Lender, if the Loan is outstanding, and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of this Agreement, the Loan Agreement and the other Loan Documents, to the extent applicable, (i) the Trustee, the Lender, if the Loan is outstanding, and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under this Agreement, the Loan Agreement and other Loan Documents relating to the Bonds are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Trustee, the Lender, if the Loan is outstanding, and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes.

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

Notwithstanding 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, or (v) subject to the provisions of the documents executed in connection with the Bonds and the Loan, any transfer of partnership interests in the Owner or in the entities which are partners in the Owner.

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

- (a) Except pursuant to the provisions of this Agreement, the Loan Agreement and the other Loan Documents, or except upon a sale or transfer of the Project in accordance with the terms of this Agreement and the Loan Agreement, encumber any of the Project, including the grant of commercial leases (other than for vending machines, coin operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day to day operation of an apartment complex), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for apartment leases) for the Qualified Project Period. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project;
- (b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or
- (c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

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

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

Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Owner or an Affiliated Party to the Owner, obtains an ownership interest in the Project for federal tax purposes.

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

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

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

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

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

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

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

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



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

The Owner hereby agrees that the appointment of a new manager may be necessary to serve the public purpose for which the Bonds were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds following a violation of the provisions of this Agreement which is not cured within the period provided in Section 14 hereof. The Owner hereby expressly consents to, and agrees not to contest, the appointment of a new manager (acceptable to the Investor Limited Partner in its reasonable discretion) to operate the Project following a violation by the Owner of the provisions of this Agreement which is not cured as provided in Section 14 hereof and hereby waives any and all defenses and objections that might otherwise be raised to any such appointment of a new manager in accordance with the terms hereof. The Owner further agrees that the Issuer shall have the right to require the Owner to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Owner herein, including, without limitation, a material risk of an adverse impact on the excludability from gross income for federal income tax purposes of interest on the Bonds and which action or inaction is not being corrected as provided in Section 14 hereof, upon such manager or managing agent being given thirty (30) days' written notice of any violation hereof, and such right shall be expressly acknowledged in any contract between the Owner and any such manager or managing agent.

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

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

Section 22. Amendments.

- (a) The Owner shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 10 hereof.
- (b) This Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto (or their successors in title), and duly recorded in the official public records for Broward County, Florida. Anything to the contrary notwithstanding, the parties hereby agree to amend this Agreement to the extent required in the opinion of Bond Counsel, in order for interest on the Bonds to remain exempt from federal income taxation under Section 103 of the

Code. The Owner agrees, from time to time, to take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and amendments to this Agreement to the extent required by federal law, by any amendment to the Code or by any Regulation promulgated thereunder, in each case so that interest on the Bonds remains exempt from federal income taxes. Any such amendment, revision or termination shall be effected only in accordance with the Indenture.

Section 23. Trustee or Compliance Agent to Monitor Compliance Upon Request of Issuer. If the Issuer requests in writing that the Trustee (and the Trustee agrees to such request) or Compliance Agent assume the role of compliance monitoring, the Trustee or Compliance Agent, as the case may be, shall receive and examine all other reports, certifications and other documents required to be delivered to the Issuer or the Trustee or Compliance Agent hereunder and shall notify the Issuer promptly of non-compliance with this Agreement. In such event the Trustee or Compliance Agent shall include in its monthly statement described above a statement as to whether it has received the rent rolls and whether any of the information in any such documents received by the Trustee or Compliance Agent indicates the Owner has failed to comply with any of the requirements contained in this Agreement. The Trustee or Compliance Agent shall be authorized to charge reasonable fees and expenses to the Owner if it assumes such role.

Section 24. Notice. All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed to have been duly given (i) when delivered, if sent by registered or certified mail (return receipt requested), (ii) when delivered, if delivered personally, (iii) when transmitted, if sent by facsimile if a confirmation of transmission is produced by the sending machine (and a copy of each facsimile promptly shall be sent by first class United States mail, postage fully prepaid), (iv) when delivered, if sent by overnight mail or overnight courier, or (v) on the date delivery is refused, as indicated on the return receipt or the delivery records of the delivery service, as applicable, in each case to the parties at the addresses listed in the first paragraph of this Agreement. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Owner to the others, shall also be given to the Trustee and the Investor Limited Partner. Copies of all notices sent pursuant to this Agreement shall be sent in accordance with Section 13.06 of the Indenture.

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

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

Section 27. Release of Trustee. Notwithstanding anything in this Agreement to the contrary, on and after the date the Bonds are no longer outstanding under the Indenture, the Trustee shall be released as a party to this Agreement and discharged from any duties or obligations hereunder, and all provisions throughout this Agreement related to the duties of, or

notice to or from, the Trustee shall be of no further force and effect. If any approval or consent of the Trustee is required, such approval or consent shall be obtained from the Issuer; however, multiple notices need not be provided. Notwithstanding the foregoing, any such references shall remain in effect when needed to construe land use restriction obligations under this Agreement or to provide definitions. The Trustee's rights to indemnification provided for in the Indenture, the Loan Agreement and this Agreement shall survive such release and discharge.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE FOR  
LAND USE RESTRICTION AGREEMENT**

**(Praxis of Deerfield Beach)**

**IN WITNESS WHEREOF**, the Issuer, the Trustee, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

**ISSUER:**

HOUSING FINANCE AUTHORITY OF  
BROWARD COUNTY, FLORIDA

[SEAL]

By: \_\_\_\_\_  
Milette Manos, Chair

ATTEST:

\_\_\_\_\_  
Daniel D. Reynolds, Secretary

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by MILETTE MANOS and DANIEL D. REYNOLDS, Chair and Secretary, respectively, of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, a public body corporate and politic, this \_\_\_\_ day of \_\_\_\_\_, 2019, on behalf of said Authority. They are personally known to me or have produced a valid driver's license as identification.

(SEAL)

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
My Commission No.: \_\_\_\_\_

**COUNTERPART SIGNATURE PAGE FOR  
LAND USE RESTRICTION AGREEMENT**

**(Praxis of Deerfield Beach)**

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

**TRUSTEE:**

WITNESSES:

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

Print: \_\_\_\_\_

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

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

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

Print: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me by \_\_\_\_\_, as \_\_\_\_\_ and Trust Officer of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., this \_\_\_\_ day of \_\_\_\_\_, 2019, on behalf of said bank. Said person is personally known to me or has produced a valid driver's license as identification.

(SEAL)

\_\_\_\_\_  
Notary Public; State of Florida

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

My Commission Expires: \_\_\_\_\_

My Commission No.: \_\_\_\_\_

**COUNTERPART SIGNATURE PAGE FOR  
LAND USE RESTRICTION AGREEMENT**

**(Praxis of Deerfield Beach)**

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Owner have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

**OWNER:**

PRAXIS VENTURE LP, a Florida limited partnership

WITNESSES:

\_\_\_\_\_  
Print: \_\_\_\_\_

By: Affordable Housing Institute, Inc., a Florida not-for-profit corporation, its general partner

\_\_\_\_\_  
Print: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, by \_\_\_\_\_ as \_\_\_\_\_ of AFFORDABLE HOUSING INSTITUTE, INC., a Florida not-for-profit corporation, the general partner of PRAXIS VENTURE, LP, a Florida limited partnership, on behalf of the limited partnership and not-for-profit corporation. 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**  
**NOTICE OF TERMINATION OF LAND USE RESTRICTION AGREEMENT**  
**(Praxis of Deerfield Beach)**

ABOVE SPACE RESERVED FOR  
RECORDING PURPOSES ONLY

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

1. That certain Land Use Restriction Agreement dated as of \_\_\_\_\_ 1, 2019 and recorded \_\_\_\_\_, 2019, in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, of the Public Records of Broward County, Florida (the "Land Use Restriction Agreement").

2. The Qualified Project Period, as defined in the Land Use Restriction Agreement, ended on \_\_\_\_\_, and the Authority has authorized the execution and delivery of this Termination.

3. By execution of this Termination, the Land Use Restriction Agreement will be terminated.

4. All payments of any amounts due under the Land Use Restriction Agreement are fully paid and all obligations thereunder have been met. There is currently no default under the Land Use Restriction Agreement.

IN WITNESS WHEREOF, the Authority, the Trustee and the Current Owner hereby agree to terminate the Land Use Restriction Agreement.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]



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

**(Praxis of Deerfield Beach)**

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

**CURRENT OWNER:**

WITNESSES:

Print: \_\_\_\_\_

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

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

Print: \_\_\_\_\_

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

Address: \_\_\_\_\_

\_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of the \_\_\_\_\_. Said person is 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.: \_\_\_\_\_

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

**(Praxis of Deerfield Beach)**

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: \_\_\_\_\_

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

\_\_\_\_\_  
Print: \_\_\_\_\_

WITNESSES:

[SEAL]

Attest:

\_\_\_\_\_  
Print: \_\_\_\_\_

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

\_\_\_\_\_  
Print: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF BROWARD

The foregoing instrument was executed and acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_, as Chair and Secretary, respectively, of the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA, who executed the foregoing instrument and acknowledged to me that they did such on behalf of the Authority.

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
My Commission No.: \_\_\_\_\_

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

**(Praxis of Deerfield Beach)**

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

**TRUSTEE:**

WITNESSES:

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

Print: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me by \_\_\_\_\_, as a \_\_\_\_\_ of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, on behalf of said bank. Said person is personally known to me or has produced a valid driver's license as identification.

(SEAL)

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
My Commission No.: \_\_\_\_\_

**EXHIBIT "D"**  
**FORM OF**  
**BOND PURCHASE AGREEMENT**  
**[ATTACHED]**

## BOND PURCHASE AGREEMENT

\$22,000,000

Housing Finance Authority of Broward County, Florida  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)

[\_\_\_\_\_], 2019

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

Praxis Venture LP  
c/o MRK Partners Inc.  
2711 North Sepulveda Blvd.  
Manhattan Beach, California 90266

Ladies and Gentlemen:

RBC Capital Markets, LLC (“RBC”) and Raymond James & Associates, Inc. (“Raymond James,” and together with RBC, the “Underwriter”), on its own behalf and not as your fiduciary, hereby offers to enter into this Bond Purchase Agreement (this “Bond Purchase Agreement”) with the Housing Finance Authority of Broward County, Florida, a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (the “Issuer”) and Praxis Venture LP, a Florida limited partnership (the “Borrower”). This offer is made subject to the Issuer’s and the Borrower’s acceptance on or before 12:00 p.m., Eastern time, on the date hereof, and, upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, the Borrower and the Underwriter, all as of 2:30 p.m., Eastern time, on the date hereof.

The Issuer is authorized to issue the above-captioned bonds (the “Bonds”) pursuant to the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended (the “Act”) and pursuant to the Resolutions. The Bonds shall be as described in and shall be issued pursuant to a Trust Indenture, dated as of [\_\_\_\_\_] 1, 2019 (the “Indenture”), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). A disclosure statement submitted in compliance with Section 218.385, Florida Statutes, as amended, is attached hereto as Schedule II. Capitalized terms used herein but not defined herein shall have the meanings assigned thereto in the Indenture.

Simultaneously with the issuance of the Bonds, there will be executed and delivered a Loan Agreement, dated as of the date of the Indenture (the “Loan Agreement”), between the Issuer and the Borrower, pursuant to which the Issuer will loan the proceeds of the Bonds to the Borrower (the “Loan”) for the purpose of financing the acquisition and rehabilitation of a 224-unit multifamily rental housing development located in Deerfield Beach, Broward County, Florida (the “Development”). To evidence its repayment obligations under the Loan Agreement, the Borrower will execute a promissory note, dated the Closing Date (the “Note”).

The Bonds are special, limited obligations of the Issuer, and the principal of and interest thereon will be payable solely from the revenues and other moneys assigned by the Indenture to secure such payment. At all times the Bonds will be secured by Permitted Investments and Preference Proof Moneys

sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due at maturity or upon mandatory tender.

The Development is required to be operated in compliance with a Land Use Restriction Agreement, dated as of [\_\_\_\_\_] 1, 2019 (the “Land Use Restriction Agreement”), among the Borrower, the Issuer and the Trustee.

The Development will utilize a mortgage loan (the “FHA Lender Loan”) insured by the Federal Housing Administration (“FHA”) under Section 223(f) of the National Housing Act of 1934, as amended, and applicable regulations promulgated thereunder. In connection with the FHA Lender Loan, the Borrower will execute a Note (Multistate) (the “FHA Note”). The Borrower’s repayment obligations under the FHA Note will be secured by a first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) (the “FHA Lender Mortgage”) on the Development. The Borrower will also execute a Regulatory Agreement for Multifamily Projects required by FHA (the “HUD Regulatory Agreement”) with respect to the Development in order to provide for, among other things, a reserve fund for replacements as well as escrows for taxes, insurance and mortgage insurance premiums, which will be held by Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (the “Lender”). In the event of conflict between the provisions of the FHA Note, the FHA Lender Mortgage, the HUD Regulatory Agreement and certain other documents required by FHA or the FHA Lender (collectively, the “FHA Lender Loan Documents”) and the Indenture, the Loan Agreement or the Land Use Restriction Agreement, the FHA Lender Loan Documents will control. Neither the owners of the Bonds nor the Trustee will have rights under the FHA Lender Loan Documents. Neither the owners of the Bonds nor the Trustee will have a lien on the real estate on which the Development is located.

On or prior to the Closing Date, the Underwriter shall have received a copy of each of the following documents, duly executed by all parties thereto or certified to the satisfaction of the Underwriter:

- (a) Indenture;
- (b) Loan Agreement;
- (c) Land Use Restriction Agreement;
- (d) Continuing Disclosure Agreement;
- (e) Note;
- (f) Bonds;
- (g) Official Statement (as defined below); and
- (h) Bond Purchase Agreement.

The foregoing documents are hereinafter collectively referred to as the “Bond Documents.” The Bond Documents executed by the Issuer shall be referred to herein as the “Issuer Documents.” The Bond Documents executed by the Borrower shall be referred to herein as the “Borrower Documents.” The Bond Documents executed by the Trustee shall be referred to herein as the “Trustee Documents.”

## **SECTION 1. Purchase and Sale of the Bonds**

On the basis of the representations, warranties and agreements contained herein, but subject to the terms and conditions herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all, but not less than all, of the Bonds for a purchase price of [ ]% of the principal amount of the Bonds. The Bonds shall bear interest at the rate and mature on the date as provided in Schedule I hereto and have such other terms as provided in the Indenture and described in the Official Statement. The Borrower agrees to pay to the Underwriter, as compensation for its services, an underwriting fee equal to \$[ ] (the "Underwriting Fee"), from which the Underwriter will pay certain fees and expenses. The Underwriting Fee shall be due and payable in immediately available funds on the Closing Date, solely and exclusively from funds provided by the Borrower.

The Issuer will deliver the Bonds to or for the account of the Underwriter against payment of the purchase price therefor by wire transfer of immediately available funds to the Trustee (the "Closing") at or prior to 12:00 p.m., Local Time, on [ ], 2019, or at such other time not later than seven days thereafter as the Underwriter, the Borrower and the Issuer shall mutually agree (the "Closing Date"). One Bond will be delivered, registered in the name of Cede & Co. to the Trustee as agent for The Depository Trust Company on or prior to the Closing Date. The Bonds may be in printed, engraved, typewritten or photocopied form, and each such form shall constitute a "definitive" form.

## **SECTION 2. Official Statement**

(a) The Borrower has delivered or will deliver to the Underwriter, without charge, in such quantities as the Underwriter has requested or may hereafter reasonably request, copies of the Preliminary Official Statement dated [ ], 2019, prepared with respect to the Bonds (the "Preliminary Official Statement"), the final Official Statement dated or to be dated [ ], 2019, prepared with respect to the Bonds (the "Official Statement") and any amendments or supplements thereto. The Borrower will be responsible for any costs associated with printing and mailing the Preliminary Official Statement and the Official Statement.

(b) The Underwriter is required to comply with the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule") in connection with the offer and sale of the Bonds. The Issuer and the Borrower each agree to cooperate (at the cost and expense of the Borrower) with the Underwriter so as to enable the Underwriter to comply with the Rule. To this end, the Borrower has delivered to the Underwriter the Preliminary Official Statement that the Borrower deemed final as of its date, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, other terms of the Bonds depending on such matters and the identity of the Underwriter. To evidence this, the Borrower will execute and deliver a certificate in the form attached as Exhibit C hereto. The Borrower, its partners and all entities affiliated with the Borrower and its partners have complied with all of their previous continuing disclosure obligations under the Rule, if any (except to the extent described in the Preliminary Official Statement and the Official Statement).

(c) The Borrower has authorized the delivery of the Preliminary Official Statement and the execution and delivery of the Official Statement. The Borrower hereby approves the use by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the public offering of the Bonds by the Underwriter.

(d) The Borrower will supply sufficient quantities of the Official Statement to enable the Underwriter (i) to send a single copy of the Official Statement with any confirmation that requests

payment for a Bond, and in any event within seven business days after the date hereof, and to any potential customer upon request until the earlier of (A) 90 days after the End of the Underwriting Period (as defined below) or (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, and (ii) to comply with any applicable rules of the Municipal Securities Rulemaking Board. The Underwriter agrees to promptly file the Official Statement with a nationally recognized municipal securities information repository. The “End of the Underwriting Period” means the later of the delivery of the Bonds by the Issuer to the Underwriter or when the Underwriter no longer retains (directly or as a syndicate member) an unsold balance of the Bonds for sale to the public, provided that the “End of the Underwriting Period” will be deemed to be the Closing Date unless the Underwriter otherwise notifies the Issuer and the Borrower in writing prior to such date that there is an unsold balance of the Bonds.

(e) If, during the period from the date hereof and ending on the earlier of (i) 90 days after the End of the Underwriting Period or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, any event occurs as a result of which the Official Statement for the Bonds as then amended or supplemented might include an untrue statement of material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer, if such event relates to the information included in the Official Statement under the captions “THE ISSUER,” “NO LITIGATION – The Issuer” and “DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES” (insofar as the information under such caption pertains to the Issuer) (collectively, the “Issuer Portion”), or the Borrower shall promptly notify the Underwriter thereof and shall (in either case, at the expense of the Borrower), upon the request of the Underwriter, prepare and deliver to the Underwriter, as many copies of an amendment or supplement which will correct such statement or omission as the Underwriter may reasonably request.

### **SECTION 3. Issuer’s Representations and Warranties and Agreements.**

The Issuer represents, warrants to, and covenants and agrees with, the Underwriter and the Borrower that:

(a) On the date hereof and on the Closing Date, the statements and information pertaining to the Issuer, including, without limitation, its functions, duties and responsibilities, contained in the Issuer Portion of the Preliminary Official Statement and the Official Statement, are and will be true, correct and complete in all material respects, and the Issuer Portion of the Preliminary Official Statement and the Official Statement does not and will not omit any statement or information which is necessary to make such statements and information pertaining to the Issuer, including without limitation, its functions, duties and responsibilities, in light of the circumstances under which they are made, not misleading in any material respect.

(b) To the actual knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Issuer in any way:

(i) Affecting the organization of the Issuer, or the legal or corporate existence of the Issuer, or the title of the members of the Issuer to their respective offices, or any powers of the Issuer under the laws of the State of Florida (the “State”) pursuant to which the Issuer was created;



(ii) Seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues from the Borrower derived from payments under the Loan Agreement, or the pledge thereof;

(iii) Contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents;

(iv) Contesting the power of the Issuer to enter into, execute and deliver the Issuer Documents or to consummate the transactions contemplated by such documents and the Preliminary Official Statement and the Official Statement;

(v) Contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any amendment or supplement thereto (nor to the actual knowledge of the Issuer, is there any basis therefor); or

(vi) Wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Issuer Documents, the financial position or condition of the Issuer or the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(c) The Issuer is a public body corporate and politic of the State of Florida, duly organized and existing under the laws of the State of Florida, including the Act, and has, and at the Closing Date will have, full legal right, power and authority under the Constitution and the laws of the State: (i) to enter into the Issuer Documents; (ii) to adopt the Resolutions; (iii) to issue, sell and deliver the Bonds to the Underwriter under the Indenture and as provided herein; (iv) to pledge and assign the revenue, other money, securities, funds, accounts, guarantees, insurance, and other items pledged under the terms of the Indenture, as provision of and security for the payment of the principal of and interest on the Bonds, and to similarly pledge all money, securities and earnings held in the funds and accounts held under the Indenture, all in the manner described in the Resolutions, the Indenture and the Loan Agreement; and (v) to carry out, give effect to and consummate all the other transactions contemplated by the Issuer Documents, the Resolutions, the Preliminary Official Statement and the Official Statement.

(d) The Issuer and the Board of County Commissioners (the "Board") have duly and validly adopted the Resolutions, have duly authorized and approved the execution and delivery of the Bonds, the Issuer Documents, the Preliminary Official Statement and the Official Statement, and have duly authorized and approved the performance by the Issuer of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of those documents, and at the Closing Date, the Bonds and the Issuer Documents will constitute the valid, legal and binding special, limited obligations of the Issuer (assuming due authorization, execution and delivery by the other parties thereto, where necessary) in accordance with their respective terms and the Resolutions and will be in full force and effect.

(e) The Issuer's execution and delivery of the Bonds and the Issuer Documents, the Issuer's consummation of the transactions contemplated by such documents, and the Issuer's fulfillment of or compliance with the terms, conditions or provisions thereof will not conflict with, violate or result in the breach of any of the terms, conditions or provisions of any constitutional provision or statute of the State or of any agreement, instrument, statute, governmental rule or regulation, law and order, judgment or decree to which the Issuer is now a party or by which it is bound, and will not constitute a default under any of the foregoing which has not been waived or consented to in writing by the appropriate party or parties, and will not result in the creation or imposition of any lien, charge, security interest or

encumbrance of any nature upon any property or assets of the Issuer prohibited under the terms of any such agreement, instrument, statute, governmental rule or regulation, court order, judgment or decree.

(f) Upon delivery of the Bonds, the Issuer will have good right, full power and lawful authority to pledge and assign the Trust Estate described in the Indenture to the Trustee as provided in the Indenture and the Resolutions.

(g) The Issuer has complied, and will at the Closing Date be in compliance, in all respects with the Resolutions and the Issuer Documents.

(h) All approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or issuer having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations hereunder or under the Bonds or any of the Issuer Documents have been obtained and are in full force and effect.

(i) The Bonds, when delivered in accordance with the Indenture and paid for by the Underwriter on the Closing Date as provided herein, will be validly issued and outstanding limited obligations of the Issuer entitled to all the benefits and security of the Indenture.

(j) The Issuer will furnish such information, execute such instruments and take such other action at the expense of the Borrower in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, provided that in connection therewith the Issuer shall not be required to file a general consent to service of process in any jurisdiction. In particular, the Issuer will comply with all securities laws, rules and regulations relating to continuing disclosure applicable to the Bonds or the Development at all times that any of the Bonds are outstanding.

(k) Any certificate related to the issuance and delivery of the Bonds signed by an authorized officer of the Issuer shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

(l) The Issuer will apply the proceeds of the Bonds in accordance with the Indenture and as contemplated by the Preliminary Official Statement and the Official Statement.

(m) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(n) The Issuer has not taken or omitted to take on or before the date hereof any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

The execution and delivery of this Bond Purchase Agreement by the Issuer shall constitute a representation to the Underwriter that the representations and warranties contained in this Section are true as of the date hereof.

#### **SECTION 4. Representations, Warranties and Agreements of the Borrower.**

The Borrower represents and warrants to and agrees with the Issuer and the Underwriter as follows:

(a) The Borrower is duly organized and existing as a limited partnership under the laws of the State, has full legal right, power and authority to own its properties and to conduct its business as described in the Official Statement and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Official Statement, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required, including the State.

(b) By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(c) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) At the time of the Borrower's acceptance hereof and at all times subsequent thereto during the period up to and including the date of Closing, the Preliminary Official Statement and the Official Statement do not and will not contain any untrue or misleading statement of a material fact in the portions of the Preliminary Official Statement or the Official Statement captioned "ESTIMATED SOURCES AND USES OF FUNDS," "THE DEVELOPMENT AND THE PARTICIPANTS," "CERTAIN BONDHOLDERS' RISKS" (but only with respect to those risks that expressly relate to the Borrower, the Development or the private participants) and "NO LITIGATION – The Borrower" or any omission or alleged omission from the portions of the Preliminary Official Statement or Official Statement captioned "ESTIMATED SOURCES AND USES OF FUNDS," "THE DEVELOPMENT AND THE PARTICIPANTS," "CERTAIN BONDHOLDERS' RISKS" (but only with respect to those risks that expressly relate to the Borrower, the Development or the private participants), and "NO LITIGATION – The Borrower" of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, the Borrower is not in any material respect in violation of, breach of or default under any applicable law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or

default under any law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound which violation, breach or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents; provided, however, that the Borrower makes no representation or warranty with respect to compliance with applicable state securities or blue sky laws or the registration of the Bonds under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(f) All consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or commission of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect or will be timely obtained.

(g) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers executing this Bond Purchase Agreement to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower's financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

(h) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts upon the reasonable request of the Underwriter to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(i) Any certificate signed by the Borrower and delivered to the Underwriter or the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty by the Borrower to the Underwriter and the Issuer as to the statements made therein as of the date thereof.

(j) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under the Internal Revenue Code of 1986, as amended.

(k) The Borrower shall honor all other covenants contained in the Borrower Documents; provided, however, that nothing herein shall be deemed to alter the nonrecourse nature of any covenants which are under the terms of the Borrower Documents, without recourse to the Borrower.

(l) All permits, licenses and other authorizations necessary for the ownership, acquisition, and rehabilitation of the Development in the manner contemplated by the Official Statement and the Borrower Documents have been obtained or will be obtained by the time required, and said ownership, acquisition, and rehabilitation are not in conflict with any zoning or similar ordinance applicable to the Development.

The execution and delivery of this Bond Purchase Agreement by the Borrower shall constitute a representation to the Underwriter that the representations and warranties contained in this Section 4 are true as of the date hereof.

## **SECTION 5. Indemnification**

(a) (i) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Underwriter and each affiliate, member, officer, director, official, supervisor, employee and agent past, present and future of the Underwriter and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the “Underwriter Indemnified Parties”), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the “Liabilities”), except any Liability arising from the gross negligence or willful misconduct of the Underwriter, caused by or directly or indirectly arising from or in any way relating to (A) the Borrower’s obligations relating to the Bonds, the Development, the Loan, the Loan Agreement, the Indenture, this Bond Purchase Agreement or any document related to the Bonds, the Development, the Loan (the “Transaction Documents”) or any transaction or agreement, written or oral, pertaining to the foregoing but specifically excluding the Preliminary Official Statement and the Official Statement; or (B) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the headings “ESTIMATED SOURCES AND USES OF FUNDS,” “THE DEVELOPMENT AND THE PARTICIPANTS,” “CERTAIN BONDHOLDERS’ RISKS” (but only with respect to those risks that expressly relate to the Borrower, the Development or the private participants) and “NO LITIGATION—The Borrower,” or caused by any omission or alleged omission from the above-referenced sections of the Preliminary Official Statement or the Official Statement of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(ii) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer and each affiliate, member, officer, director, official, supervisor, employee and agent past, present and future of the Issuer and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the “Issuer Indemnified Parties” and together with the Underwriter Indemnified Parties, the “Indemnified Parties”), against any and all Liabilities caused by or directly or indirectly arising from or in any way relating to (A) the Borrower’s obligations relating to the Transaction Documents or any transaction or agreement, written or oral, pertaining to the foregoing; or

(B) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement (other than the Issuer Portion) or caused by any omission or alleged omission from the Preliminary Official Statement or the Official Statement (other than the Issuer Portion) of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, this Section shall not apply to any Liability arising from the gross negligence or willful misconduct of the Issuer and shall not be construed to modify the indemnification provisions of the Loan Agreement.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Underwriter from and against the Liabilities directly or indirectly arising from or relating to any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by the Issuer pertaining to the Bonds.

(c) Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower's expense and with counsel satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense and shall have the right to review and approve or disapprove any compromise or settlement which approval shall not be unreasonably withheld. If there may be legal defenses available to the Indemnified Party that are different from or in addition to those available to the Borrower, if conflicts of interest exist or arise between the Borrower and the Indemnified Party or if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk and expense of, the Borrower, in any manner that the Indemnified Party, in its sole good-faith judgment, considers to be reasonable. Notwithstanding the foregoing provisions of this Section, the Borrower shall not be personally liable for the payment of principal or interest on the Note.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (a) or (b) of this Section is for any reason held to be unavailable, the Borrower and the Underwriter shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Parties may be subject, so that the Underwriter is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Underwriter in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Underwriter be responsible for any amount in excess of the fees paid by the Borrower to the Underwriter in connection with the issuance and administration of the Bonds and provided further that the Borrower shall not be required to contribute for Liabilities arising from the gross negligence or willful misconduct of the Underwriter. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act of 1933) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

(e) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third-party beneficiaries of this Bond Purchase Agreement for purposes of this Section. The provisions of this Section will be in addition to all liability that the Borrower may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

(f) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Loan Agreement, the Land Use Restriction Agreement or any other document.

All obligations under this Section are subject to the limitations in Section 19 of this Bond Purchase Agreement.

#### **SECTION 6. Closing**

At 12:00 p.m., Local Time, on the Closing Date, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower and the Underwriter, the Issuer shall direct the Trustee to deliver the Bonds to the Underwriter through the facilities of The Depository Trust Company (“DTC”), New York, New York, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer shall deliver at the Issuer’s offices the Bond Documents and the Underwriter shall accept delivery of the Bonds and the Bond Documents and pay the purchase price for the Bonds by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer shall direct. As a condition precedent to such acceptance, the Underwriter shall have received the Underwriting Fee by wire transfer in immediately available federal funds to the order of the Underwriter, in such manner as shall be agreed upon by the Borrower and the Underwriter. If the Underwriter shall make such request, the applicable Bonds shall be made available to the Underwriter one business day before the Closing at the offices of DTC for purposes of inspection and packaging. The ownership of one fully registered Bond in the aggregate principal amount of the Bonds, bearing a proper, duly assigned CUSIP number will be issued initially in the name of Cede & Co., as nominee of DTC.

#### **SECTION 7. Closing Conditions of the Underwriter**

The Underwriter has entered into this Bond Purchase Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations and warranties of the Issuer and the representations and warranties of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Resolutions shall have been duly approved and adopted by the Issuer and the Board and shall be in full force and effect and the Issuer Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel, and counsel for the Underwriter, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) At or prior to the Closing, the Underwriter shall receive the following documents:

(i) an approving opinion of Bond Counsel addressed to the Issuer and the Underwriter, dated the Closing Date substantially in the form attached to the Official Statement;

(ii) opinions or certificates, as the case may be, dated the Closing Date and addressed to the Underwriter and to such other parties as may be appropriate, of

(A) Bond Counsel, substantially in the form attached hereto as Exhibit A;

(B) Borrower's Counsel, substantially in the form attached hereto as Exhibit B; and

(C) Counsel to the Trustee, in form and substance satisfactory to the Underwriter and Bond Counsel.

(iii) a certificate, dated the Closing Date and signed on behalf of the Issuer, to the effect that:

(A) except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, pending or to the Issuer's knowledge threatened against or affecting the Issuer (or to the knowledge of the Issuer, any meritorious basis therefore), wherein an unfavorable decision, ruling or finding would: (a) affect the creation, existence or powers of the Issuer, or the title to the office of the officers thereof, (b) limit, enjoin or restrain the issuance, sale and delivery of the Bonds, or the payment, collection or application of the revenues and limit, enjoin or restrain other moneys and securities pledged or to be pledged under the Indenture or the pledge thereof, (c) contest or affect any of the rights, powers, duties or obligations of the Issuer with respect to the moneys and assets pledged or to be pledged to pay the principal of or redemption price, if any, or interest on the Bonds, (d) question or affect the authority for or validity of the Bonds, the Indenture, the Issuer Documents and the applicable Borrower Documents to which the Issuer is a party or the Resolutions, or (e) question or affect its obligations as contemplated by any other agreement or instrument executed and delivered by the Issuer in connection with the issuance of the Bonds;

(B) the Issuer has complied or will comply with all agreements, covenants and arrangements and has satisfied all conditions on its part to be complied with, performed or satisfied in connection with the issuance and delivery of the Bonds at or prior to the Closing Date;

(C) the representations and covenants of the Issuer contained herein, and in the Issuer Documents are true, complete and correct in all material respects as of the Closing Date; and

(D) the statements in the Official Statement under the Issuer Portion do not contain any untrue statement of a material fact or omit to state any



material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(iv) a certificate of the Issuer and the Borrower as to arbitrage and other federal tax matters in form and substance acceptable to Bond Counsel and the Underwriter.

(v) a certificate of the Borrower, dated the Closing Date, that (A) each of the representations and warranties set forth in the Borrower Documents (including this Bond Purchase Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) to the Borrower's knowledge, no event has occurred since the date of the Official Statement that causes the Official Statement to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (C) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date.

(vi) counterpart originals or certified copies of each of the Issuer Documents, Borrower Documents and Trustee Documents.

(vii) written evidence satisfactory to the Underwriter that S&P Global Ratings has issued a rating of "AA+" for the Bonds and such rating shall be in effect on the Closing Date.

(viii) such agreements, certificates and opinions as requested by the Underwriter to evidence the closing of the Loan.

(ix) such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Bonds from gross income for federal income tax purposes), instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Borrower's or the Issuer's representations herein and in the Official Statement and the due performance or satisfaction by the Borrower and the Issuer at or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by the Borrower and the Issuer.

(c) None of the events referred to in Section 8 of this Bond Purchase Agreement shall have occurred.

Acceptance of delivery of the Bonds shall be deemed approval of such conditions to Closing. If the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, neither the Underwriter nor the Issuer shall be under further obligation hereunder.

## **SECTION 8. Termination**

The Underwriter may terminate this Bond Purchase Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) (A) legislation shall be enacted by the Congress of the United States or adopted by the Senate or House of Representatives of the United States, or

recommended to the Congress for passage by the President of the United States, or favorably reported for passage to the Senate or House of Representatives by any committee of either such body to which such legislation has been referred for consideration or by a conference committee of such bodies, (B) a decision shall be rendered by a court of the United States or by the Tax Court of the United States, (C) a ruling, regulation or official action shall be rendered by or on behalf of the United States, or (D) a ruling, regulation or official action shall be proposed or issued, including by pronouncement, press release or any other form of formal notice, by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or another governmental agency of the United States or by or on behalf of any member of the Senate or House of Representatives of the United States in any such instance with respect to federal taxation of interest received on obligations of the general character of the Bonds and which (1) in the reasonable opinion of counsel for the Underwriter would have or proposes action which would have the effect of making such interest includable in gross income for federal income tax purposes or (2) which, in the reasonable opinion of the Underwriter would materially adversely affect any intended utilization of Bond proceeds or other intended action described in the Official Statement;

(ii) between the date hereof and the Closing, payment for and delivery of the Bonds is rendered impracticable or inadvisable because (A) additional material restrictions not in force as of this date shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; (C) trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been established by federal or New York authorities or (D) a war involving the United States shall have been declared, or there shall have occurred any other outbreak or escalation of hostilities or another national or international calamity shall have occurred, the effect of any of which, in the reasonable judgment of the Underwriter materially adversely affects the marketability of the Bonds (it being agreed by the parties hereto that there is no war or national calamity of such a nature as of the date hereof);

(iii) any event shall occur or exist which, in the judgment of the Underwriter, causes the Official Statement to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) legislation shall be enacted, or any action shall be taken by the Securities and Exchange Commission, which, in the opinion of counsel for the Underwriter has or may have the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended;

(v) In the judgment of the Underwriter, the market price of the Bonds is adversely affected because: (i) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority or security for or the validity of the Bonds, or the existence or

powers of the Issuer; or (ii) legislation shall have been introduced in or enacted by the Legislature of the State with the purpose or effect, directly or indirectly, of imposing State income taxation upon interest to be received by any owners of the Bonds or that would, in the reasonable judgment of the Underwriter, adversely affect an investment in or the security pledged for the Bonds;

(vi) There shall have occurred any change that, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the assumptions upon which: (i) yield on the Bonds for purposes of compliance with the Code, (ii) payment of debt service on the Bonds, or (iii) the basis for the exclusion from gross income for federal income tax purposes of interest on the Bonds, is predicated.

(vii) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal or negative change in credit watch status of the Bonds by any national rating service;

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(ix) an occurrence, in the reasonable judgment of the Underwriter, of a material adverse change in the capital markets which makes the syndication, sale or financing contemplated hereby impractical or which makes it inadvisable to proceed with the syndication, sale or financing contemplated hereby on the terms, manner and basis contemplated hereby; or

(x) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to, the Official Statement, and the Official Statement has not been so amended or supplemented.

## **SECTION 9. Expenses**

The Underwriter shall be under no obligation to pay, and the Borrower hereby agrees to pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to, (a) the costs of printing and preparation for printing or other reproduction for distribution and use in connection with the public offering of the Bonds such number of copies as may be requested by the Underwriter of the Preliminary Official Statement, the Official Statement, the Indenture, the Resolutions and the blue sky survey, as well as any delivery costs incurred in connection with the distribution of the foregoing documents; (b) the cost of preparing the definitive Bonds; (c) the fees and disbursements of Bond Counsel in connection with the authorization and issuance of the Bonds; the fees and expenses of Issuer's counsel; the fees and expenses of the Trustee and its counsel; any application or administrative fee of the Issuer; and the fees and disbursements of the Issuer's financial advisor and any other experts or consultants retained by the Issuer; (d) the fees of rating agencies in connection with the rating of the Bonds; (e) the Underwriting Fee; (f) the fees and expenses of counsel to the Underwriter; and (g) all other expenses in connection with the public offer and sale of the Bonds. The Issuer shall have no obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds. The Borrower shall pay for any expenses incurred on behalf of the Issuer's employees which are incidental to implementing this Bond Purchase Agreement.

## **SECTION 10. Notices**

Any notice or other communication to be given to the Issuer or the Borrower under this Bond Purchase Agreement may be given by delivering the same in writing to the Issuer or the Borrower at their respective addresses set forth on the first page hereof. Any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to RBC Capital Markets, LLC, 100 2nd Avenue South, Suite 800, St. Petersburg, Florida 33701, Attention: Ms. Helen H. Feinberg.

## **SECTION 11. Parties in Interest**

This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Underwriter (including any successor or assignees of the Underwriter), and, except as provided in Section 5 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

## **SECTION 12. Amendments**

This Bond Purchase Agreement may not be amended without the written consent of the Issuer, the Borrower and the Underwriter.

## **SECTION 13. Survival of Representations and Warranties**

The representations and warranties of the Issuer and the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing.

## **SECTION 14. Execution in Counterparts**

This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

## **SECTION 15. No Prior Agreements**

This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer.

## **SECTION 16. Effective Date**

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.

## **SECTION 17. Governing Law**

This Bond Purchase Agreement shall be governed by the internal laws of the State without giving effect to the conflict of law principles of the State.

## **SECTION 18. Bidding Agent; Underwriter Not Acting as Advisor or Fiduciary**

RBC will also serve as bidding agent for certain of the Permitted Investments to be purchased with amounts on deposit in the Project Fund, Collateral Fund and Bond Fund under the Indenture. For this

service, RBC will be compensated a fee of \$[\_\_\_\_\_] by the provider of such Permitted Investments. This fee is separate from and in addition to the fee set forth above for underwriting the Bonds.

The Issuer and the Borrower each acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Issuer, the Borrower, and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor, municipal advisor or fiduciary of the Issuer or the Borrower, (iii) the Underwriter has not assumed individually or collectively an advisory or fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has advised or provided other services or is currently advising or providing other services to the Issuer or the Borrower on other matters) and the Underwriter has no obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement and (iv) the Issuer and the Borrower have consulted their own legal, financial and other advisors to the extent they deem appropriate in connection with the offering of the Bonds.

#### **SECTION 19. HUD Provisions**

This Bond Purchase Agreement, and all of the Borrower's obligations hereunder, are subject and subordinate to the FHA Lender Loan Documents. Notwithstanding any provision in this Bond Purchase Agreement to the contrary, no obligation of the Borrower hereunder shall be payable except from: (1) Surplus Cash (as such term is defined in the HUD Regulatory Agreement and available pursuant to Program Obligations which may limit any payments to 75% of Surplus Cash), or (2) Non-Project Sources, which are funds that are not derived from: (i) revenues of the Development, or (ii) any HUD-required reserve or deposit in connection with the FHA Lender Loan (collectively, "Non-Project Sources"). Enforcement of the covenants in this Bond Purchase Agreement will not result in, and neither the Issuer, Trustee or Bondholder has or shall be entitled to assert, any claim against the Development, any HUD-required reserves or deposits in connection with the FHA Lender Loan, the proceeds of the FHA Note, the assets of the Borrower, or rents, deposits or other income of the Development, except from Non-Project Sources. In the event of any conflict between the provisions of (i) this Bond Purchase Agreement and all other documents evidencing, implementing, or securing this Bond Purchase Agreement (collectively, the "Subordinate Bond Documents"), and (ii) the FHA Lender Loan Documents, Program Obligations (as defined in the FHA Lender Mortgage), and/or GNMA statutory, regulatory or administrative requirements (collectively, "HUD Documents & Requirements"), the provisions of the HUD Documents & Requirements shall control. If there is any inconsistency or ambiguity between this Bond Purchase Agreement or the Subordinate Bond Documents, and the HUD Documents & Requirements, such inconsistency or ambiguity shall be interpreted in favor of and in a manner which is consistent with the HUD Documents & Requirements. The provisions of this Section shall control over any inconsistent provisions in this Agreement or the Subordinate Bond Documents.

#### **SECTION 20. Establishment of Issue Price for the Bonds**

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and the Underwriter shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the

Issuer's municipal advisor and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

(b) The Issuer will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) the Underwriter, (B) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (C) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) or (B) above to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(Underwriter's Signature Page to the Praxis of Deerfield Beach Bond Purchase Agreement)

If the foregoing is in accordance with your understanding of the Bond Purchase Agreement, please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Underwriter in accordance with its terms.

**RBC CAPITAL MARKETS, LLC**  
**RAYMOND JAMES & ASSOCIATES, INC.**

By: RBC Capital Markets, LLC, as representative

By: \_\_\_\_\_  
Helen H. Feinberg, Managing Director



(Issuer's Signature Page to the Praxis of Deerfield Beach Bond Purchase Agreement)

ACCEPTED at \_\_\_\_\_, Florida \_\_\_\_\_ .m. Eastern time this \_\_\_\_ day of \_\_\_\_\_, 2019.

[SEAL]

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

ATTEST:

By: \_\_\_\_\_  
Milette Manos, Chair

By: \_\_\_\_\_  
Daniel D, Reynolds, Secretary

(Borrower Signature Page to the Praxis of Deerfield Beach Bond Purchase Agreement)

**PRAXIS VENTURE LP**, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida not-for-profit corporation, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE I**

**AMOUNT, MATURITY, INTEREST RATE AND PRICE**

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Price</u>
\$22,000,000	[ ] 1, 2022 (subject to mandatory tender on [ ] 1, 2021)	[ ]%	[ ]%

**SCHEDULE II**  
**DISCLOSURE LETTER**

[\_\_\_\_\_], 2019

Housing Finance Authority of Broward County, Florida  
2211 East Hillcrest Street  
Orlando, Florida 32803

Ladies and Gentlemen:

In reference to the issuance of those certain \$22,000,000 Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the “Bonds”), RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the “Underwriter”), pursuant to the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Underwriter, Praxis Venture LP (the “Borrower”) and the Housing Finance Authority of Broward County, Florida (the “Issuer”), hereby makes the following disclosures to the Issuer:

1. The Underwriter is acting as underwriter to the Issuer for the public offering of the Bonds. The total fee to be paid to the Underwriter pursuant to the Bond Purchase Agreement is equal to approximately \$[\_\_\_\_\_] per bond, of the total face amount of the Bonds, or \$[\_\_\_\_\_].

2. The estimated expenses not included in the above number to be incurred by the Underwriter and to be charged to the Borrower in connection with the issuance of the Bonds are:

Underwriter’s Counsel (including disbursements)      \$[\_\_\_\_\_] (or \$[\_\_\_\_\_] per Bond)

3. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker or financial consultant or advisor and who enters into an understanding with either the Issuer or the Underwriter, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the underwriter or who exercises or attempts to exercise any influence to effect any transaction in the purchase of the Bonds are:

None

4. The amount of the underwriting risk and takedown expected to be realized is:

Takedown/Concession      \$[\_\_\_\_\_] or \$[\_\_\_\_\_] per Bond

5. The amount of the management fee to be charged by the Underwriter is:

\$[\_\_\_\_\_] or \$[\_\_\_\_\_] per Bond

6. Any other fee, bonus, and other compensation estimated to be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter is as follows:

Fee and Expenses

\$[\_\_\_\_\_] or \$[\_\_\_\_\_] per Bond (in addition to Underwriter’s Counsel fee)

7. The Issuer is proposing to issue \$22,000,000 of debt or obligation for the purpose of financing the Development. This debt or obligation is expected to be repaid over a period of [\_\_\_\_] years. At a forecasted interest rate of [\_\_\_\_]%, total interest paid over the life of the debt or obligation will be \$[\_\_\_\_\_].

8. The source of repayment or security for the Bonds is the Trust Estate. Authorizing this debt or obligation will result in \$0.00 of the Issuer's moneys not being available to finance the other services of the Issuer each year the Bonds are Outstanding.

9. The name and address of the Underwriter connected with the Bonds is:

RBC Capital Markets, LLC  
100 2nd Avenue South, Suite 800  
St. Petersburg, Florida 33701

Raymond James & Associates, Inc.  
880 Carillon Parkway, 3<sup>rd</sup> Floor  
St. Petersburg, Florida 33716

**RBC CAPITAL MARKETS, LLC**  
**RAYMOND JAMES & ASSOCIATES, INC.**

By: RBC Capital Markets, LLC, as representative

By: \_\_\_\_\_  
Helen H. Feinberg, Managing Director

**EXHIBIT A**

**SUPPLEMENTAL OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2019

RBC Capital Markets, LLC

Raymond James & Associates, Inc.

\$22,000,000

Housing Finance Authority of Broward County, Florida  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)

[After appropriate introductory language, the opinion shall state substantially as follows:]

We are of the opinion, as of the date hereof, as follows:

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by, and constitutes the legally valid and binding agreement of the Issuer, enforceable in accordance with its terms.

2. The Bonds constitute exempted securities within the meaning of the Securities Act of 1933, as amended, and the Indenture is exempt from application of the Trust Indenture Act of 1939, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register any securities under said Securities Act or to qualify any indenture under said Trust Indenture Act.

3. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency or public board or body, is pending or, to the best of our knowledge, threatened in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, the collection or application of the Revenues, other money, securities, funds, accounts, guarantees, insurance and other items pledged under the Indenture to pay the principal of and interest on the Bonds, or the pledge thereof or of the proceeds of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Documents, the Issuer Documents or any action of the Issuer contemplated by those documents, or in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the Issuer or its authority with respect to the Bonds, the Bond Documents, the Issuer Documents or any action on the part of the Issuer contemplated by those documents or which would adversely affect the exclusion of interest paid on the Bonds from gross income for federal income tax purposes, nor to the best of our knowledge is there any basis therefor.

4. The Issuer is a public body corporate and politic of the State of Florida, duly organized and existing under the laws of the State of Florida, including the Act, with full legal right, power and authority to issue the Bonds and to perform all of its obligations under the Bonds, the Bond Documents and the Issuer Documents, and the same are now in full force and effect, and the Issuer and Board have duly adopted the Resolutions and have duly authorized, executed and delivered the Bonds, the Bond Documents, the Preliminary Official Statement and the Official Statement, and (assuming due authorization, execution and delivery by the other parties thereto, where necessary) the Bonds and the Bond Documents constitute legal, valid and binding agreements of the Issuer, enforceable in accordance with their terms.

5. The adoption of the Resolutions and the execution and delivery of the Bonds, the Bond Documents and the other instruments contemplated by any of such documents to which the Issuer is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default by the Issuer under any applicable law or administrative rule or regulation of the State of Florida, or to the best of our knowledge, the United States, or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Issuer is a party or is otherwise subject or bound.

6. All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or issuer having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its duties and obligations under the Bonds and the Bond Documents have been obtained and are in full force and effect.

7. The Bonds and the Bond Documents conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the statements contained in the Preliminary Official Statement and the Official Statement, as of their respective dates and the date hereof, on the cover and under the captions "INTRODUCTION," "SECURITY FOR THE BONDS," "THE BONDS" (except under the subcaption "Book-Entry Only System") and "TAX MATTERS," and in Appendices A, B, and C, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Documents and our Bond Counsel opinion, present a fair and accurate summary of such provisions.

Very truly yours,



**EXHIBIT B**

**BORROWER'S COUNSEL OPINION**

\_\_\_\_\_, 2019

RBC Capital Markets, LLC

The Bank of New York Mellon Trust Company, N.A.

Raymond James & Associates, Inc.

Housing Finance Authority of Broward County,  
Florida

\$22,000,000

Housing Finance Authority of Broward County, Florida  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)

[After appropriate introductory language, the opinion shall state substantially as follows:]

1. The Borrower is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite limited partnership power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The Borrower is qualified to do business in the State of Florida.

2. The Borrower has full legal right, power and authority (a) to own its properties and conduct its business as described in the Preliminary Official Statement and the Official Statement and (b) to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents.

3. The General Partner is a not-for-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite not-for-profit corporation power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The General Partner is qualified to do business in the State of Florida.

4. By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents, and approved the execution and delivery of, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Bonds and the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture and the Borrower Documents in connection with the issuance of the Bonds. The individual(s) who have executed the Borrower Documents on behalf of the General Partner of the Borrower have the authority to bind the General Partner and thereby the Borrower to the terms and conditions of the Borrower Documents.

5. The Borrower Documents have been duly executed and delivered by the Borrower and, assuming the due authorization, execution and delivery of such agreements by the respective other parties thereto where necessary, if any, constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

6. The execution and delivery of the Borrower Documents, the performance by Borrower of its obligations thereunder and the consummation of the transactions contemplated therein are within the organizational powers of Borrower and will not (i) conflict with or constitute a breach of the Borrower's organizational documents; (ii) to our knowledge, constitute a default under any indenture, mortgage, deed of trust or other material lien, lease, contract, note, order, judgment, decree or other material agreement, instrument or restriction of any kind to which Borrower is a party or by which any of its properties are bound or affected; or (iii) result in a violation of any constitutional or statutory provision or any material order, rule, regulation, decree or ordinance of any court, government or governmental authority known to us to be applicable to the Borrower or its property.

7. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, the Borrower is not in any material respect in violation of, breach of or default under any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Bonds and the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with, or constitute on the part of the Borrower a violation of, breach of or default under, any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.

8. As of the Closing Date, all consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or issuer of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect.

9. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best of our knowledge, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Act, the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated thereby; nor, to the best of our knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial condition or operations of the Borrower or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

10. Nothing has come to our attention that would lead us to believe that the statements and information contained in the Preliminary Official Statement and the Official Statement as of their respective dates and the date hereof under the captions “THE DEVELOPMENT AND THE PARTICIPANTS” and “NO LITIGATION—The Borrower” (except as to the statistical and financial data included in the Preliminary Official Statement and the Official Statement with respect to which we do not express any opinion), contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

11. The Borrower may not plead the defense of usury or maintain an action for usury with respect to the loan(s) being made under the Transaction Documents.

Very truly yours,

## EXHIBIT C

### BORROWER'S RULE 15c2-12 CERTIFICATE

\$22,000,000

Housing Finance Authority of Broward County, Florida  
Multifamily Housing Revenue Bonds, 2019 Series B  
(Praxis of Deerfield Beach)

The undersigned hereby certifies and represents to RBC Capital Markets, LLC and Raymond James & Associates, Inc. (collectively, the "Underwriter") that he/she is authorized to execute and deliver this certificate on behalf of Praxis Venture LP, a Florida limited partnership (the "Borrower"), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the issuance and sale of the above-captioned bonds (the "Bonds").

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated the date of this certificate, setting forth information concerning the Bonds and the Borrower (the "Preliminary Official Statement").

(c) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

(e) The sections of the Preliminary Official Statement entitled "CONTINUING DISCLOSURE" and "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" describes the agreement the Borrower expects to make for the benefit of the Holders in the Continuing Disclosure Agreement, dated as of [\_\_\_\_\_] 1, 2019, by and between the Borrower and The Bank of New York Mellon Trust Company, N.A., in its capacity as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

(f) The Borrower, its partners and all entities affiliated with the Borrower and its partners have complied with all of their previous continuing disclosure obligations under the Rule, if any (except to the extent described in the Preliminary Official Statement).

Dated: [\_\_\_\_\_] 1, 2019

(Signature Page to Borrower's Rule 15c2-12 Certificate)

IN WITNESS WHEREOF, I have hereunto set my hand this as of the date set forth above.

**PRAXIS VENTURE LP**, a Florida limited  
partnership

By: Affordable Housing Institute, Inc., a Florida  
not-for-profit corporation, its general partner

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

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

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

**EXHIBIT "E"**  
**FORM OF**  
**PRELIMINARY OFFICIAL STATEMENT**  
**[ATTACHED]**

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2019

**NEW ISSUE/BOOK-ENTRY ONLY**

**RATING: S&P: "\_\_\_"  
(See "RATING" herein)**

*[In the opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, under existing law, as currently enacted and construed, and assuming compliance with certain covenants described under the heading "TAX MATTERS" herein designed to assure compliance with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds, interest on the Bonds is excludable from gross income of the owners of the Bonds for federal income tax purposes except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the Development or a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is not an item of tax preference for purposes of individual alternative minimum tax, as more fully described under the caption "TAX MATTERS" herein. Additionally, certain provisions of the Code may affect the tax treatment of interest on the Bonds for certain Bondholders. Bond Counsel is further of the opinion that the Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.]*

**\$22,000,000\***

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES B  
(PRAXIS OF DEERFIELD BEACH)**

**CUSIP: \_\_\_\_\_†**

**Price: \_\_\_% - Interest Rate: \_\_\_%**

**Dated: Date of Delivery**

**Maturity Date: [\_\_\_\_\_] 1, 2022\***

**Mandatory Tender Date: [\_\_\_\_\_] 1, 2021\***

The above-captioned Bonds (the "Bonds") are being issued by the Housing Finance Authority of Broward County, Florida (the "Issuer") to fund a loan (the "Loan") to Praxis Venture LP, a Florida limited partnership (the "Borrower"). The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach and located in Deerfield Beach, Broward County, Florida (the "Development"), which property shall be fully occupied by persons of lower income as required by Florida law and the Code. The Issuer is issuing the Bonds pursuant to a Trust Indenture dated as of [\_\_\_\_\_] 1, 2019 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Issuer will loan the proceeds of the Bonds to the Borrower pursuant to the terms of that certain Loan Agreement dated as of [\_\_\_\_\_] 1, 2019 (the "Bond Loan Agreement") between the Issuer and the Borrower.

\* Preliminary; subject to change.

† The Issuer shall not be responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

The Bonds will be issued as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of Bonds will be made in book-entry form only in principal amounts of \$5,000 each and integral multiples thereof. Individual purchasers of Bonds will not receive certificates evidencing their interest in the Bonds. So long as the Bonds are in book-entry form only, all payments of principal of and interest on the Bonds will be made by the Trustee to DTC or its successors. Disbursement of such payments from DTC to the DTC Participants is the responsibility of DTC and disbursement to the Holder is the responsibility of the DTC Participants. The Bonds will bear interest from their dated date, payable semiannually on [\_\_\_\_\_] 1 and [\_\_\_\_\_] 1 of each year, commencing [\_\_\_\_\_] 1, 2019. Principal of the Bonds will be payable (a) at the Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due, and (b) upon the request of any registered owner of Bonds on the applicable Record Date (as defined in the Indenture) having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds.

At all times the Bonds will be secured by Permitted Investments sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date. See "SECURITY FOR THE BONDS" herein. On the Closing Date, a FHA Lender Collateral Deposit to the Collateral Fund will be invested in Government Obligations maturing on or immediately prior to the Mandatory Tender Date.

**The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on [\_\_\_\_\_] 1, 2021\* (the "Mandatory Tender Date").** All Holders must tender their Bonds for purchase on the Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

The Bonds are not subject to optional redemption prior to the Mandatory Tender Date. The maturity of the Bonds may be accelerated upon the occurrence of certain events as described herein. See "APPENDIX B - DOCUMENT SUMMARIES " herein.

NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED BY THE ISSUER FOR THE PAYMENT THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL BE SOLELY THE OBLIGATIONS OF THE ISSUER AND NOT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL BE PAYABLE SOLELY OUT OF THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM THE FUNDS AND ACCOUNTS HELD UNDER



AND PURSUANT TO THIS INDENTURE AND SUCH OTHER PROPERTY CONSTITUTING THE TRUST ESTATE PLEDGED HEREUNDER. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

This cover page contains only a brief description of the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors must read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

*The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Nabors, Giblin & Nickerson, P.A., Bond Counsel, Tampa, Florida, and certain other conditions. Certain legal matters will be passed upon for the Borrower by its counsel, Nelson Mullins Broad and Cassel, Orlando, Florida, and for the Underwriter by Norris George & Ostrow PLLC, Washington, D.C. It is anticipated that the Bonds will be available for delivery through DTC in New York, New York, on or about \_\_\_\_\_, 2019.*

**RBC CAPITAL MARKETS**

**RAYMOND JAMES**

Date: \_\_\_\_\_, 2019

This Official Statement, including the cover page hereof, is provided for the purpose of setting forth information in connection with the issuance and sale of the Bonds. No dealer, broker, salesperson or other person has been authorized by the Issuer, the Borrower or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered herein, nor shall there be any sale of the Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Issuer, the Borrower and other sources which are believed to be reliable, but has not been independently verified, and such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer, the Borrower or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the Issuer, the Borrower, or any other parties described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Issuer has not approved any information in this Official Statement except information relating to the Issuer under the captions "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION - The Issuer" (as such information pertains to the Issuer), and takes no responsibility for any other information contained in this Official Statement (other than with respect to the description herein under the captions "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION - The Issuer" (as such information pertains to the Issuer).

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Bonds. Except for information under the heading "THE TRUSTEE," the Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE ISSUER FOR PURPOSES OF RULE 15c2-12 ("RULE 15c2-12") ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
THE ISSUER .....	3
THE TRUSTEE .....	5
SECURITY FOR THE BONDS .....	5
ESTIMATED SOURCES AND USES OF FUNDS .....	10
THE DEVELOPMENT AND THE PARTICIPANTS .....	11
THE BONDS .....	13
CERTAIN BONDHOLDERS' RISKS .....	18
TAX MATTERS .....	19
UNDERWRITING .....	22
RELATIONSHIPS AMONG THE PARTIES .....	23
RATING .....	23
SUBORDINATION TO FHA LENDER LOAN DOCUMENTS AND PROGRAM OBLIGATIONS .....	24
CERTAIN LEGAL MATTERS .....	24
NO LITIGATION .....	25
CONTINUING DISCLOSURE .....	25
ENFORCEABILITY OF REMEDIES .....	26
DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES .....	27
VERIFICATION REPORT .....	27
FINANCIAL ADVISOR .....	27
MISCELLANEOUS .....	27
 APPENDIX A - DEFINITIONS	

- APPENDIX B - DOCUMENT SUMMARIES
- APPENDIX C - FORM OF BOND COUNSEL OPINION
- APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT

## OFFICIAL STATEMENT

**\$22,000,000\***

### **HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES B (PRAXIS OF DEERFIELD BEACH)**

#### INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to set forth information concerning the offering and sale by Housing Finance Authority of Broward County, Florida (the "Issuer") of its \$22,000,000\* Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the "Bonds").

The Bonds are authorized to be issued pursuant to the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Ordinance No. 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the "Board"), on June 20, 1979 (the "Act"), and the Trust Indenture dated as of [\_\_\_\_\_] 1, 2019 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are being issued for the purpose of funding a loan (the "Loan") to Praxis Venture LP, a Florida limited partnership (the "Borrower"), pursuant to the terms of a Loan Agreement dated as of [\_\_\_\_\_] 1, 2019 (the "Bond Loan Agreement"), between the Issuer and the Borrower. The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach and located in Deerfield Beach, Broward County, Florida (the "Development"), as more fully described under "THE DEVELOPMENT AND THE PARTICIPANTS" herein. The Borrower's obligations to repay the Loan will be evidenced by a Promissory Note (the "Note") executed by the Borrower in favor of the Issuer and assigned to the Trustee. See "APPENDIX B - DOCUMENT SUMMARIES" herein.

The Development will be occupied by and held open for occupancy by persons of lower income as required by Florida law and by Section 142(d) of the Internal Revenue Code of 1986, as amended, pursuant to a Land Use Restriction Agreement, dated as of [\_\_\_\_\_] 1, 2019, as amended by a HUD Rider (the "Land Use Restriction Agreement"), by and among the Issuer, the Trustee and the Borrower. See "THE DEVELOPMENT AND THE PARTICIPANTS" and "APPENDIX B - DOCUMENT SUMMARIES" herein. The Borrower is required to operate the Development in compliance with the Land Use Restriction Agreement, which contains certain representations, warranties and covenants concerning the operation thereof. Under the Land Use Restriction Agreement, the Borrower is required during the Qualified Project Period (as such term is defined in the Land Use Restriction Agreement), among other things, to lease at least 40% of the completed residential units in the Development to Lower-Income Persons (i.e., persons or families with an adjusted gross income that is at or below 60% of the area median income ("AMI") for the area in which the Development is located), as further described in the Land Use Restriction

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\* Preliminary; subject to change.

Agreement. In addition, at least 60% of the completed residential units in the Development must be leased to persons or families whose annual gross income does not exceed 150% of AMI. A failure to comply with certain of these requirements could result in the loss of the federal tax exemption on the Bonds retroactive to their date of issuance. See "CERTAIN BONDHOLDERS' RISKS - Taxability of the Bonds," "TAX MATTERS" and "APPENDIX B - DOCUMENT SUMMARIES" herein.

[The Borrower will assume that certain Extended Low-Income Housing Agreement, dated [October 20, 1999], and as to be further amended and assigned at closing (the "Old Extended Low-Income Housing Agreement"). The Old Extended Low-Income Housing Agreement requires that [100%] of the dwelling units must be leased, rented or made available on a continuous basis to persons or households whose incomes are [60%] or less of the AMI (adjusted for family size), as determined by HUD. The Old Extended Low-Income Housing Agreement remains in effect until [thirty (30)] years after the issuance of the final tax credit allocation with respect to such building.]

The Development will also be encumbered by certain rent and occupancy restrictions in connection with the low-income housing tax credits (the "Tax Credits") expected to be granted for the Development. See "THE DEVELOPMENT AND THE PARTICIPANTS - Additional Restrictive Covenants" herein.

The disbursement of Bond proceeds from the Project Fund will be conditioned, among other things, on the prior deposit with the Trustee by Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (the "FHA Lender") of an equal amount of funds from the FHA Lender (the "FHA Lender Collateral Deposit"), pursuant to the Funding and Disbursement Agreement, dated as of [\_\_\_\_\_] 1, 2019 (the "FHA Lender Disbursement Agreement"), by and among the FHA Lender, the Borrower and acknowledged by the Investor Limited Partner (as defined herein). The Bonds will be secured by funds held under the Indenture and a pledge of the loan payments made pursuant to the Bond Loan Agreement. At all times the Bonds will be secured by Permitted Investments sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date, as further described herein. See "SECURITY FOR THE BONDS" herein. On the Closing Date, a FHA Lender Collateral Deposit will be invested in Government Obligations maturing on or immediately prior to the Mandatory Tender Date. See "SECURITY FOR THE BONDS" and "APPENDIX B - DOCUMENT SUMMARIES" herein.

Principal and Interest payments due on the Bonds are to be made from funds and Permitted Investments on deposit in the Bond Fund, Project Fund and the Collateral Fund. Therefore, the security for the Bonds is the Project Fund, the Capitalized Interest Account, and the Collateral Fund, and the interest earnings thereon. See "SECURITY FOR THE BONDS" herein. The amounts deposited in the Capitalized Interest Account, the Project Fund and the Collateral Fund are to be invested in Permitted Investments, as defined in the Indenture. See "APPENDIX B - DOCUMENT SUMMARIES" herein. The sum of the Bond proceeds in the Project Fund plus amounts deposited in the Collateral Fund and the Capitalized Interest Account, as invested pursuant to the Indenture, shall at all times be sufficient to pay principal and interest on the Bonds as and when they become due to the Mandatory Tender Date.

The FHA Lender will make a loan in the aggregate principal amount not to exceed \$[\_\_\_\_\_] \* to the Borrower to provide permanent financing for the Development (the "FHA Lender Loan"). In connection with the FHA Lender Loan, the Borrower will execute a Note (Multistate) (the "FHA Note"). The Borrower's repayment obligations under the FHA Lender Borrower Note will be secured by a first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) on the Development (the "FHA Lender Mortgage").

In no event shall the U.S. Department of Housing and Urban Development ("HUD") or the FHA Lender have any claim or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the FHA Lender Loan or under the FHA Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a (a) superior lien to the FHA Lender on the real estate on which the Development is located, or (b) a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the FHA Lender in connection with the FHA Lender Loan.

Definitions of certain terms used herein and not otherwise defined are set forth in Appendix A hereto. Brief descriptions of the Issuer, the Development, the Borrower, the use of proceeds of the Bonds and the Bonds together with forms of the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement are provided below. All information with respect to the Borrower, the Development and the private participants contained in this Official Statement has been furnished by the Borrower. The descriptions and forms of the Bond Loan Agreement, the Indenture, the Land Use Restriction Agreement and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof included in the Indenture. See "MISCELLANEOUS" herein for the availability of those documents.

## **THE ISSUER**

### **General**

The Issuer is a public body corporate and politic created under the laws of the State of Florida. It was created by Ordinance No. 79-41 enacted by the Board on June 20, 1979, pursuant to the provisions of the Act. The Board is the principal legislative and governing body of Broward County, Florida, as provided by the Florida Constitution and Chapter 125 of the Florida Statutes. The Issuer was created for the purpose of addressing a housing shortage in Broward County, Florida by stimulating the construction and rehabilitation of housing through the use of public financing. Pursuant to the Act, the Issuer has the power to issue revenue bonds for the purposes described in the Act including, but not limited to, the purchasing of or making of commitments to purchase mortgage loans to stimulate the construction and rehabilitation of housing in the Issuer's area of operation.

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\* Preliminary; subject to change.



The Issuer is authorized to finance and refinance multifamily rental housing projects, and since its inception, has issued approximately \$1,000,000,000 aggregate principal amount of revenue bonds for such purpose (the "Prior Bonds"). The Prior Bonds do not share in the security for the Bonds, and the Bonds will not be secured by the revenues relating to the projects financed by such Prior Bonds or the security for the Prior Bonds in connection with such projects.

## Organization and Membership

The members of the Issuer and their terms of office are as follows:

<b>Member<sup>(1)</sup></b>	<b>Beginning Date of Current Term</b>	<b>Ending Date of Current Term<sup>(2)</sup></b>
Milette Manos, Chair	August 14, 2018	August 14, 2022
Donna Jarrett-Mays, Vice Chair	December 11, 2012	December 11, 2016
Daniel D. Reynolds, Secretary	June 12, 2018	June 12, 2022
Ruth T. Cyrus, Assistant Secretary	September 25, 2018	September 25, 2022
Jose "Pepe" Lopez, Member	August 14, 2018	August 14, 2022
John G. Primeau, Member	December 1, 2018	December 6, 2019
Colleen LaPlant, Member	November 3, 2015	November 3, 2019

<sup>(1)</sup> There are currently two (2) vacancies of the members of the Issuer.

<sup>(2)</sup> Members whose terms have expired will continue to hold office until a qualified successor has been appointed.

Ralph Stone is currently the Director of Housing Finance and Community Redevelopment for Broward County, Florida. He also concurrently serves as the Executive Director of the Issuer. Mr. Stone has a Bachelor of Arts degree in English from the University of Central Florida and a Master's degree in Urban and Regional Planning from Florida State University. Mr. Stone has held a number of senior positions in local government in Florida, including City Manager, Assistant City Manager for Economic Development, Executive Director of Downtown Development Authority, Community Redevelopment Agency Executive Director and Planning Director supervising programs including Housing, Planning, Zoning, Building and Permits, Code Enforcement and Neighborhood Services. Mr. Stone has written or directed plans and/or programs that have received over thirty national or state awards in various areas of expertise, including the Governor's Award for the Best Large City Comprehensive Plan in the State of Florida. Mr. Stone has also provided private sector services as a sole proprietor and as a senior manager in a national Engineering, Environmental Sciences and Planning firm. Mr. Stone has been accepted by both Federal and State courts as an expert witness.

THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA (THE "STATE") OR ANY LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF

THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

The Issuer's offices are located at 110 Northeast Third Street, Suite 201, Fort Lauderdale, Florida 33301; (Telephone (954) 357-4900). Zomermaand Financial Advisory Services, L.L.C. serves as financial advisor to the Issuer.

### **THE TRUSTEE**

The Issuer has appointed The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, to serve as Trustee. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Borrower of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Borrower. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

### **SECURITY FOR THE BONDS**

#### **General**

At all times the Bonds will be secured by Permitted Investments sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date, as further described herein. On the Closing Date, a FHA Lender Collateral Deposit will be invested in Government Obligations maturing on or immediately prior to the Mandatory Tender Date.

Pursuant to the Indenture, the Bonds are equally and ratably secured by a pledge of and lien on the following, which constitutes the Trust Estate: (a) all right, title and interest of the Issuer in and to all Revenues (as defined below), derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Bond Loan Agreement (other than the Unassigned Rights of the Issuer (as defined in Appendix A)), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate; (b) all right, title and interest of the Issuer in and to the Note (other than the Unassigned

Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof; (c) any fund or account created under the Indenture except for the Cost of Issuance Fund, the Expense Fund and the Rebate Fund; (d) all right, title and interest of the Issuer in and to, and remedies under, the Bond Loan Agreement; and (e) all funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture. "Revenues" means all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement. The Bonds will not be secured by a mortgage, deed of trust or other security interest in the Development.

### **The Collateral Fund; Application of FHA Lender Collateral Deposit**

On the Closing Date, the proceeds of the Bonds will be deposited in the Project Fund pursuant to the Bond Loan Agreement and the Indenture. On the Closing Date, the FHA Lender will irrevocably deposit \$22,000,000\* into the Collateral Fund, pursuant to the FHA Lender Disbursement Agreement. Following the deposit of Bond proceeds into the Project Fund and the deposit of a FHA Lender Collateral Deposit into the Collateral Fund, Bond proceeds in an amount equivalent to such FHA Lender Collateral Deposit will be disbursed by the Trustee in accordance with the direction of Borrower and FHA Lender, to be applied to the costs of the Development. The aggregate amount on deposit in the Special Funds, as invested pursuant to the Indenture, shall at all times be sufficient to pay, without the need for reinvestment, interest and principal on the Bonds as and when they become due to the Mandatory Tender Date. Upon maturity of the Bonds, redemption prior to maturity, or the occurrence of an event of default under the Indenture and acceleration of maturity of the Bonds, the Trustee is authorized to apply moneys held in the Project Fund and in the Collateral Fund to payment of principal on the Bonds. The Trustee is further authorized to apply moneys held in the Bond Fund and Capitalized Interest Account therein to payment of interest on the Bonds. All funds on deposit in the Collateral Fund and the Capitalized Interest Account will be used to pay only principal of, premium, if any, and interest on the Bonds. Following the payment in full of principal of, premium, if any, and interest on the Bonds (together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same), then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Borrower, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Collateral Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Borrower all other

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\* Preliminary; subject to change.

property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Borrower.

In no event shall HUD or the FHA Lender have any claim or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the FHA Lender Loan or under the FHA Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a (a) superior lien to the FHA Lender on the real estate on which the Development is located, or (b) a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the FHA Lender in connection with the FHA Lender Loan.

### **Nonrecourse Liability of Borrower**

The Bond Loan Agreement provides that (a) the liability of the Borrower and the General Partner under the Bond Loan Agreement shall be limited to the Trust Estate, and such amounts as may be invested in accordance with the Indenture, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower or the General Partner under the Bond Loan Agreement shall be limited to the Development and moneys derived from the operation of the Development, and any other security so given for satisfaction thereof, and (b) no deficiency or other personal judgment shall be sought or rendered against the Borrower or the General Partner or their respective successors, transferees or assigns, in any action or proceeding arising out of the Bond Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing contained in the Bond Loan Agreement shall limit the Issuer's or the Trustee's ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or to any trustee under the Bond Loan Agreement, or both, or to exercise any right against the Borrower or the General Partner, on account of any claim for fraud or deceit, and against any other person or entity on account of any claim for fraud or deceit. Subject to Section 9.12 of the Bond Loan Agreement, notwithstanding anything else in the Bond Loan Agreement to the contrary, nothing in the provisions of the Bond Loan Agreement described in this section shall limit the rights of indemnification against the Borrower and the General Partner pursuant to the terms of the Bond Loan Agreement. Furthermore, notwithstanding anything to the contrary, the Borrower and the General Partner shall be fully liable for (i) amounts payable to the Issuer constituting Unassigned Rights of the Issuer, (ii) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, (iii) payment of the Issuer Fee, and (iv) any indemnification or payment obligations to the Issuer as more particularly described in the Bond Loan Agreement.

### **Limited Obligations of the Issuer**

NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND ASSETS

PLEGGED BY THE ISSUER FOR THE PAYMENT THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEGGED TO THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL BE SOLELY THE OBLIGATIONS OF THE ISSUER AND NOT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL BE PAYABLE SOLELY OUT OF THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM THE FUNDS AND ACCOUNTS HELD UNDER AND PURSUANT TO THIS INDENTURE AND SUCH OTHER PROPERTY CONSTITUTING THE TRUST ESTATE PLEGGED HEREUNDER. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

### **Investment of the Project Fund and the Collateral Fund**

On the Closing Date, moneys on deposit in the Project Fund will be held by the Trustee uninvested until disbursed to the Borrower on the Closing Date in accordance with an approved Requisition.

Amounts on deposit in the Collateral Fund and the Bond Fund shall be invested at all times in Permitted Investments.

Pursuant to the terms of the Indenture, the Trustee is directed to subscribe for or purchase Government Obligations maturing on or before [\_\_\_\_\_] 1, 2021\* (the "Mandatory Tender Date"), with respect to the investment of certain amounts on deposit in the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein), the principal and interest of which, along with amounts on deposit in the Capitalized Interest Account, if any, will be sufficient to pay principal and interest on the Bonds when due. All interest earned from the foregoing investments shall be deposited in the Bond Fund. In the event that any investments in the Project Fund, the Bond Fund, or the Collateral Fund must be liquidated prior to the Mandatory Tender Date, such investments shall be liquidated under the Indenture.

The investment of the amounts held in the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein) is subject to the requirements of Section 148 of the Code and the Indenture requires compliance with such requirements. The Trustee may not sell any investment at a loss, unless being sold (a) pursuant to provisions of the Indenture requiring moneys in the Collateral Fund invested in Permitted Investments to be sold in the event such Permitted Investments fail to satisfy the requirements of the Indenture, or (b) in connection with an acceleration of the Bonds as described in "APPENDIX B - DOCUMENT SUMMARIES" herein.

As long as no Event of Default shall have occurred and be continuing, the Borrower shall have the right to designate the investments to be sold and to otherwise direct the Trustee in the sale or purchase of the investments or the conversion to cash of the investments made with the moneys

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\* Preliminary; subject to change.

in the Collateral Fund provided that the Trustee shall be entitled to conclusively assume the absence of any such Event of Default unless it has notice thereof; if there has been an Event of Default, the Trustee shall have said right.

The investments described in each of the above paragraphs shall be made by the Trustee pursuant to the direction provided by the Indenture and in accordance with the written direction of the Borrower to be provided on the Closing Date, which shall remain in effect until further written direction is provided by the Borrower. In the absence of investment instructions from the Borrower, the Trustee shall invest the moneys held in the Bond Fund or Collateral Fund in money market funds described in the definition of Permitted Investments.

The following investments ("Permitted Investments") are permitted under the Indenture: (a) Direct obligations issued by the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, including, when available, time deposit SLGS, on which the full and timely payment of principal and interest is unconditionally guaranteed by the United States of America ("Government Obligations"), (b) money market funds rated "AAAm" by S&P that invest in Government Obligations, which funds are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended (including any money market funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such money market fund and receives reasonable compensation therefor), and (c) Fidelity Institutional Money Market Treasury Only - Class I as long as it is rated "AAAm" by S&P. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings or Permitted Investments after the initial purchase of such Permitted Investments.

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### ESTIMATED SOURCES AND USES OF FUNDS

The total costs of the Development and the sources of funds to pay those costs are estimated by the Borrower as follows:

#### SOURCES OF FUNDS:

Proceeds of FHA Lender Loan	\$24,090,000
Low-income Housing Tax Credit Equity <sup>†</sup>	\$12,101,000
Seller Note	\$2,000,000
Deferred Developer Fee	\$3,000,000
Total Sources of Funds	\$41,191,000

#### USES OF FUNDS:

Project Acquisition	\$24,000,000
Total Construction Costs (including contingency)	\$7,902,812
Predevelopment Costs	\$1,738,882
Total FHA Lender Loan Closing & Financing Costs	\$579,615
Total Bond Issuance Costs	\$717,386
Project Reserves and Escrows	\$777,924
Developer Fee	\$5,474,381
Total Uses of Funds	\$41,191,000

<sup>†</sup> The Borrower expects to obtain a loan (the “Bridge Loan”) from Sterling Bank (the “Bridge Lender”) in the approximate principal amount of \$[3,600,000]\*, in order to bridge a portion of the Tax Credit equity contributions.

The sources and uses of funds for the Development to be applied under the Indenture are estimated by the Borrower to be approximately as follows:

#### SOURCES:

Bond Proceeds	\$22,000,000
FHA Lender Collateral Deposit	22,000,000
Capitalized Interest Deposit <sup>†</sup>	
Total Sources of Funds:	\$44,000,000

#### USES:

Deposit to Project Fund	\$22,000,000
Deposit to Collateral Fund	22,000,000
Deposit to Capitalized Interest Account <sup>†</sup>	
Total Uses of Funds:	\$44,000,000

<sup>†</sup> The deposit to the Capitalized Interest Account has been calculated to be sufficient to pay, together with investment earnings on Permitted Investments deposited with the Trustee on the Closing Date, and without the need for reinvestment, interest which will become due on the Bonds to the Mandatory Tender Date.

At closing, the FHA Lender will advance \$22,000,000\* in principal amount of the FHA Lender Loan in the form of a FHA Lender Collateral Deposit with the Trustee to the Collateral Fund. The Bonds will be initially secured by their own proceeds to be deposited in the Project Fund under the Indenture. At closing, Bond proceeds will be disbursed for the account of the Borrower against a simultaneous deposit with the Trustee to the Collateral Fund by the FHA Lender of a FHA Lender Collateral Deposit. The Bonds will thus remain at all times 100% collateralized by Permitted Investments on deposit in the Collateral Fund, Project Fund and Bond Fund under the Indenture.

### **Tax Credits**

Simultaneously with the issuance of the Bonds, the Borrower expects to sell to R4 PDFL Acquisition LLC, a Delaware limited liability company (the “Investor Limited Partner”) a 99.99% ownership interest in the Borrower so the Investor Limited Partner may acquire 99.99% of the Tax Credits available to the Borrower. The funding of the Tax Credit equity by the Investor Limited Partner is expected to total approximately \$12,101,000\*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

### **Seller Note**

Simultaneously with the closing of the Bonds, the Borrower will provide a note (the “Seller Note”) to Stafford Place Praxis Limited Partnership, a Florida limited partnership (the “Seller”) in the amount of \$2,000,000\* as consideration for the remaining purchase price of the Project. The Seller Note is unsecured and interest will be payable from 75% available surplus cash flow after paying the deferred developer fee, investor fees, and other cash flow priority items. The Seller Note will bear interest at a rate of 6% per annum, and will mature on August 1, 2049\*.

### **Bridge Loan**

Simultaneously with the closing of the Bonds, the Bridge Lender will make the Bridge Loan in the approximate principal amount equal to \$[3,600,000]\* to the Borrower. Proceeds of the Bridge Loan will be used to bridge a portion of the Tax Credit equity contributions. The Bridge Loan will be payable from future Tax Credit equity contributions, will be secured by a pledge of the developer fee, partnership interests and capital contributions, and will mature on August 1, 2020\*. Interest on the Bridge Loan will be due monthly at a rate of 6.5% per annum.

## **THE DEVELOPMENT AND THE PARTICIPANTS**

### **The Development**

The Development consists of the renovation and permanent phase financing of a 224-unit multifamily rental housing development commonly known as Praxis of Deerfield Beach, located

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\* Preliminary; subject to change.



at 1450 SW 11 Way, Deerfield Beach, Florida 33441. The renovation of the Development is expected to begin on or about August 1, 2019 and be completed approximately 12 months later.

On-site amenities of the Development include a clubhouse building which includes offices, a club room, breakroom, media room, fitness center, laundry room, day lounge, and racquetball court.

Unit amenities include dishwasher, garbage disposal, dining room, and washer/dryer hookups.

	<u>Number of Units</u>	<u>Composition</u>
	192	1 Bedroom / 1 Bathroom
	32	2 Bedroom / 1 Bathroom
<b>Total</b>	<b>224</b>	

### **The Borrower and the Developer**

The Borrower for the Development is Praxis Venture LP, a Florida limited partnership (the "Borrower"). The general partner of the Borrower is Affordable Housing Institute Inc, a Florida corporation (the "General Partner"), who will have a 0.001% ownership interest in the Borrower. Praxis Investments, a Florida limited liability company (the "Class B Limited Partner") will have a 0.009% ownership interest in the Borrower; Sydne Garchik is the manager of the Class B Limited Partner. The Investor Limited Partner will have a 99.99% ownership interest in the Borrower.

Founded in 2015, MRK Partners Inc., a California corporation (the "Developer") has been in the business of acquiring, owning, and developing affordable apartment complexes. The Developer currently oversees a real estate portfolio valued in excess of \$382 million and has been involved in the development of more than 16 apartment complexes containing approximately 2,698 units across 4 states. These projects are primarily low income housing tax credit projects. [DESCRIPTION OF MRK PARTNERS INC.'S RELATIONSHIP WITH THE BORROWER]

The obligations and liabilities of the Borrower under the Note are of a non-recourse nature and are limited to the Development and moneys derived from the operation of the Development. Neither the Borrower nor its partners have any personal liability for payments on the Note.

Furthermore, no representation is made that the Borrower will have substantial revenues available from the Development. Accordingly, neither the Borrower's financial statements nor those of the General Partner or their affiliates have been included herein.

### **The Contractor**

The general contractor for the Project is expected to be ZMG Construction Inc. (the "Contractor"). The Contractor has over 25 years of experience in renovating residential multifamily housing developments, and its principals have, collectively, over 40 years of such experience. The Contractor has completed over \$275 million in multifamily units in the last four years.

Any previous experience of the Contractor is no assurance that the Development will be successful.

### **Property Management**

The Development will be managed by The Franklin Johnston Group (the "Property Manager"). The Property Manager was established in 2013 and currently manages over 16,482 multifamily units throughout the Mid-Atlantic and southeastern states.

Any previous experience of the Property Manager is no assurance that the Development will be successful.

### **The Land Use Restriction Agreement**

At all times during the Qualified Project Period, not less than 40% of the residential units in the Development, other than those units occupied by the Borrower or an Affiliated Party (as such term is defined in the Land Use Restriction Agreement) to the Borrower shall be occupied (or held available for occupancy) on a continuous basis by persons or families who are Lower-Income Persons (as such term is defined in the Land Use Restriction Agreement). In addition, at least 60% of the completed residential units in the Development must be leased to persons or families whose annual gross income does not exceed 150% of AMI.

The Borrower will agree that each individual rental unit in the Development will be rented or held for rental on a first-come, first-served basis, to the general public on a continuous basis, subject to the restrictions in the Land Use Restriction Agreement. In addition, the Borrower will agree to the occupancy requirements described under this heading. See "APPENDIX B - DOCUMENT SUMMARIES."

The Land Use Restriction Agreement will also contain provisions for verifying compliance with the terms thereof. The provisions of the Land Use Restriction Agreement discussed herein are intended, among other things, to ensure compliance with the requirements of the Code with respect to the excludability of the interest on the Bonds from gross income. Upon any breach by the Borrower of any provisions of the Land Use Restriction Agreement, the Issuer or the Trustee may (in some cases only with the consent of FHA Lender) take such actions at law or in equity as deemed appropriate under the circumstances, including an action for specific performance of the Land Use Restriction Agreement, as described under the heading "APPENDIX B - DOCUMENT SUMMARIES." Such a breach by the Borrower may result in interest on the Bonds being included in gross income of the holders of the Bonds for purposes of federal income taxation as described in "CERTAIN BONDHOLDERS' RISKS - Taxability of the Bonds" and "TAX MATTERS."

### **Additional Restrictive Covenants**

Low-Income Housing Tax Credits. In connection with the Tax Credits expected to be allocated to the Borrower in connection with the Development, the Borrower will execute an Extended Low-Income Housing Agreement for the Development in compliance with Section 42 of the Code (the "Extended Low-Income Housing Agreement"). The Extended Low-Income Housing Agreement extends the low-income housing tax credit targeting and rent restrictions for the

Development under Section 42 of the Code for at least 15 years beyond the initial 15-year compliance period, subject only to a few exceptions. The Extended Low-Income Housing Agreement will be executed by the Borrower and the Issuer before the end of the first year of the credit period (as defined in Section 42 of the Code) and recorded in the public records of the county in which the Development is located as a covenant running with the land. As the Borrower has agreed to set aside 224 of the units in the Development for low-income families, the Extended Low-Income Housing Agreement for the Development will, among other things, require that at least [100]% percent of the occupied residential rental units in the Development must be occupied by or set aside for individuals or families whose income does not exceed [60]% of the area median gross income for Broward County, Florida, adjusted for family size in accordance with Section 142(d) of the Code, and to charge rents which do not exceed [30]% of the imputed income for the size of such tenant's apartment (subject to various adjustments).

Under the Code, the restricted use period terminates prior to its expiration date if the Development is acquired by foreclosure or deed in lieu thereof unless after foreclosure or deed in lieu of foreclosure a transfer is made to a person or entity related to the Borrower. Notwithstanding the foregoing, the Code requires that any termination of the extended use period due to foreclosure shall not permit, before the close of the three-year period following such foreclosure, (i) the eviction or termination of tenancy of a tenant without cause, or (ii) any increase in the gross rent of any such units not otherwise permitted by Section 42 of the Code.

HOME Land Use Restriction Agreement. The Development is subject to a Land Use Restriction Agreement for the HOME Investment Partnership Program (the "HOME Land Use Restriction Agreement") dated April 12, 1995, covering 96 units, all one bedroom one bathroom units, for a period of 50 years from when the first unit was occupied. The HOME Land Use Restriction Agreement restricts 60% of the units in the Project to be leased, rented, or made available on a continuous basis for rental to persons or households whose incomes are 60% or less of the area median gross income for the area adjusted for family size, and not less than 40% of the remaining units in the Development shall be leased, rented or made available on a continuous basis for rental to persons or households whose incomes are 50% or less of the area median gross income for the area in which the Development is located, adjusted for family size as determined by HUD. The Borrower's purchasing the property subject to the HOME Land Use Restriction Agreement and assuming the obligations thereunder.

In the event of any conflict among these regulatory agreements or use agreements, the more restrictive provisions of the Land Use Restriction Agreement, the Extended Low-Income Housing Agreement, or the HOME Land Use Restriction Agreement are expected to control.

## THE BONDS

*The following is a summary of certain provisions of the Bonds. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Bond, a copy of which is on file with the Trustee.*

## **General**

The Bonds will be dated and will bear interest from their dated date at the rate per annum, will be in the principal amount, will be subject to mandatory tender on the date, and will mature on the date set forth on the front cover of this Official Statement. Interest on the Bonds will be payable initially on [\_\_\_\_\_] 1, 2019 and semiannually thereafter on [\_\_\_\_\_] 1 and [\_\_\_\_\_] 1 of each year until maturity. Principal of the Bonds will be payable (i) at the Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due, and (ii) upon the request of any registered owner of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee. If the date of payment of principal or interest on the Bonds shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

The Bonds will be issued in book-entry form only in denominations of \$5,000 and integral multiples thereof and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). See "THE BONDS - Book-Entry Only System" below.

### **No Optional Redemption of Bonds Prior to Mandatory Tender Date**

The Bonds are not subject to optional redemption prior to the Mandatory Tender Date.

### **Mandatory Tender**

The Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date and shall be purchased at a price equal to 100 percent of the principal amount of such Bonds, plus accrued interest, if any, to the Mandatory Tender Date, and without premium. No later than 10:00 a.m. Eastern time, on the Mandatory Tender Date, the Holders shall deliver the Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Eastern time on the Mandatory Tender Date, in the following priority; (i) amounts representing proceeds of remarketed Bonds received pursuant to the Indenture, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund and the Project Fund, to pay the principal amount of Bonds tendered for purchase, (iii) amounts on deposit in the Capitalized Interest Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase, and (iv) any other Preference Proof Moneys available or made available for such purpose at the direction of the Borrower Representative.

In the event that the conditions set forth in the Indenture are not satisfied and/or the Trustee shall not have received remarketing proceeds on the Mandatory Tender Date equal to the principal amount of the Bonds Outstanding on such date, the Bonds shall be purchased in whole on the Mandatory Tender Date using amounts on deposit in the Collateral Fund, the Project Fund and the Bond Fund, and, immediately following such purchase, the Bonds shall be deemed redeemed on the Mandatory Tender Date and cancelled by the Trustee.

Not less than 30 days before the Mandatory Tender Date, the Trustee shall give written notice of tender and remarketing to the Holders by first class mail, postage prepaid, at their

respective addresses appearing on the Bond Register. The notice shall state the Mandatory Tender Date and that:

(1) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date and must be tendered for purchase on the Mandatory Tender Date;

(2) all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date;

(3) Holders will not have the right to elect to retain their Bonds and any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date; and

(4) the address of the office of the Trustee at which Holders should deliver their Bonds for purchase on the Mandatory Tender Date.

If notice is given as stated in the Indenture, failure of any Holder to receive such notice, or any defect in the notice, shall not affect the remarketing or the validity of the proceedings for the remarketing of the Bonds.

### **Book-Entry Only System**

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.*

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, DTC will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book entry interests in the Bonds (book entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within

the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in actual ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and debt service payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Under such circumstances in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that: (i) DTC is unable to discharge its responsibilities with respect to the Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Bonds. In the event that no substitute securities depository is found by the Issuer, or restricted registration is no longer in effect, Bond certificates will be delivered as described in the Indenture.

With regard to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Trustee will have no responsibility or obligation to any Direct Participant or to any Indirect Participant. Without limiting the preceding sentence, the Issuer and the Trustee will have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Direct Participant or Indirect Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Direct Participant or Indirect Participant or any other person, other than Cede & Co., as nominee of DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Direct Participant or Indirect Participant or any person,

other than Cede & Co., as nominee of DTC, of any amount with respect to principal of, premium, if any, or interest on, the Bonds.

### **CERTAIN BONDHOLDERS' RISKS**

*The following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. The Bonds are payable from the payments to be made by the Borrower under the Bond Loan Agreement and the Note and from amounts on deposit in the Capitalized Interest Account, the Project Fund and the Collateral Fund, and the investment earnings thereon.*

#### **Limited Security**

The Bonds are special, limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture, including the Bond Fund and the Collateral Fund. See "SECURITY FOR THE BONDS - Limited Obligations of the Issuer" herein. The Bonds will not be secured by a deed of trust or other security interest in the Development.

#### **FHA Lender Collateral Deposit; Disbursement of FHA Lender Loan Proceeds**

As described under the heading "SECURITY FOR THE BONDS - The Collateral Fund; Application of FHA Lender Collateral Deposit" above, the FHA Lender Collateral Deposit will be disbursed and deposited into the Collateral Fund under the Indenture as a condition precedent to the disbursement of the Bond proceeds in an equal amount to pay a portion of the costs of acquiring, rehabilitating and equipping the Development. In order to have FHA Lender initiate the transfer of the FHA Lender Collateral Deposit into the Collateral Fund the Borrower will be required to satisfy any agreements relating to the FHA Lender Loan. Failure of the Borrower to satisfy additional future conditions could result in the FHA Lender's suspending payments from the reserve account held under the FHA Lender Disbursement Agreement until the conditions have been satisfied which, in turn, could result in the inability of the Borrower to pay the costs of completing the Development. However, such a failure to complete the Development would not affect the security for the Bonds or cause a default on the Bonds.

#### **Exercise of Legal Remedies**

The ability of the Issuer to enforce its rights or exercise its remedies upon default under the Bond Loan Agreement is dependent upon regulatory and judicial actions which may be subject to discretion and delay. Under existing law and judicial decisions (including laws relating to bankruptcy), the remedies provided for under the Documents may not be readily available or may be limited.

#### **Taxability of the Bonds**

THE BONDS ARE NOT SUBJECT TO ACCELERATION OR REDEMPTION UPON ANY DETERMINATION OF TAXABILITY OF INTEREST ON THE BONDS. IN ADDITION, THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT BY REASON OF THE INTEREST ON THE BONDS BEING INCLUDED IN



GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION. Such event could occur if the Borrower (or any subsequent owner of the Development) does not comply with the provisions of the Land Use Restriction Agreement, certain other tax-related agreements executed in connection with the Bonds, and the Bond Loan Agreement, which are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes. Under such circumstances, interest on the Bonds might become subject to federal income taxation retroactive to the date of issuance or some other subsequent date. See "APPENDIX B - DOCUMENT SUMMARIES" and "TAX MATTERS" herein.

### **Rating Based on Permitted Investments**

The rating on the Bonds is based upon the Bonds being fully secured by Permitted Investments held in the Trust Estate. If one or more of such investments fail to meet the rating standards for Permitted Investments after their purchase and prior to their maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

### **Secondary Markets and Prices**

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

## **TAX MATTERS**

*Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Nabors, Giblin, & Nickerson, P.A., Tampa, Florida, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix C.*

### **[General**

In the opinion of Nabors, Giblin & Nickerson, P.A., as Bond Counsel, under existing law as currently enacted and construed, and assuming the accuracy of certain certifications and compliance with certain covenants of the Issuer and the Borrower designed to assure compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the Development or a "related person" within the meaning of Section 147(a) of the Code, and interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals.

Section 142(d) of the Code provides that interest on certain governmental obligations, such as the Bonds, substantially all of the proceeds of which are to be used to provide financing for projects for "residential rental property," shall be excludable from gross income for federal income tax purposes if, among other things, at all times during the Qualified Project Period either 20% or more of the units are set aside for tenants having incomes of 50% or less of Area Median Gross Income or 40% or more of the units are set aside for tenants having incomes of 60% or less of Area Median Gross Income. The Issuer has elected the 40% at 60% set aside for the Bonds.

Under the Code and Treasury Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Code and the Treasury Regulations will, unless corrected within a reasonable period of time of not less than sixty (60) days after such noncompliance is first discovered or should have been discovered, cause loss of the tax exempt status of the Bonds as of the date of issuance of the Bonds, irrespective of the date such noncompliance actually occurred.

The Issuer has established requirements, procedures and safeguards which it believes to be sufficient to ensure compliance with the requirements of Section 142(d) of the Code and the Treasury Regulations with respect to the Development. Such requirements, procedures, and safeguards are incorporated into the Bond Loan Agreement and the Land Use Restriction Agreement. However, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer or the Trustee can be judicially enforced in such manner as to assure compliance with Section 142(d) of the Code and, therefore, to prevent the loss of tax exemption of interest on the Bonds. The opinion of Bond Counsel described below relies upon certifications by the Borrower as to compliance with Section 142(d) of the Code. Bond Counsel expects to deliver an opinion at the time of issuance of the Bonds substantially in the form set forth in Appendix C attached hereto.

Section 148 of the Code provides that interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) the investment of the proceeds of the Bonds meets certain arbitrage requirements and (b) certain "excess" earnings on such investments are rebated to the United States of America (collectively the "Arbitrage Restrictions"). The Trustee has been provided with instructions regarding the Arbitrage Restrictions and the Trustee has agreed that it will comply with those instructions. To the extent that the Arbitrage Restrictions are applicable to the Borrower, the Borrower has covenanted in the Bond Loan Agreement and the Arbitrage Rebate Agreement that it will also comply with such restrictions. In the event of non-compliance by either the Trustee or the Borrower with the Arbitrage Restrictions, interest on the Bonds would be taxable for federal income tax purposes from the date of issuance of such Bonds. The Borrower has also covenanted to comply with certain other applicable provisions of the Code which are required as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The Code includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer's or the Borrower's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Borrower have covenanted in the Indenture, the Land Use Restriction Agreement and the Bond Loan Agreement to take the actions

required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the federal tax status of the interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations with "excess net passive income," individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion as to any such collateral tax consequences. Purchasers of Bonds should consult their own tax advisors as to such collateral tax consequences.

Bond Counsel is further of the opinion that the Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel expresses no opinion regarding taxation of the Bonds or interest on the Bonds in any state other than Florida. Prospective purchasers of the Bonds should consult their tax advisors as to whether the Bonds or interest on the Bonds is or is not exempt from taxation in any other state.

A form of the opinion of Bond Counsel is attached hereto as Appendix C. A copy of such opinion will be available at the time of the initial delivery of the Bonds.

### **Future Changes in Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress and in state legislatures that, if enacted into law, could alter or amend one or more of the federal or state tax matters described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or

allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.]

## UNDERWRITING

RBC Capital Markets, LLC ("RBC") and Raymond James & Associates, Inc. ("Raymond James," and together with RBC, the "Underwriter") have agreed, subject to certain conditions, to purchase the Bonds from the Issuer at an aggregate purchase price of \$\_\_\_\_\_ and to make a public offering of the Bonds at a price that is not in excess of the public offering price stated on the cover page of this Official Statement. The Underwriter will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter will receive an underwriting fee for its services in the amount of \$\_\_\_\_\_ (which amount does not include the fees and expenses of its counsel).

The Underwriter and its affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriter and its affiliates may engage in transactions for its own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or Borrower. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter does not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the underwriter does not guarantee the accuracy or completeness of such information.

In addition to serving as Underwriter, RBC has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with the remarketing, if any, of the Bonds on the Mandatory Tender Date.

RBC will also serve as bidding agent for certain of the Permitted Investments to be purchased with amounts on deposit in the Project Fund, Collateral Fund and Bond Fund under the Indenture. For this service, RBC will be compensated a fee of \$[\_\_\_\_\_] by the provider of such Permitted Investments. This fee is separate from and in addition to the fee set forth above for underwriting the Bonds.

## **RELATIONSHIPS AMONG THE PARTIES**

In connection with the issuance of the Bonds, the Issuer, the Borrower and the Underwriter are being represented by the attorneys or law firms identified below under the heading "CERTAIN LEGAL MATTERS." In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower or the Underwriter or their affiliates, in capacities different from those described, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Borrower and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

## **RATING**

The Bonds have been assigned a rating of "\_\_\_\_\_" by S&P Global Ratings ("S&P," and in its capacity as rating agency for the Bonds, the "Rating Agency"). No assurance can be given that the rating of the United States of America will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P. Any such downward revision or withdrawal of the rating of the United States of America may have an adverse effect on the market price of the Bonds.

The rating assigned to the Bonds described above reflects only the view of the Rating Agency, and an explanation of the significance of such rating may be obtained from the Rating Agency at 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041-0003. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency if in the judgment of the Rating Agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Any desired explanation of the significance of the rating should be obtained from the Rating Agency. Certain information and materials not included in this Official Statement were furnished to the Rating Agency. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agency.

The rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered, suspended or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Any such change in, suspension or withdrawal of such rating could have an adverse effect on the market price of the Bonds if a registered owner attempts to sell the same.

The Issuer has not assumed any responsibility either to notify the owners of any proposed change in, suspension or withdrawal of such rating subsequent to the date of this Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision, suspension or withdrawal.

### **SUBORDINATION TO FHA LENDER LOAN DOCUMENTS AND PROGRAM OBLIGATIONS**

The Indenture, the Bond Loan Agreement, the Note, and the Land Use Restriction Agreement (the "Bond Financing Documents") provide that, notwithstanding anything in such documents to the contrary, the Bond Financing Documents will be subordinate to the FHA Lender Loan Documents. In the event of any conflict between the provisions of the Bond Financing Documents and the FHA Lender Loan Documents or the Program Obligations (as defined in the FHA Lender Mortgage), the FHA Lender Loan Documents or the Program Obligations will control. Enforcement of the Bond Financing Documents will not result in any claim against the Development, the FHA Lender Mortgage proceeds, any reserve or deposit required by HUD in connection with the FHA Lender Mortgage, or the rents or other income from the Development (except "surplus cash," as defined in the HUD Regulatory Agreement). No assurance can be made that such provision will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes. In no event shall HUD or the FHA Lender have any claim to or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

### **CERTAIN LEGAL MATTERS**

Certain legal matters relating to the execution and delivery of the Indenture and the Bond Loan Agreement are subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, Tampa, Florida, which will be furnished at the expense of the Borrower (the "Bond Counsel Opinion"). See "APPENDIX C - FORM OF BOND COUNSEL OPINION" hereto. Certain legal matters will be passed upon for the Borrower by its counsel, Nelson Mullins Broad and Cassel, Orlando, Florida, and for the Underwriter by Norris George & Ostrow PLLC, Washington, D.C. Fees and expenses of certain of the above-mentioned counsel are contingent upon the issuance of the Bonds.

Nabors, Giblin & Nickerson, P.A., whose legal services as Bond Counsel have been retained by the Issuer, will opine on the date of issuance of the Bonds with regard to the exclusion from gross income of interest on the Bonds. See "TAX MATTERS" herein. The proposed text of the legal opinion is set forth in Appendix C. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery of the Bonds. The

opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

In rendering its approving opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **NO LITIGATION**

### **The Borrower**

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Borrower or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the exclusion of interest on the Bonds from the gross income, for federal income tax purposes, of the owners of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

### **The Issuer**

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the validity or enforceability of the Bonds, the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

## **CONTINUING DISCLOSURE**

The Borrower will enter into a Continuing Disclosure Agreement dated as of [\_\_\_\_\_] 1, 2019 (the "Continuing Disclosure Agreement") with the Trustee, acting as the Dissemination

Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Development to the Municipal Securities Rulemaking Board annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, of certain enumerated events for the benefit of the beneficial owners and Holders of any of the Bonds, pursuant to the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the "Rule"). See "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT."

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Indenture or Bond Loan Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower has not, to the Borrower's knowledge, failed to make the disclosures required by the Rule pursuant to any continuing disclosure undertaking contractually entered into with respect to which the Borrower's principals constitute "obligated persons" under the Rule. The Borrower is a new entity and has not heretofore been subject to such requirements.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Trustee, the Issuer and the Owners of the Bonds upon an Event of Default under the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies provided for under the Federal Bankruptcy Code, the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture may not be readily available or may be limited.

In addition, the Bond Loan Agreement and the Land Use Restriction Agreement both provide that the payment obligations of the Borrower contained in such agreements (other than certain obligations to the Issuer and the Trustee individually and not on behalf of the Owners of the Bonds) will be limited obligations payable solely from the income and assets of the Borrower, and that no member of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or 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).



## **DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES**

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Banking and Finance, Division of Securities, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the Issuer after December 31, 1975. Rule 69W-400.003 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by amounts on deposit under the Indenture and by other security discussed herein. The Bonds are not being offered on the basis of the financial strength of the Issuer. Accordingly, the Issuer, in good faith, believes that disclosure of any such default on bonds with respect to which the Issuer was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor in the Bonds.

## **VERIFICATION REPORT**

Causey Demgen & Moore, certified public accountants (the "Verifier"), concurrently with the issuance of the Bonds, will deliver to the Underwriter its verification report indicating that it has verified the arithmetical accuracy of certain computations provided by the Underwriter relating to the computation of forecasted receipts of principal and interest on the obligations and certain cash deposited as security for the Bonds, and the forecasted payments of principal and interest to pay the Bonds at their redemption or maturity dates. All such computations have been based solely upon assumptions and information supplied by the Underwriter. The Verifier restricted its procedures to verifying the arithmetical accuracy of the computations described above and has not made any study or evaluation of the assumptions and information on which the computations are based, and the Verifier has not expressed any opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcomes.

## **FINANCIAL ADVISOR**

The Issuer has retained Zomermaand Financial Advisory Services, LLC, Tampa, Florida, as financial advisor (the "Financial Advisor") to the Issuer in connection with the preparation of the Issuer's plan of financing and with respect to the authorization and issuance of the Bonds. Although the Financial Advisor assisted in the preparation of this Official Statement, the Financial Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

## **MISCELLANEOUS**

Copies of the Indenture, the Bond Loan Agreement, the Note and the Land Use Restriction Agreement are on file at the office of the Trustee and are available for inspection upon request.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer or the Borrower and the purchasers or holders of any of the Bonds.

The Issuer makes no representations with respect to any information in this Official Statement other than the information under the headings "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION - The Issuer."

This Official Statement has been approved by the Issuer and the Borrower for distribution to current Bondholders and potential purchasers of the Bonds.

[SIGNATURE PAGE TO FOLLOW]

**[SIGNATURE PAGE TO OFFICIAL STATEMENT - PRAXIS OF DEERFIELD BEACH]**

**PRAXIS VENTURE LP**, a Florida limited  
partnership

By: Affordable Housing Institute, Inc., a Florida  
not-for-profit corporation, its general partner

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

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

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

## APPENDIX A

### DEFINITIONS

"Act" shall mean the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended.

"Arbitrage Certificate" means the Certificate As To Arbitrage and Certain Other Tax Matters, dated the Closing Date, executed by the Issuer in connection with the issuance of the Bonds.

"Arbitrage Rebate Agreement" means the Arbitrage Rebate Agreement, dated as of [\_\_\_\_\_] 1, 2019, among the Issuer, the Trustee and the Borrower in connection with the issuance of the Bonds.

"Board" means the Board of County Commissioners of Broward County, Florida.

"Bond" or "Bonds" means the Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) issued, authenticated and delivered under the Indenture.

"Bond Counsel" means nationally recognized bond counsel selected by the Issuer.

"Bond Documents" means, with respect to the Bonds, the Bonds, the Indenture, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Continuing Disclosure Agreement, the Arbitrage Rebate Agreement, the Tax Certificates, the FHA Lender Disbursement Agreement and any and all documents executed in connection with the Bonds.

"Bond Fund" means the Bond Fund created under the Indenture.

"Bondholder" or "Holder of the Bonds" or "Holder" or "Owner of the Bonds" or "Owner" when used with respect to any Bond, means the person or persons in whose name such Bond is registered as the owner thereof on the books of the Issuer maintained at the Trust Office of the Trustee for that purpose.

"Bond Loan Agreement" means the Loan Agreement, dated as of [\_\_\_\_\_] 1, 2019, by and between the Issuer and the Borrower and any and all supplements thereto, pursuant to which the Loan is being made to the Borrower.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated \_\_\_\_\_, 2019, among the Issuer, the Borrower and the Underwriter.

"Bond Registrar" has the meaning assigned to it in the Indenture.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a

book-entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with the physical bond certificates "immobilized" in the custody of the Securities Depository.

"Borrower" means Praxis Venture LP, a Florida limited partnership, duly organized and existing in the State of Florida, its successors and assigns.

"Borrower Costs of Issuance" means all fees, costs and expenses (other than the Issuer Costs of Issuance) incurred in connection with the issuance of the Bonds and the extension of the Loan.

"Borrower Costs of Issuance Account" means the account by that name created in the Cost of Issuance Fund pursuant to the Indenture.

"Borrower Documents" means the Bond Loan Agreement, the Note, the Proceeds Certificate, the Arbitrage Rebate Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement, the Guarantor Documents and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Bond Loan Agreement.

"Borrower Obligations" means the obligations of the Borrower under the Bond Loan Agreement, the Note, and the other Borrower Documents to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Bond Loan Agreement, the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer and/or the Trustee, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Bond Loan Agreement, the Note, the Land Use Restriction Agreement, and any of the other Borrower Documents, to perform or observe.

"Borrower Representative" means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

"Bridge Loan" means the loan made by [ ] to the Borrower in the principal amount of \$[3,600,000], the proceeds of which will be used to bridge one or more of the Investor Limited Partner's capital contributions of low-income housing tax credit equity to the Borrower to pay certain Costs of the Development in connection with the financing of the acquisition, rehabilitation and equipping thereof.

"Business Day" or "business day" means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, Jacksonville, Florida or in the city in which the Trust Office of the Trustee, or the office of the Trustee is located, are not required or authorized by law or executive order to close for business, and (b) the New York Stock Exchange is not closed.

"Capitalized Interest Account" means the account by that name created in the Bond Fund pursuant to the Indenture.

"Closing Date" means the date of delivery of the Bonds in exchange for the purchase price thereof and shall be the same date as the Effective Date of the FHA Lender Disbursement Agreement.

"Code" means the Internal Revenue Code of 1986, including applicable final, temporary and proposed regulations and revenue rulings applicable thereto, as amended from time to time.

"Collateral Fund" means the Collateral Fund created pursuant to the Indenture.

"Completion Certificate" means a certificate submitted by the Borrower Representative (on behalf of the Borrower) to the Issuer and the Trustee as provided in the Indenture and the Bond Loan Agreement.

"Completion Date" means the date upon which the Completion Certificate is delivered by the Borrower to the Issuer and the Trustee, which is anticipated to be \_\_\_\_\_, 2019.

"Construction Contract" means that certain construction contract executed between the Contractor and the Borrower relating to the rehabilitation of the Development, as that contract may be amended from time to time.

"Construction Draw Date" means the date on which a disbursement from the Project Fund shall be made solely to pay acquisition, rehabilitation and equipping costs of the Development.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of [\_\_\_\_\_] 1, 2019 between the Borrower and the Dissemination Agent.

"Contractor" means the entity identified as the general contractor under the Construction Contract.

"Cost of Issuance Fund" means the Cost of Issuance Fund created pursuant to the Indenture.

"Costs of Issuance" means, collectively, the Issuer Costs of Issuance and the Borrower Costs of Issuance.

"Costs of Issuance Deposit" means \$\_\_\_\_\_.

"Costs of the Development" with respect to the Development shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

"Credit Underwriting Report" means the Housing Finance Authority of Broward County, Florida Credit Underwriting Report dated [\_\_\_\_\_] 2019 prepared by First Housing Development Corporation of Florida.

"Default" means any Default under the Bond Loan Agreement as specified and defined therein.

"Development" means the multifamily rental housing development known as Praxis of Deerfield Beach, which consists of 224 apartment units and related facilities to be located in Deerfield Beach, Broward County, Florida.

"Dissemination Agent" means The Bank of New York Mellon Trust company, N.A., a national banking association organized and existing under the laws of the United States of America and its permitted successors and assigns as Dissemination Agent under the Continuing Disclosure Agreement.

"Dissemination Agent Fee" means a portion of the Trustee's Fee payable to The Bank of New York Mellon Trust Company, N.A., in its capacity as Dissemination Agent pursuant to the Continuing Disclosure Agreement.

"Documents" means and shall include (without limitation), with respect to the Bonds, the Indenture, the Bond Documents, the Borrower Documents, the Guarantor Documents and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may hereafter execute and deliver, to evidence or secure the Bonds and the Borrower Obligations, or any part thereof, or in connection therewith, and any and all supplements thereto.

"Effective Date" shall mean the date the FHA Lender Disbursement Agreement is effective.

"Environmental Indemnity" means the Environmental Indemnity Agreement, dated as of [\_\_\_\_\_] 1, 2019, from the Guarantors, jointly and severally, in favor of the Issuer and the Trustee.

"Event of Default" or "Default" means, when used in the Indenture, those events of default or defaults specified therein and, when used in the Bond Loan Agreement, those events of default or defaults specified therein.

"Expense Fund" means the fund by that name created and established pursuant to the Indenture.

"FHA Commitment" means the [\_\_\_\_\_] dated [\_\_\_\_\_] 1, 2019, between the FHA Lender and the Borrower regarding the terms and conditions of the FHA Lender Loan.

"FHA Lender" means Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company, and its successors and assigns.

"FHA Note" means the \$[\_\_\_\_\_] \* Note (Multistate) dated as of [\_\_\_\_\_] 1, 2019, from Borrower to the FHA Lender to evidence its indebtedness under the FHA Lender Loan and endorsed by HUD.

"FHA Lender Collateral Deposit" shall have the meaning given to such term in the Indenture.

"FHA Lender Disbursement Agreement" means the Funding and Disbursement Agreement, dated as of [\_\_\_\_\_] 1, 2019, among the FHA Lender, the Borrower and acknowledged by the Investor Limited Partner.

"FHA Lender Loan" means the loan made by the FHA Lender to the Borrower in the original principal amount not to exceed \$[\_\_\_\_\_] \* pursuant to the FHA Lender Disbursement Agreement, as evidenced by the FHA Note and secured by the FHA Lender Mortgage.

"FHA Lender Loan Documents" means the documents related to the FHA Lender Loan, including the FHA Lender Disbursement Agreement, the FHA Note, the FHA Lender Mortgage, the HUD Regulatory Agreement and any and all other documents, agreements, or instruments which evidence or secure the indebtedness evidenced by the FHA Note.

"FHA Lender Mortgage" means the first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) dated as of [CLOSING DATE], from Borrower for the benefit of the FHA Lender to secure the repayment of the FHA Note.

"General Partner" means Affordable Housing Institute, Inc., a Florida not-for-profit corporation, as general partner of the Borrower.

"GNMA" means the Government National Mortgage Association.

"Governmental Authority" means any federal, State or local governmental or quasi-governmental entity, including, without limitation, any agency, department, commission, board, bureau, administration, service, or other instrumentality of any governmental entity.

"Government Obligations" means direct obligations issued by the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, including, when available, SLGS.

"Governmental Requirements" means all laws, ordinances, orders, rules or regulations of all Governmental Authorities applicable to the Development, the Issuer, the Borrower or any of the Borrower's assets or other properties, including without limitation, laws, ordinances, orders, rules and regulations relating to securities or other public disclosures, zoning, licenses, permits, subdivision, building, safety, health, and fire protection and all environmental laws.

"Guarantor" and "Guarantors" means, individually and collectively, the Borrower, the General Partner, and [\_\_\_\_\_] individually, together with their respective permitted successors and assigns.

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\* Preliminary; subject to change.



"Guarantor Documents" means, collectively, the Environmental Indemnity and the Guaranty of Recourse Obligations.

"Guaranty of Recourse Obligations" means the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, dated as of [\_\_\_\_\_] 1, 2019, from the Guarantors, jointly and severally, in favor of the Issuer and the Trustee.

"Hazardous Materials" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBS") and compounds containing them; lead and lead based paint; asbestos or asbestos containing materials in any form that is or could become friable; underground or above ground storage tanks, whether empty or containing any substance; any substance the presence of which at the Development is prohibited by any federal, state or local authority; any substance that requires special handling under any Hazardous Materials Law; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" within the meaning of any Hazardous Materials Law, but does not include any such substance that is a customary and ordinary household, cleaning, office, swimming pool or landscape maintenance product used on the Development by the Borrower or any tenant or agent of the Borrower, or customary construction materials used during the course of rehabilitation and equipping of the Development by the Borrower or the Contractor, provided such use is in accordance with applicable hazardous material laws.

"Hazardous Materials Law" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to Borrower or to the Development. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, and their state analogs, including laws of the State.

"HUD" means the U.S. Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement for Multifamily Projects between the Borrower and HUD, as amended or supplemented from time to time.

"Indemnitors" means the Guarantors.

"Indenture" means the Trust Indenture, dated as of [\_\_\_\_\_] 1, 2019, between the Issuer and the Trustee, and any and all Supplements thereto, authorizing the issuance of the Bonds.

"Independent" means any person not an employee or officer of the Borrower or its affiliates.

"Interest Payment Date" means each [\_\_\_\_\_] 1 and [\_\_\_\_\_] 1, beginning [\_\_\_\_\_] 1, 2019.

"Investor Limited Partner" means R4 PDFL Acquisition LLC, a Delaware limited liability company, and its permitted successors and assigns in their capacity as the investor limited partner of the Borrower.

"Issuer" means the Housing Finance Authority of Broward County, Florida, a public body corporate and politic of the State of Florida, duly organized and existing under the laws of the State of Florida, including the Act, or any successor to its rights and obligations under the Bond Loan Agreement and the Indenture.

"Issuer Costs of Issuance" means the fees, costs and expenses incurred by the Issuer in connection with the issuance of the Bonds, payable from the Issuer Costs of Issuance Account.

"Issuer Costs of Issuance Account" means the Account by that name created in the Cost of Issuance Fund pursuant to the Indenture.

"Issuer Documents" means the Bond Loan Agreement, the Indenture, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Certificate As To Arbitrage and Certain Other Tax Matters, the Arbitrage Rebate Agreement and any and all documents, agreements or instruments executed by the Issuer in connection with the Loan evidenced by the Bond Loan Agreement.

"Issuer Fee" means, collectively, the Issuer Closing Fee and the Ongoing Issuer Fee.

"Issuer Closing Fee" means the (i) Issuer's one (1) time initial issuance fee in the amount equal to fifty basis points (0.50%) of the original principal amount of the Loan, as evidenced by the Note, for a total of \$[\_\_\_\_\_] , (ii) Issuer's indemnification fee of \$20,000, and (iii) Issuer's counsel fee of \$5,000, all of which shall be payable to the Issuer by the Trustee on the Closing Date from amounts on deposit in the Issuer Cost of Issuance Account of the Cost of Issuance Fund pursuant to the Indenture.

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

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated [\_\_\_\_\_] 1, 2019 by and among the Issuer, the Trustee and the Borrower relating to the Bonds and containing certain occupancy and income restrictions on the Development required by the Code, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

"Loan" means the loan in the principal amount of \$22,000,000\* made by the Issuer to the Borrower evidenced by the Note, described in the Bond Loan Agreement and made in connection with the issuance of the Bonds.

"Loan Documents" means the Bond Loan Agreement and the Note.

"Mandatory Tender Date" means [\_\_\_\_\_] 1, 2021.\*

"Maturity Date" means [\_\_\_\_\_] 1, 2022.\*

"Non-Critical Repair Escrow" means that non-critical repair escrow created pursuant to the Escrow Agreement for Non-Critical, Deferred Repairs (form HUD-92476.1M) by and between the Borrower and FHA Lender and held by the FHA Lender.

"Note" means the Promissory Note, dated the Closing Date, from the Borrower to the Issuer in substantially the form attached as an exhibit to the Bond Loan Agreement, and any amendments, supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee on the Closing Date.

"Official Statement" means the Official Statement dated \_\_\_\_\_, 2019, relating to the Bonds.

"Ongoing Issuer Fee" means the annual program administration fee of the Issuer, payable in advance by the Borrower to the Trustee for payment to the Issuer in the amount of eighteen basis points (0.18%) per annum of the outstanding principal amount of the Loan (calculated on the Business Day prior to any principal reduction of the Loan). The first payment of the Ongoing Issuer Fee shall be payable on the Closing Date for the period beginning on the Closing Date and ending on [\_\_\_\_\_] 31, 2019. Thereafter, the Ongoing Issuer Fee shall be payable in semi-annual installments on each [\_\_\_\_\_] 1 and [\_\_\_\_\_] 1, with the first semi-annual payment due and payable on [\_\_\_\_\_] 1, 2019; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Issuer, the Trustee, Bond Counsel, the Issuer's counsel, or the Trustee's counsel to be paid by the Borrower pursuant to the Bond Loan Agreement.

"Outstanding," "outstanding" or "Bonds Outstanding" when used with respect to the Bonds means any Bonds theretofore authenticated and delivered under the Indenture, except:

(a) Bonds theretofore canceled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee in accordance with the Indenture; or

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture.

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\* Preliminary; subject to change.

"Partnership Agreement" means the First Amended and Restated Limited Partnership Agreement of the Borrower, dated [\_\_\_\_\_] 1, 2019, as may be amended and supplemented from time to time.

"Permitted Investments" means (i) Government Obligations, (ii) to the extent permitted in the Indenture, money market funds rated "AAAm" by S&P that invest in Government Obligations, which are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended (including any money market funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such money market fund and receives reasonable compensation therefor), and (iii) Fidelity Institutional Money Market Treasury Only - Class I as long as such is rated "AAAm" by S&P. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings or Permitted Investments after the initial purchase of such Permitted Investments.

"Person" shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

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

"Proceeds Certificate" means the Borrower's Tax Certificate, dated the Closing Date, executed by the Borrower in connection with the issuance of the Bonds.

"Project Fund" means the Project Fund created pursuant to the Indenture.

"Qualified Project Costs" means costs paid with respect to the Development that (i) 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 United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental development or developments within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse Costs of the Development with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Development were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Development (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Development that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Development that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Development is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if

any portion of the Development is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Development (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 Development, 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 construction of the Development or payments received by such Affiliate due to early completion of the Development (or any portion thereof).

"Rating Agency" means S&P.

"Rebate Requirement" means the amount, if any, which is to be paid to the United States of America pursuant to Section 148(f) of the Code and the Indenture or to reduce the yield on investments to the yield on the Bonds pursuant to Section 148 of the Code.

"Rebate Analyst" means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Borrower and at the expense of the Borrower (payable from the Program Fee paid by the Borrower).

"Rebate Analyst Fee" means the fee of the Rebate Analyst.

"Rebate Fund" means the Rebate Fund created pursuant to the Indenture.

"Record Date" means the 15<sup>th</sup> day of the month preceding the date on which interest is due and payable.

"Remarketing Agent" means initially RBC Capital Markets, LLC, and any successor Remarketing Agent that may be appointed by the Issuer.

"Remarketing Agreement" means the Remarketing Agreement, dated as of even date with the Indenture, between the Borrower and the Remarketing Agent.

"Remarketing Notice Parties" means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Limited Partner and the Rating Agency.

"Remarketing Rate" means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including the Mandatory Tender Date to the Maturity Date.

"Requisition" means (a) the request signed by the Borrower Representative to make a disbursement from the Project Fund on a Construction Draw Date in the manner provided pursuant to the Indenture, (b) the request signed by the Issuer to make a disbursement from the Issuer Costs of Issuance Account within the Cost of Issuance Fund in the manner provided pursuant to the Indenture, or (c) the request signed by the Borrower Representative to make a disbursement from

the Borrower Costs of Issuance Account within the Cost of Issuance Fund in the manner provided pursuant to the Indenture.

“Resolutions” means, collectively, (i) the resolution adopted by the Issuer on May 8, 2019, and (ii) the resolution adopted by the Board on June 4, 2019, duly authorizing and directing the issuance, sale and delivery of the Bonds.

"Responsible Officer" means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

"Revenues" means, all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement.

"Securities Depository" means the Depository Trust Company, its successors and assigns, or any other securities depository for the Bonds designated by the Issuer or the Borrower to the Trustee in writing.

"SLGS" means United States Treasuries - Time Deposit State and Local Government Series.

"S&P" means S&P Global Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Borrower.

"State" means the State of Florida.

"Supplement" or "Supplements" means any and all extensions, renewals, modifications, amendments, supplements and substitutions to the Indenture.

"Tax Certificates" means, collectively, the Arbitrage Certificate, the Arbitrage Rebate Agreement and the Proceeds Certificate.

"Term of Agreement" means the term of the Bond Loan Agreement as specified therein.

“Trust Estate” has the meaning given such term in the Granting Clauses of the Trust Indenture.

“Trust Office” means the corporate trust office of the Trustee located at the address set forth in the Indenture or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

"Trustee" means The Bank of New York Mellon Trust company, N.A., a national banking association duly organized and existing under the laws of the United States of America, and authorized to exercise corporate trust powers in the State, having a Trust Office in Jacksonville, Florida, and its successor or successors in the trust created by the Indenture.

“Trustee’s Fee” means the Trustee’s initial acceptance fee of \$3,500 plus fees and expenses of its counsel in conjunction with the issuance of the Bonds, all payable on the Closing Date, and the ongoing compensation and expenses payable to the Trustee as follows: (a) the annual administration fees of the Trustee, for the ordinary services of the Trustee rendered under the Indenture during each twelve-month period shall be \$3,750 per annum, with the initial annual fee of \$3,750 payable in advance on the Closing Date and subsequent annual fees payable in semiannual installments of \$1,875 in advance on each [\_\_\_\_\_] 1 and [\_\_\_\_\_] 1 thereafter commencing [\_\_\_\_\_] 1, 2019; (b) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under the Indenture as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, however, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and (c) for purposes of the Bond Loan Agreement, indemnification of the Trustee by the Borrower.

"Unassigned Rights of the Issuer" and "Unassigned Rights" means the rights of the Issuer consisting of: (a) all rights which the Issuer Indemnified Parties may have under the Indenture, the Bond Loan Agreement and other Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, directors, officials, agents or employees; (b) the right of the Issuer to give and receive notices, reports or other information, including but not limited to the right to receive the reports and other information described in Section 5 of the Land Use Restriction Agreement, make determinations and grant approvals under the Indenture and under the Documents; (c) the right of the Issuer to give and withhold consents and approvals under the Indenture and under the Documents; (d) the right of the Issuer to receive its fees and expenses (including the Issuer’s Compliance Fee as defined in the Land Use Restriction Agreement) pursuant to the Bond Loan Agreement and the Land Use Restriction Agreement; (e) all rights of the Issuer not otherwise assigned to the Trustee to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly to the requirements of the Act or any requirements imposed by the Issuer with respect to the Development, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents or in any other certificate or agreement executed by the Borrower; (f) all rights of the Issuer in connection with any amendment to or modification of the Documents; (g) all rights of the Issuer to enforce the Land Use Restriction Agreement; and (h) all enforcement remedies with respect to the foregoing. All of these Unassigned Rights are reserved to the Issuer and are not being assigned by the Issuer to the Trustee.

"Underwriter" means, collectively, RBC Capital Markets, LLC and Raymond James & Associates, Inc.

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## APPENDIX B

### DOCUMENT SUMMARIES

#### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

*The Indenture contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Indenture to which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Indenture and such terms as used herein shall have the same meanings as so defined.*

#### **Funds and Accounts**

The following trust funds are created by the Issuer under the Indenture to be held separately by the Trustee:

- (1) Bond Fund, and within the Bond Fund, a Capitalized Interest Account;
- (2) Project Fund, and within the Project Fund, a Proceeds Account, and an Equity Account;
- (3) Rebate Fund;
- (4) Expense Fund;
- (5) Collateral Fund; and
- (6) Costs of Issuance Fund, and within the Costs of Issuance Fund, the Issuer Costs of Issuance Account and the Borrower Costs of Issuance Account.

*Bond Fund. All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein) or the Collateral Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent of any fees, costs or expenses described under the caption "Expense Fund" below which are due and payable, and then to the Bond Fund. In accordance with the Indenture, for so long as the Bonds are outstanding, funds on deposit in the Proceeds Account of the Project Fund, the Collateral Fund or the Bond Fund (including the Capitalized Interest Account therein) shall not be deposited in the Expense Fund or otherwise used to pay fees, costs or expenses described under the caption "Expense Fund" below.*

The funds on deposit in the Bond Fund shall be used by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made, whether by maturity, mandatory tender, or on a scheduled Interest Payment Date.

In the event that amounts on deposit in the Bond Fund on any Interest Payment Date, the Mandatory Tender Date, the Maturity Date or such other Bond payment date are insufficient to make the payment of principal of or interest on the Bonds when due, the Trustee shall transfer funds in the following order to the Bond Fund and use such funds, together with amounts then on deposit in the Bond Fund, to make such payments when due:

- (a) first, from amounts on deposit in the Capitalized Interest Account;
- (b) second, from amounts on deposit in the Collateral Fund; and
- (c) third, from amounts on deposit in the Project Fund.

So long as there are any Outstanding Bonds, payments due under the Note and the Bond Loan Agreement shall be deemed made by the Trustee's transfer of funds on each Interest Payment Date from the Capitalized Interest Account or from the Collateral Fund to the Bond Fund, in an amount necessary to pay the interest on and principal (if any) of the Bonds.

*Project Fund.* The proceeds received upon the issuance and sale of the Bonds shall be deposited in the Proceeds Account of the Project Fund. Disbursements from the Project Fund shall be made upon the receipt by the Trustee of the following and shall be used solely to pay Costs of the Development incurred in connection with the acquisition and rehabilitation of the Development: (1) a request or requests therefor executed by the Borrower Representative and the FHA Lender, upon a Requisition in substantially the form attached to the Indenture in the case of requisitions from the Proceeds Account and/or the Equity Account, executed by the Borrower, (2) certification by a Borrower Representative that, in the case of amounts requisitioned from the Proceeds Account, such Costs of the Development are Qualified Project Costs, and (3) in the case of requisitions from the Proceeds Account, confirmation from the Trustee that an amount equal to the requested disbursement has been received by the Trustee and deposited to the Collateral Fund in accordance with the Indenture. Together with amounts on deposit in the Proceeds Account of the Project Fund, amounts on deposit in the Bond Fund and the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due.

Notwithstanding any provision of the Bond Loan Agreement or the Indenture to the contrary, the Trustee shall not disburse moneys from the Project Fund, other than to pay principal and/or interest payments on the Bonds in accordance with the Indenture, unless and until the Trustee receives satisfactory evidence that a FHA Lender Collateral Deposit in an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund. Prior to making any disbursement, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund, (ii) the Capitalized Interest Account, (iii) the Project Fund and (iv) the Bond Fund, will be sufficient to pay principal of and interest on the Bonds as and when they become due to the Mandatory Tender Date. Upon satisfaction of the conditions precedent set forth in this paragraph, and notwithstanding anything in the Bond

Documents to the contrary, once the FHA Lender deposits the FHA Lender Collateral Deposit the Trustee is irrevocably and unconditionally obligated to disburse an equal amount of moneys from the Project Fund in accordance with approved Requisitions.

*Rebate Fund.* In accordance with the provisions set forth in the Indenture, the Trustee shall deposit into the Rebate Fund amounts paid by the Borrower pursuant to the Tax Certificates. The determination of the Rebate Requirement shall be made in accordance with the Arbitrage Rebate Agreement and the Rebate Requirement shall be paid at such times and in such installments as provided therein. The Borrower will designate the Rebate Analyst. As further provided in the Arbitrage Rebate Agreement, the Borrower shall be responsible for causing the rebate calculations to be calculated by the Rebate Analyst and paying the Rebate Requirement. Neither the Issuer nor the Trustee shall be obligated to pay any portion of the Rebate Requirement (except from funds on deposit in the Rebate Fund). In addition, neither the Issuer nor the Trustee shall have any responsibility with respect to the calculation of the Rebate Requirement.

Any moneys held as part of the Rebate Fund and not immediately required to be paid to the United States pursuant to the Arbitrage Rebate Agreement shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Government Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Government Obligations, including any such fund maintained by the Trustee or an affiliate thereof, having maturities consonant with the need for moneys as estimated by the Borrower.

*Expense Fund.* The Trustee shall deposit amounts received from the Borrower for the purpose of paying Trustee's Fees, the Issuer Fee, and any other fees and expenses required under the Bond Loan Agreement into the Expense Fund. The Trustee shall pay such amounts to the proper persons on the dates and in the amounts due when evidenced by a written invoice and written instruction of the Borrower or the Issuer to pay such amount. Amounts on deposit in the Expense Fund shall be withdrawn or maintained, as appropriate by the Trustee to pay (i) to the Issuer, the Issuer Fee, (ii) to the Trustee, the Trustee's Fee, (iii) upon receipt, to the Trustee, any amounts due to the Trustee which have not been paid, other than amounts paid in accordance with clause (ii) hereof, and (iv) upon receipt, to, or at the written direction of, the Issuer, the Issuer Fee due and unpaid, other than amounts paid in accordance with clause (i) above.

*Collateral Fund.* Upon receipt from the FHA Lender of the proceeds of (a) the sale of a GNMA security, (b) a draw on FHA Lender's warehouse line of credit, or (c) from funds otherwise provided by FHA Lender (the "FHA Lender Collateral Deposit"), the Trustee shall deposit such amounts to the Collateral Fund and concurrently disburse an equal amount of Bond proceeds from the Project Fund to the FHA Lender or its designee. If the Trustee is unable to concurrently disburse funds from the Project Fund to the FHA Lender or its designee, it shall immediately return such funds comprising the FHA Lender Collateral Deposit to the FHA Lender via wire transfer. Together with amounts on deposit in the Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the

Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due.

Cost of Issuance Fund. On or before the Closing Date the Borrower shall deliver the Costs of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Costs of Issuance Deposit into either the Issuer Costs of Issuance Account or the Borrower Costs of Issuance Account of the Cost of Issuance Fund as designated in the closing memorandum prepared by the Underwriter and executed by the Borrower and the Issuer in connection with the issuance of the Bonds.

Except as otherwise provided in the Indenture, the amounts deposited in the Cost of Issuance Fund shall be expended for Costs of Issuance and for no other purpose. The Issuer shall deliver to the Trustee a Requisition in the form attached to the Indenture, executed by the Issuer, specifying in detail the amount which constitutes the Issuer Costs of Issuance to be paid or reserved to be paid under the Indenture, and the respective firms or persons to whom such payments are to be made. The Borrower shall deliver to the Trustee the Requisition in the form attached to the Indenture, executed by the Borrower (and approved by the FHA Lender), specifying in detail the amount which constitutes Borrower Costs of Issuance to be paid or reserved to be paid under the Indenture, and the respective firms or persons to whom such payments are to be made. The Trustee shall make the payments specified therein concurrently with or as soon as practicable after the delivery of the Bonds.

Any moneys remaining in the Costs of Issuance Fund twelve (12) months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower upon the written instruction to the Trustee from the Borrower, in accordance with the provisions described under the caption "Payment to Borrower of Excess Moneys" below. Upon final disbursement, the Trustee shall close the Costs of Issuance Fund.

Payment of Borrower of Excess Moneys. Any amounts remaining in the Cost of Issuance Fund after the payment in full of all Costs of Issuance shall be paid to the Borrower in accordance with the provisions described under the caption "Cost of Issuance Fund" above, and any amounts remaining in the Collateral Fund or the Bond Fund (except for amounts then held by the Trustee in the Bond Fund for payment of principal of, or interest on, any of the Bonds) after payment in full of the principal of and interest on, the Bonds, payment of any and all fees and expenses due in accordance with the Indenture and the Bond Loan Agreement, and payment of all other costs associated with the discharge of the Bonds (or provision for payment thereof having been made as provided under the caption "Discharge of Lien" below) shall, upon written instruction to the Trustee from the Borrower (with a copy to the Issuer), be paid to the Borrower upon the expiration or sooner termination of the Term of Agreement.

### **Investment of Funds and Accounts**

On the Closing Date, moneys on deposit in the Project Fund will be held by the Trustee uninvested until disbursed to the Borrower on the Closing Date in accordance with an approved Requisition.

Amounts on deposit in the Collateral Fund and the Bond Fund shall be invested at all times in Permitted Investments.

The Trustee is directed to purchase in advance for delivery on the Closing Date, a portfolio of Government Obligations maturing on or before the Mandatory Tender Date, in accordance with the written directions of a Borrower Representative, with respect to the investment of certain amounts on deposit in the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein), the principal and interest of which, along with amounts on deposit in the Capitalized Interest Account, if any, will be sufficient to pay principal and interest on the Bonds when due. All interest earned from the foregoing investments shall be deposited in the Bond Fund. In the event that any investments in the Project Fund, the Bond Fund or the Collateral Fund must be liquidated prior to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date, such investments shall be liquidated under the Indenture.

Any investment under the Indenture shall not bear a yield that would constitute a failure to comply with Section 148 of the Code. The Trustee may not sell any investment at a loss, unless being sold pursuant to the Indenture or in connection with an acceleration as set forth under the caption "Events of Default and Acceleration" below.

As long as no Event of Default (as defined in in the Indenture) shall have occurred and be continuing, the Borrower shall have the right to designate the investments to be sold and to otherwise direct the Trustee in writing in the sale or purchase of the investments or the conversion to cash of the investments made with the moneys in the Collateral Fund provided that the Trustee shall be entitled to conclusively assume the absence of any such Event of Default unless it has notice thereof; if there has been an Event of Default, the Trustee shall have said right.

The investments described in each of the above paragraphs shall be made by the Trustee pursuant to the direction provided by the Indenture and in accordance with the written direction of the Borrower to be provided on the Closing Date, which shall remain in effect until further written direction is provided by the Borrower. In the absence of investment instructions from the Borrower, the Trustee shall invest the moneys held in the Bond Fund or Collateral Fund in money market funds described in part (iii) of the definition of Permitted Investments.

Amounts, if any, on deposit in the Cost of Issuance Fund, until disbursed or returned to the Borrower pursuant to the Indenture, shall be invested in Permitted Investments, with respect to amounts on deposit in the Issuer Costs of Issuance Account at the written direction of the Issuer, and with respect to amounts on deposit in the Borrower Costs of Issuance Account, at the written direction of the Borrower. The Expense Fund shall be invested in Permitted Investments at the direction of the Issuer. In the absence of written investment instructions from the Borrower or the Issuer, as applicable, the Trustee shall not be responsible or liable for keeping the moneys held in the Cost of Issuance Fund or the Expense Fund under the Indenture fully invested in Permitted Investments.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur.

The Issuer specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

The Trustee may conclusively rely upon the Borrower's written instructions as to the suitability, legality and yield compliance of the directed investments. The Trustee shall have no liability for any loss, expense or liability incurred as a result of such investment made in accordance with directions of the Borrower or the Issuer, as applicable.

### **Investment of Rebate Fund**

Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Government Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Government Obligations, including any such fund maintained by the Trustee or an affiliate thereof having maturities consistent with the need for funds as estimated by the Borrower. In the absence of investment instructions from the Borrower Representative, the Trustee shall not be responsible or liable for keeping the moneys held as part of the Rebate Fund invested.

### **Discharge of Lien**

If and when the Bonds secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Borrower, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Collateral Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Borrower all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Borrower.

If and when the Trustee shall hold sufficient moneys under the Indenture, as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations, to provide for payment of the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all the Bonds, together with all other amounts (exclusive of amounts in the Rebate Fund or the Expense Fund) payable or which may thereafter become payable under the Indenture by the Issuer, notwithstanding that all the Bonds have not yet become due and payable and that consequently the right, title and interest of the Trustee in and to the Trust Estate shall not have ceased, terminated and become void as described in the prior paragraph, the Trustee, on demand of the Borrower, shall deposit with the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, or to such person, body or authority as may be entitled to receive the same, any surplus in the Collateral Fund in excess of the amount sufficient to pay the

whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable under the Indenture by the Issuer or the Borrower.

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect described above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations) either (i) moneys in an amount which shall be sufficient, or (ii) Government Obligations which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the mandatory tender date or maturity date thereof, and (b) the Borrower shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the provisions described under this caption and stating such maturity upon which moneys are to be available for the payment of the principal and interest on such Bonds.

#### **Events of Default and Acceleration**

The following events shall constitute an "Event of Default" under the Indenture:

- (a) any interest on any Bond is not paid on the date on which the same becomes due; or
- (b) the principal of any Bond is not paid on the date on which the same becomes due, whether at the stated maturity thereof, by acceleration or otherwise; or
- (c) an Event of Default occurs under the Bond Loan Agreement; or
- (d) the Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as described in (a) or (b) above) contained in the Bonds or in the Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of 90 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer and the Borrower by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within 90 days, it shall not be an Event of Default if the Issuer or the Borrower is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

If any Loan payment required under the Bond Loan Agreement to avoid a default described in (a) or (b) above shall not have been received at the close of business on the last business day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Investor Limited Partner of Borrower, which telephonic notice shall be confirmed by electronic, telegraphic or written notice to the Borrower and the Investor Limited Partner of Borrower. If any other default shall occur under the provisions described under this caption, the Trustee shall,

within five days after having actual knowledge of such default, give written notice of such default to the Issuer, the Borrower, the Investor Limited Partner of Borrower, the Holders of the Bonds and the Rating Agency. A default or an Event of Default described in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

If an Event of Default specified in (a) or (b) above shall occur and be continuing, the Trustee, may, and upon written request of the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower, and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided in such notice, anything in the Indenture or in the Bonds to the contrary notwithstanding.

### **Remedies**

Upon the happening of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of not less than 51% in principal amount of the Bonds then Outstanding and receipt of satisfactory indemnity, shall:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents including, but not limited to, foreclosing upon the security interest in or otherwise using funds on deposit in the Collateral Fund;

(b) bring suit upon the Bonds; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Notwithstanding anything contained in the Indenture to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee 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 action.

### **No Interference or Impairment of FHA Lender Loan**

Notwithstanding anything in the Indenture to the contrary, none of the Issuer, the Trustee or any other person shall:



(a) 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 and payable under, the FHA Lender Loan; or

(b) interfere with or attempt to interfere with or influence the exercise by the FHA Lender of any of its rights under the FHA Lender Loan, including, without limitation, the FHA Lender remedial rights under the FHA Lender Loan upon the occurrence of an event of default by the Borrower under the FHA Lender Loan.

The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of the Indenture so long as it does not violate HUD Program Obligations (as defined in the HUD Regulatory Agreement).

Notwithstanding anything in the Indenture to the contrary, and subject to the Indenture, any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under the Indenture which includes any claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the FHA Lender Loan Documents.

No subsequent owner of the Development shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the person who was the Borrower at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned by the default or breach even after such person ceases to be the Borrower with regards to the Development.

Promptly upon determining that an Event of Default under the Indenture has occurred, the Issuer or the Trustee shall, by notice in writing to the FHA Lender, inform the FHA Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the FHA Lender Loan or to foreclose on the FHA Lender Mortgage.

#### **Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders**

The Issuer and the Trustee may, from time to time and at any time, without the consent of Bondholders, enter into agreements supplemental to the Indenture and the Bond Loan Agreement as follows:

(1) to specify and determine any matters and things relative to Bonds which shall not materially adversely affect the interest of the Bondholders;

(2) to cure any formal defect, omission or ambiguity in the Indenture or the Bond Loan Agreement if such action does not materially adversely affect the rights of the Bondholders;

(3) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(4) to add to the covenants and agreements of the Issuer in the Indenture or the Bond Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Bond Loan Agreement as theretofore in effect;

(5) to add to the limitations and restrictions in the Indenture or the Bond Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Bond Loan Agreement as theretofore in effect;

(6) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, the Indenture, of the Revenues or of any other moneys, securities or funds; or

(7) to modify, amend or supplement the Indenture or the Bond Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds.

Before the Issuer shall enter into any agreement supplemental to the Indenture pursuant to the provisions described under this caption, there shall have been filed with the Trustee an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms. The opinion of Bond Counsel filed with the Trustee shall also state that the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall send written notice to the Rating Agency, the Remarketing Agent and the Borrower of any amendment to the Indenture or the Bond Loan Agreement.

### **Amendments to Indenture Requiring Consent of Bondholders**

The Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or

(iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in the Indenture, including (without limitation) that required for consent to such supplemental indentures. This section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to the Indenture without the consent of the Bondholders pursuant to the Indenture.

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## **SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT**

*The Bond Loan Agreement contains terms and conditions relating to the issuance and sale of the Bonds certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Bond Loan Agreement to which reference is hereby made, copies of which are on file with the Trustee. This summary uses various terms defined in the Bond Loan Agreement and such terms as used herein shall have the same meanings as so defined.*

### **Loan of Proceeds**

The Issuer agrees, upon the terms and conditions contained in the Bond Loan Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall, in accordance with the terms of the Indenture, be disbursed to or on behalf of the Borrower from the Project Fund to pay Costs of the Development in the manner consistent with the Tax Certificates. The Trustee shall make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture, and with respect to an Approved Advance in accordance with the FHA Lender Loan Documents and FHA/HUD requirements substantially in the form attached to the Bond Loan Agreement. The Borrower agrees that the moneys transferred by the Trustee from the Project Fund to the Reserve Fund established under the FHA Lender Disbursement Agreement shall only be disbursed from the Reserve Fund for Qualified Project Costs as permitted by the Tax Certificates.

### **Borrower Required to Pay in Event Project Fund Insufficient**

In the event the moneys in the Project Fund available for payment of the Costs of the Development are not sufficient to pay the Costs of the Development in full, the Borrower agrees to complete the rehabilitation of the Development and to pay that portion of the Costs of the Development in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Development will be sufficient to pay all of the Costs of the Development. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Costs of the Development pursuant to the provisions described under this caption, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under the Bond Loan Agreement. Notwithstanding the foregoing, the terms, conditions and covenants described under this caption do not in any way affect the ability of the Issuer to pursue its rights and remedies under the Guarantor Documents.

### **Amounts Payable**

The Borrower covenants and agrees to repay the Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the

Capitalized Interest Account and the Collateral Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Deposits into the Bond Fund for payments by the Trustee of principal and interest on the Bonds from amounts in the Capitalized Interest Account or the Collateral Fund shall be credited against the Borrower's obligation to pay principal and interest on the Loan.

The parties agree that all payments of principal and interest payable by the Borrower as described under this caption will be assigned by the Issuer in accordance with the terms of the Indenture to the Trustee for the benefit of the Bondholders (excluding amounts on deposit in the Rebate Fund, the Expense Fund and the Cost of Issuance Fund). The Borrower consents to such assignment.

In the event the Borrower should fail to make any of such payments, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

### **No Pecuniary Liability of the Issuer**

All obligations of the Issuer incurred under any of the Bond Documents shall be limited obligations of the Issuer, payable solely and only from the Trust Estate. The Bonds shall be payable solely from the Revenues and other funds pledged under the Indenture for the payment of the Bonds, and no owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body of the State, nor to enforce the payment of the Bonds against any development of the Issuer, the State or any such political subdivision or other public body, except as provided in the Indenture. No member, officer, agent, director, employee, or attorney of the Issuer, including any person executing the Bond Loan Agreement or the Indenture or any other Issuer Document on behalf of the Issuer, shall be liable personally under the Bond Loan Agreement or the Indenture or any other Issuer Document for any reason relating to the issuance of the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds, or for any claim based on the Bonds, or otherwise in respect of the Bonds, or based in or in respect of the Bond Loan Agreement or any amendment to the Bond Loan Agreement, against any member, officer, agent, director, employee or attorney of the Issuer, as such, or any successor whether by virtue of any constitution, statute or rule of law, or by enforcement of any assessment or penalty or otherwise; all such liability is, by acceptance of the Bond Loan Agreement and as part of the consideration for the issuance of Bonds, expressly waived and released. The Issuer has no taxing power.

### **Defaults Defined**

The following shall be "Defaults" under the Bond Loan Agreement and the term "Default" shall mean, whenever it is used in the Bond Loan Agreement, any one or more of the following events:

(a) failure by the Borrower to pay any amount required to be paid under the Bond Loan Agreement; or

(b) failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Bond Loan Agreement, other than as referred to in subsection (a) above or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Tax Certificates, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure described in this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60 day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby; or

(c) the dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Development, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due; or

(d) the occurrence and continuance of an Event of Default under the Indenture.

### **Remedies on Default**

A copy of any notice of default provided to Borrower under any of the Borrower Documents shall also be provided to the Investor Limited Partner and the FHA Lender. Whenever any Default as described under the caption "Defaults Defined" above shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Bond Loan Agreement, the Note, the Land Use Restriction Agreement or any other Document in the event of default thereunder. Any amounts collected pursuant to action taken under this caption shall be paid into the Collateral Fund.

### **No Remedy Exclusive**

Subject to the provisions described in "APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Events of Default and Acceleration," no remedy in the Bond Loan Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Loan Agreement or existing at law or in equity. No delay or omission to

exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it, it shall not be necessary to give any notice, other than such notice as may be required in the Bond Loan Agreement. Such rights and remedies as are given to the Issuer under the Bond Loan Agreement shall also extend to the Trustee, and the Trustee and the Bondholders, subject to the provisions of the Indenture, including, but not limited to the Unassigned Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements contained in the Bond Loan Agreement.

### **No Additional Waiver Implied by One Waiver**

In the event any agreement contained in the Bond Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Bond Loan Agreement.

### **Right to Cure**

Notwithstanding anything to the contrary in the Bond Loan Agreement or otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Investor Limited Partner shall receive a notice of any such events under the Borrower Documents and shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower in the Bond Loan Agreement or otherwise in the Borrower Documents. Any cure of any event of default by the Investor Limited Partner under the Borrower Documents (including, but not limited to, the Indenture) shall be deemed a cure by Borrower thereunder and shall be accepted or rejected on the same basis as if made by the Borrower.

### **No Interference or Impairment of FHA Lender Loan**

Notwithstanding anything in the Bond Loan Agreement to the contrary, none of the Issuer, the Trustee nor any other person shall:

(a) 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 and payable under, the FHA Lender Loan; or

(b) interfere with or attempt to interfere with or influence the exercise by the FHA Lender of any of its rights under the FHA Lender Loan, including, without limitation, the FHA Lender remedial rights under the FHA Lender Loan upon the occurrence of an event of default by the Borrower under the FHA Lender Loan.

The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower

under the indemnification provisions of the Bond Loan Agreement so long as it does 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.

Notwithstanding anything in the Bond Loan Agreement to the contrary, any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under the Bond Loan Agreement which includes any claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the FHA Lender Loan Documents.

No subsequent owner of the Development shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the person who was the Borrower at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned by the default or breach even after such person ceases to be the Borrower with regards to the Development.

Promptly upon determining that an Event of Default under the Bond Loan Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the FHA Lender, inform the FHA Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the FHA Lender Loan or to foreclose on the FHA Lender Mortgage.

### **Amendments, Changes and Modifications**

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise expressly provided in the Bond Loan Agreement, the Bond Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture. See "APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders" and " - Amendments to Indenture Requiring Consent of Bondholders."

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## SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT

*The Land Use Restriction Agreement contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Land Use Restriction Agreement which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Land Use Restriction Agreement and such terms as used herein shall have the same meanings as so defined.*

### **Residential Rental Property**

The Borrower hereby represents, covenants, warrants and agrees that:

- (a) The Borrower will acquire, rehabilitate, own and operate the Development 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 Borrower shall own the entire Development for federal tax purposes, and (3) the Development 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 Development from time to time.
- (b) Each residential unit in the Development 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 Development 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 Development will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.
- (d) All of the units will be rented or available for rent on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), and the Borrower will not give preference to any particular class or group of persons in renting the units in the Development, except to the extent that

units are required to be leased or rented to Lower-Income Persons or Eligible Persons. Lower-Income Persons who are residents of the Development will have equal access to and enjoyment of all common facilities of the Development at all times. The Borrower will not discriminate against children of any age when renting the units in the Development.

- (e) The Land primarily consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Development primarily comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Development, 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 Development and are commensurate with its size and intended use.
- (f) The Borrower or an Affiliated Party of the Borrower shall not occupy any of the units in the Development; provided, however, that the Borrower or an Affiliated Party of the Borrower may occupy a unit in a building or structure in the Development that contains five or more units if the Borrower or an Affiliated Party of the Borrower is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Development shall be occupied by resident managers or maintenance or security personnel.
- (g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

The requirements of this section shall remain in effect during the term of the Land Use Restriction Agreement (as defined under the caption “Term” below).

### **Lower-Income Persons and Eligible Persons**

The Borrower 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 Development 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 therein 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 Development 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 Borrower to have satisfied the set-aside requirements described in this paragraph (a) as of the end of such Transition Period shall cause the Development to not qualify as

a “qualified residential rental project.”

- (b) At all times during the term of the Land Use Restriction Agreement (as defined under the caption “Term” below), at least sixty percent (60%) of the completed units in the Development shall be rented to or be available for rent by Eligible Persons.
- (c) For purposes of subsections (a) and (b) above, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person (or Eligible Person) 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 under the caption “Reporting Requirements; Payment of Issuer’s Compliance Fee and Late Reporting Fee; Maintenance” 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 Development 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).

**Reporting Requirements; Payment of Issuer’s Compliance Fee and Late Reporting Fee; Maintenance**

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

of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Issuer, such submissions may be made electronically.

- (b) The Borrower shall file with the Issuer, on the tenth (10<sup>th</sup>) business day of each month, copies of the Income Certifications specified in subsection (a) above obtained by the Borrower during the previous month.
- (c) At all times during the term of the Land Use Restriction Agreement, the Borrower will obtain and maintain on file from each Lower-Income Person residing in the Development the information demonstrating each tenant's income eligibility.
- (d) The Borrower 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 Development, and shall permit, upon five (5) business days' notice to the Borrower, any duly authorized representative of the Issuer or the Trustee to inspect the books and records of the Borrower pertaining to the incomes of and rentals charged to all tenants residing in the Development.
- (e) The Borrower shall prepare and submit at the beginning of the Qualified Project Period, subject to the Transition Period provisions under the caption "Lower-Income Persons and Eligible Persons" above, and on the tenth (10<sup>th</sup>) day of each month thereafter, to the Issuer, rent rolls and a Certificate of Continuing Program Compliance in the form and content approved by the Issuer, executed by the Borrower stating (i) the percentage of residential units that were occupied by Lower-Income Persons and Eligible Persons as of the 20th day of the previous month, (ii) that at all times during the previous month 60% of the residential units, were occupied (or held available for occupancy) by Eligible Persons (as determined in accordance with the provisions under the caption "Lower-Income Persons and Eligible Persons" above), (iii) that at all times during the previous month at least 40% of the residential units were occupied (or held available for occupancy) by Lower-Income Persons (as determined in accordance with the provisions under the caption "Lower-Income Persons and Eligible Persons" above), and (iv) that no default has occurred under the Land Use Restriction Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Borrower has taken or proposes to take to correct such default.
- (f) During the Qualified Project Period, the Borrower 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 the Land Use Restriction Agreement, the Borrower 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 Borrower shall be responsible for making such certification at such other time or in such other manner as the Secretary may prescribe from time to time.

- (g) In the event the Issuer transfers responsibility for compliance monitoring to the Trustee or a newly designated Compliance Agent pursuant to the Land Use Restriction Agreement, the Issuer may direct the Borrower to provide and the Borrower shall provide to the Trustee or the newly designated Compliance Agent copies of all of the reports, documents and certificates required under this section. The Borrower shall pay all reasonable fees and expenses of the Trustee or the newly designated Compliance Agent in connection with such responsibilities. Upon the designation of the Trustee or the Compliance Agent as the compliance monitor under the Land Use Restriction Agreement, all references therein to the Issuer as the recipient of reports and filings shall be deemed to be the Trustee and/or the Compliance Agent, as applicable.
- (h) The Borrower shall immediately notify the Trustee and the Issuer of any change in the management of the Development.
- (i) If at any time during the term of this Agreement there are no Bonds outstanding (as provided in the Indenture), the Borrower shall pay the Issuer's Compliance Fee.
- (j) The Borrower 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 Development, 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 Development or any part thereof. In order to ensure the Borrower's compliance with this covenant, the Issuer or its representatives are hereby authorized to enter upon and inspect the Development at any time during normal business hours upon reasonable notice and subject to the rights of tenants. Notwithstanding the foregoing, the Issuer has no affirmative duty to make such inspection.
- (k) The Borrower will rehabilitate and operate the Development 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 Development, including, but not limited to, the Americans with Disabilities Act of 1990.
- (l) The Borrower hereby agrees to pay a late fee in the amount of \$100 per day (including weekends) for each day that the Borrower fails to timely submit (in the sole, reasonable opinion of the Issuer) any of the information, Income Certifications, rent rolls, Certificates of Continuing Program Compliance, reports, documents and/or certificates (collectively, the "Compliance Reporting Information") required under this section, as may be amended from time to time (the "Late Reporting Fee"). The Borrower acknowledges and hereby agrees that, notwithstanding anything in the Land Use Restriction 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, as may be amended from time to time.

### **Indemnification**

The Borrower in the Land Use Restriction Agreement covenants and agrees that it shall indemnify and hold harmless the Issuer, the County and the Trustee and their respective officers, directors, officials, employees and agents from and against any and all claims by or on behalf of any person arising from any cause whatsoever in connection with the Land Use Restriction Agreement, the Loan, the Development or the sale of the Bonds to finance the Development, 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 Development or the sale of the Bonds to finance the Development, and all costs, reasonable 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 negligence or willful misconduct of such person or for losses relating to principal and interest. In the event that any action or proceeding is brought against the Issuer, the County, the Trustee or any of their respective officers, directors, officials, employees or agents, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party (which notice shall be given in a timely manner so as not to impair Borrower'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 Borrower, or because of a conflict of interest between the Borrower and the indemnified party, the Borrower shall not be required to pay the fees and expenses of such separate counsel. The Borrower agrees to execute any additional documents deemed necessary by the Issuer, the County or the Trustee to evidence the indemnification provided for in this section. At the request of the Issuer or County, Borrower 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 Borrower has possession of the Development, the Borrower also shall pay and discharge and shall indemnify and hold harmless the Issuer and the Trustee from (a) any lien or charge upon payments by the Borrower to the Issuer and the Trustee hereunder, and (b) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges other than income and other similar taxes in respect of any portion of the Development. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges other than income and other similar taxes, are sought to be imposed, the Issuer or the Trustee shall give prompt notice to the Borrower and the Borrower 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 Borrower will pay upon demand all of the reasonable fees and expenses paid or incurred by the Trustee and/or the Issuer in enforcing the provisions hereof.

### **Sale, Assignment, Conveyance or other Disposition of Development or Interest in Borrower**

Except with respect to transfer of interests within the Borrower, as permitted under the terms and conditions of the Borrower's Amended and Restated Agreement of Limited Partnership, dated as of [ ] 1, 2019 (as may be further amended, the "Partnership Agreement"), the Borrower shall not sell, assign, convey or transfer any material portion of the Land, fixtures or improvements constituting a part of the Land or Development, or any material portion of the personal property constituting a portion of the Development during the term of the Land Use Restriction Agreement without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes, and (iii) upon receipt by the Issuer of a fee from the Borrower upon transfer of ownership in excess of fifty percent (50%) interest in the Development or the Borrower (which fee shall be refunded by the Issuer to the Borrower in the event the Issuer does not approve the transfer of the Development to the proposed purchaser or assignee thereof, or in the event such transfer is not consummated) in the amount of one-half (1/2) of one percent (1%) of the amount of the Bonds outstanding on the date of the written transfer request ("Transfer Fee"). Provided that the above conditions have been satisfied, the Issuer will provide to the Borrower and the purchaser or transferee on request its written consent to any transfer in accordance with this section an estoppel certificate. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Development in violation of this section shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under the Land Use Restriction Agreement. Nothing contained in this section shall affect any provision of any other document or instrument to which the Borrower is a party which requires the Borrower to obtain the consent of the holder of the Note or any other person as a precondition to sale, transfer or other disposition of the Development. The Transfer Fee will apply if a material portion of the Development financed with proceeds from the Loan is sold during the term hereof and such material portion of such Development consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Borrower to purchase property of similar function to be used in connection with the Development, otherwise, the proceeds from such sale shall be applied in accordance with the documents executed in connection with the Bonds and the Loan. If such material portion of such Development consists of real property and improvements, the purchaser thereof must execute and deliver to the Borrower and the Trustee a document in form and substance reasonably satisfactory to the Issuer and the Lender pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of the Land Use Restriction Agreement.

Except as permitted under the terms and conditions of the Partnership Agreement, the Borrower shall not sell or otherwise transfer the Development in whole, nor shall there be substituted a new general partner of the Borrower or a change in the controlling ownership of the general partner of the Borrower, or other merger, transfer or consolidation of the Borrower, unless (a) the Borrower has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Issuer and its professionals have been paid, including the Transfer Fee, (c) the Borrower shall not be in default hereunder, (d) it is reasonably expected that continued operation of the Development will comply with the requirements of the Land Use Restriction Agreement, (e)

the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer and, for so long as the Loan is outstanding, the Lender, with respect to assuming the obligations of the Borrower under the Land Use Restriction Agreement, (f) the Lender, if the Loan is outstanding, and the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Development, (g) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (h) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer, the Lender, if the Loan is outstanding, and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of the Land Use Restriction Agreement, the Loan Agreement and the other Loan Documents, (i) the Trustee, the Lender, if the Loan is outstanding, and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under the Land Use Restriction Agreement, the Loan Agreement and other Loan Documents relating to the Bonds are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Trustee, the Lender, if the Loan is outstanding, and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes.

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

Notwithstanding anything in this section to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Development or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units as contemplated by the Land Use Restriction 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 Development, providing same are granted in connection with the operation of the Development as contemplated by the Land Use Restriction 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 Development which is made expressly subject and subordinate hereto, or (v) subject to the provisions of the documents executed in connection with the Bonds and the Loan, any transfer of partnership interests in the Borrower or in the entities which are partners in the Borrower.



## **Covenants to Run with the Land**

The Land Use Restriction Agreement and the covenants, reservations and restrictions set forth therein shall be deemed covenants running with the Land and, except as provided under the caption "Term" below, shall pass to and be binding upon the Borrower's assigns and successors and all subsequent owners of the Land (whether fee simple or leasehold) or the Development or any interest therein; provided, however, that upon the termination of the Land Use Restriction Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided under the caption "Term" below, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Development 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 Development are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Development.

## **Term**

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

Upon the termination of the Qualified Project Period, and the satisfaction by the Borrower of all obligations under the Land Use Restriction Agreement, the Issuer, the Trustee and the Borrower shall, upon the written request of the Borrower, and at Borrower's sole expense, execute and record a Notice of Termination of Land Use Restriction Agreement, the form of which is attached to the Land Use Restriction Agreement as Exhibit B.

## **Burden and Benefit**

The Issuer, the Trustee and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth therein touch and concern the Land in that the Borrower's legal interest in the Land and the Development is rendered less valuable thereby. The Trustee, the Issuer and the Borrower 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 Development by Lower-Income Persons and Eligible Persons, the intended

beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued. The Borrower hereby expressly acknowledges that the Land Use Restriction Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds issued by the Issuer to finance the Loan and covenants and agrees that in connection with the acquisition, rehabilitation, ownership and operation of the Development, it shall, and shall require any subsequent purchaser of the Development to, fully comply with all terms and conditions of the Land Use Restriction Agreement.

### **Remedies; Enforceability**

The benefits of the Land Use Restriction Agreement shall inure to, and may be enforced by, respectively, the Issuer and the Trustee and its successors, the holders of the Bonds and their successors and assigns to the extent permitted by the Indenture and the Land Use Restriction Agreement, the Lower-Income Persons and Eligible Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to the provisions under the caption “Low-Income Persons and Eligible Persons” above for the period set forth under the caption “Term” above, whether or not the Loan may be paid in full, and whether or not the Bonds are outstanding. If a material violation of any of the provisions thereof occurs and is not cured within the period provided by the Land Use Restriction Agreement, 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 Borrower’s obligations hereunder cannot be adequately compensated by monetary damages in the event of the Borrower’s default. The remedies of the beneficiaries of the Land Use Restriction Agreement other than the Issuer and the Trustee shall be limited to those described in the preceding sentence. In addition to such other remedies as may be provided for therein, if a violation of any of the provisions thereof occurs which is not corrected during the period provided in the Land Use Restriction Agreement, the Issuer shall have the right (but not the obligation), and is specifically authorized by the Borrower, to terminate the manager and appoint a new manager of the Development (acceptable to the Investor Limited Partner in its reasonable discretion) to operate the Development in accordance with the Land Use Restriction Agreement and the Loan Agreement and take all actions necessary, in the reasonable judgment of the Issuer, to cure any default by the Borrower hereunder, and such new manager assuming such management hereunder shall be paid by or on behalf of the Borrower, from the rents, revenues, profits and income from the Development, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of Broward County, Florida. Subject to the provisions under the caption “Term” above, the provisions thereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Borrower or any other person or entity that has or had an ownership interest in the Development at the time of such violation or attempted violation. No delay in enforcing the provisions thereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions thereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times. All rights and remedies provided in the Land Use Restriction Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the parties and beneficiaries thereof may otherwise have.

The Borrower hereby agrees that the appointment of a new manager may be necessary to serve the public purpose for which the Bonds were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds following a violation of the provisions of the Land Use Restriction Agreement which is not cured within the period provided in the Land Use Restriction Agreement. The Borrower hereby expressly consents to, and agrees not to contest, the appointment of a new manager (acceptable to the Investor Limited Partner in its reasonable discretion) to operate the Development following a violation by the Borrower of the provisions of the Land Use Restriction Agreement which is not cured 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 thereof. The Borrower further agrees that the Issuer shall have the right to require the Borrower to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Borrower therein, including, without limitation, a material risk of an adverse impact on the excludability from gross income for federal income tax purposes of interest on the Bonds and which action or inaction is not being corrected as provided in the Land Use Restriction Agreement, upon such manager or managing agent being given thirty (30) days' written notice of any violation thereof, and such right shall be expressly acknowledged in any contract between the Borrower and any such manager or managing agent.]

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**APPENDIX C**  
**FORM OF BOND COUNSEL OPINION**

[TO COME]

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") is executed and delivered as of [\_\_\_\_\_] 1, 2019, by **PRAXIS VENTURE LP**, a Florida limited partnership (the "Borrower") and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, acting as Dissemination Agent hereunder (the "Dissemination Agent") and as trustee (the "Trustee") in connection with the issuance by the Housing Finance Authority of Broward County, Florida (the "Issuer") of its Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) in principal amount of \$22,000,000 (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture dated as of [\_\_\_\_\_] 1, 2019, by and between the Issuer and the Trustee (the "Indenture"). Proceeds of the sale of the Bonds will be used to make a loan (the "Mortgage Loan") to the Borrower to finance a portion of the costs of the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach (the "Project") and located in Broward County, Florida. The Mortgage Loan will be made pursuant to that certain Loan Agreement dated as of [\_\_\_\_\_] 1, 2019 (the "Bond Loan Agreement"), between the Issuer and the Borrower. The Borrower, the Dissemination Agent and the Trustee covenant and agree as follows:

**1. Purpose of the Disclosure Agreement.** The Borrower is entering into this Disclosure Agreement to provide through the Dissemination Agent, financial information and operating data of the Borrower in order to satisfy requirements of the Issuer with respect to the Rule. The Borrower, the Trustee and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required hereunder, and has no liability to any person, including any Owner of the Bonds, with respect to any such reports, notices or disclosures.

**2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report prepared by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Borrower" means Praxis Venture LP, a Florida limited partnership and its successors and assigns.

"Business Day" means any day other than a Saturday, Sunday or a day when banks in the City of New York, New York or in the cities in which the Principal Office of the Trustee, the Paying Agent or the Dissemination Agent are located are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

"Dissemination Agent" shall mean The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated by the Issuer.

"Disclosure Representative" shall mean the authorized representative of the Borrower or his or her designee, or such other person as the Borrower shall designate in writing to the Trustee from time to time.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; provided, however, the term "financial obligation" excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any or all of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at [www.emma.msrb.org](http://www.emma.msrb.org).

"Official Statement" shall mean the Official Statement of the Issuer, dated \_\_\_\_\_, 2019, delivered in connection with the offering of the Bonds and any amendment or supplement thereto.

"Owner" and "Registered Owner" shall mean any individual beneficial owner of the Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Project" means financing the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach and located in the County to be occupied by persons and families of low, moderate or middle income, to the extent required by federal tax law.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### **3. Provision of Annual Reports.**

(a) Notwithstanding the exemptions set forth in the Rule, not later than 120 days after the end of the Borrower's fiscal year (currently December 31), commencing with fiscal year 2019, the Borrower shall provide an Annual Report to the Dissemination Agent, together with sufficient copies of such Annual Report for filing with the MSRB. If the Dissemination Agent has not received the Annual Report by such date, the Dissemination Agent shall notify the Borrower in writing by electronic mail or facsimile transmission, confirmed by telephone and Borrower shall have 5 business days after receipt of said Dissemination Agent's notice to deliver such Annual Report before dissemination agent shall deliver any notice as required in Section 5(c) below.

(b) The Dissemination Agent shall, as soon as practical, but in no event later than the fourteenth (14th) Business Day following receipt of an Annual Report, provide such Annual Report to the MSRB.

(c) If an Annual Report is not filed on or before the date required in any year, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall provide a written report to the Borrower and the Issuer stating that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement and stating the date it was provided.

**4. Content of Annual Reports.** The Annual Report prepared by the Borrower shall contain or incorporate by reference the following:

(a) The certified audited financial statements of the Borrower for the prior fiscal year, including income statement, balance sheet, and cash flows of operations of the Project, prepared in accordance with accounting principles generally accepted in the United States of America as promulgated from time to time by the Government and Financial Accounting Standards Board. If the Project's audited financials are not available by the time the Annual Report is required to be filed pursuant hereto, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The Borrower shall also include, in or with each Annual Report, the Project's current occupancy levels, current monthly rental rates and the current expenditures for monthly operation and maintenance, net operating income, taxes and property insurance.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "obligated person" (as defined by the Rule), which have been filed with MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such other document so incorporated by reference. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package.

The Dissemination Agent shall have no duty or obligation to review the content of the Annual Report for compliance with this Disclosure Agreement or the Rule, but shall file the Annual Report in the form it is received.

**5. Reporting of Listed Events.**

(a) The Borrower shall provide to the Dissemination Agent, in a timely manner, not in excess of ten (10) Business Days after the occurrence of the event, written notice of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Owners of the Bonds, if material;
- (viii) Bonds calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes (including those relating to the Bonds, credit enhancers, the Borrower, reserve fund surety bonds, providers of guaranteed investment contracts, and other entities directly or indirectly securing payment of the Bonds); and
- (xii) bankruptcy, insolvency, receivership, or similar proceeding of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or



liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any of the Listed Events, provide the Borrower and the Dissemination Agent (if not the Trustee) with notice (by facsimile transmission confirmed by telephone), and request that the Borrower promptly notify the Trustee and the Dissemination Agent (if not the Trustee) in writing whether or not to report the event pursuant to subsection (f) below. For purposes of providing notice to the Borrower and the Dissemination Agent (if not the Trustee), the Trustee shall, without further evidence or inquiry, assume that the unscheduled draws described in subsection (a) (iii) and (iv) hereof reflect financial difficulty.

(c) Whenever the Borrower obtains actual knowledge of the occurrence of a Listed Event, because of notice from the Trustee pursuant to subsection (b) hereof or otherwise, the Borrower shall as soon as possible determine if such event is required by the Rule to be disclosed. Neither the Trustee nor the Dissemination Agent shall have any responsibility for the failure of the Borrower to report the occurrence of a Listed Event of which the Trustee has no actual knowledge.

(d) If the Borrower has determined that a Listed Event is required to be disclosed, the Borrower shall promptly prepare a written notice describing the Listed Event and provide the same to the Trustee and the Dissemination Agent (if not the Trustee) and instruct the Dissemination Agent to report the occurrence pursuant to subsection (f) hereof.

(e) If the Borrower determines that a Listed Event is not required to be disclosed, the Borrower shall so notify the Trustee and the Dissemination Agent (if not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f) hereof.

(f) If the Dissemination Agent has been provided with a written notice describing a Listed Event and instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall file the notice with the MSRB, and send a copy to the Borrower. The foregoing notwithstanding, notice of a Listed Event described in subsections (a)(viii) and (ix) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Owners of affected Bonds pursuant to the Indenture.

(g) Notwithstanding anything herein to the contrary, all notices of Listed Events required hereunder shall be filed with the MSRB promptly and in no event later than ten (10) Business Days after the occurrence of the Listed Event.

**6. Termination of Reporting Obligation.**

(a) The obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

(b) If in the opinion of nationally recognized bond counsel satisfactory to the Dissemination Agent and the Borrower, the Rule shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and if and to the extent in the opinion of nationally recognized bond counsel satisfactory to the Dissemination Agent and the Borrower, the Rule, or any provisions thereof, shall be declared by a federal court of competent and final, non-appealable jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder.

(c) If a termination or cessation described in either of clause (a) or clause (b) above occurs prior to the final maturity of the Bonds, the Borrower shall instruct the Dissemination Agent to give notice of such event in the same manner as for a Listed Event under Section 5(d) hereof.

**7. Dissemination Agent.** The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent has the right to resign with thirty days notice to the Borrower and the Issuer of such resignation.

**8. Successors.** If the Borrower's obligations under the Bond Loan Agreement are assumed, in full, by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the original Borrower and the original Borrower shall have no further responsibility hereunder. If the Trustee's obligations under the Indenture are assumed, in full, by a successor trustee, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the original Dissemination Agent and the original Dissemination Agent shall have no further responsibility hereunder.

9. **Amendment, Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Borrower) if in the opinion of counsel expert in federal securities law matters affecting governmental bonds acceptable to the Borrower and the Dissemination Agent, (i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Borrower, or the type of business it conducts, (ii) this Disclosure Agreement, as amended, would have complied with the Rule at the time the Bonds were issued, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) the amendment does not materially impair the interests of the Owners. A copy of any amendment to this Disclosure Agreement shall be delivered to the MSRB.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Borrower to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and at the request of the Owners of at least 25% in aggregate principal amount of the Bonds, shall), or any Owner may, take such action as permitted hereby. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Bond Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance; provided however that the Dissemination Agent may maintain an action for damages against the Borrower for any default by the Borrower of its obligations under Section 13 hereof. Anything herein to the contrary notwithstanding, the Dissemination Agent shall not be required to bring any enforcement action unless provision has been made to the satisfaction of the Dissemination Agent for payment of all fees and expenses of the Dissemination Agent and its counsel in connection with such action.

12. **Duties, Immunities and Liabilities of Dissemination Agent.** At any time the institution acting as Trustee or the institution acting as Dissemination Agent are the same institution, Article VII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were contained in the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including legal fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Borrower under

this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Neither the Dissemination Agent nor the Trustee shall have any obligation to make disclosure about the Bonds, the Borrower, or any other matter except as expressly provided herein. The fact that the Dissemination Agent and the Trustee or any affiliate thereof may have any fiduciary or banking relationship with the Issuer, the Borrower, any manager of the Project financed with Bonds or any person with whom the Issuer or the Borrower contracts in connection with such Project, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean (whether or not an Event of Default has occurred or is continuing under the Indenture) that (i) the Dissemination Agent or the Trustee has actual knowledge of any event or condition except in its capacity as Trustee under the Indenture when deemed pursuant to the Indenture to have actual knowledge or except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement or (ii) the Dissemination Agent or the Trustee has any duties or obligations under the Indenture or the Disclosure Agreement other than those expressly set forth in the Indenture and this Disclosure Agreement and in the capacity of agent to the Borrower.

**13. Compensation.** The Borrower covenants and agrees to pay the Dissemination Agent from time to time, and the Dissemination Agent shall be entitled to, reasonable compensation, and the Borrower will pay or reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Dissemination Agent in connection with the acceptance of obligations under this Disclosure Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from the Dissemination Agent's negligence or willful misconduct.

**14. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Borrower, the Trustee, and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**15. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**16. Notice.** Any notice or other communication required or permitted by this Disclosure Agreement must be in writing unless expressly provided otherwise herein, and to the following addresses or telecopy numbers (with telephone confirmation using the phone number given), or such other addresses or telecopy/phone numbers designated in a notice to the other party hereto:

If to the Trustee or Dissemination Agent:

The Bank of New York Mellon Trust Company, N.A.  
10161 Centurion Parkway  
Jacksonville, FL 32256

Attention: Corporate Trust Department

If to the Borrower:

Praxis Venture LP  
c/o MRK Partners Inc.  
2711 North Sepulveda Blvd.  
Manhattan Beach, California 90266  
Attention: Sydne Garchik

with copies to:

Nelson Mullins Broad and Cassel  
Attention: Hollie A. Croft, Esq.  
390 N. Orange Avenue, Suite 1400  
Orlando, FL 32801

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Trustee, the Dissemination Agent and the Borrower have executed this Disclosure Agreement on the date specified above.

**BORROWER:**

**PRAXIS VENTURE LP**, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida not-for-profit corporation, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**IN WITNESS WHEREOF**, the Trustee, the Dissemination Agent and the Borrower have executed this Disclosure Agreement on the date specified above.

**TRUSTEE AND DISSEMINATION AGENT:**

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

By: \_\_\_\_\_  
Authorized Signature

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Housing Finance Authority of Broward County, Florida

Name of Bond Issue: \$22,000,000 Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach)

Name of Borrower: Praxis Venture LP

Date of Issuance: \_\_\_\_\_, 2019

**NOTICE IS HEREBY GIVEN** that the above-named Borrower has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated as of [\_\_\_\_\_] 1, 2019, between The Bank of New York Mellon Trust Company, N.A., a national banking association, as Trustee and Dissemination Agent and the Borrower. The Borrower anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

xc: Praxis Venture LP  
The Bank of New York Mellon Trust Company, N.A.  
Housing Finance Authority of Broward County, Florida



**EXHIBIT "F"**  
**FORM OF**  
**TRUSTEE FEE AGREEMENT**  
**[ATTACHED]**

TRUSTEE FEE AGREEMENT

Between

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA

and

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

DATED AS OF \_\_\_\_\_ 1, 2019

PROVIDING FOR

A FEE SCHEDULE FOR SERVICES RENDERED BY THE TRUSTEE FOR

\$ \_\_\_\_\_  
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES B  
(PRAXIS OF DEERFIELD BEACH)

## TRUSTEE FEE AGREEMENT

This TRUSTEE FEE AGREEMENT (the "Agreement") dated as of \_\_\_\_\_ 1, 2019, by and between the HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (the "Issuer"), a public body corporate and politic created under the laws of the State of Florida, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, having a corporate trust office in Jacksonville, Florida and duly qualified to exercise trust powers under the laws of the State of Florida, as trustee (the "Trustee").

### WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, the Issuer and the Trustee agree as follows:

### ARTICLE I PREAMBLE

1.1 The Trustee submitted certain proposals to serve as trustee or in a similar capacity for all financings of the Issuer during calendar year 2019, including the Issuer's \$ \_\_\_\_\_ Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the "Bonds"). All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Indenture (as hereinafter defined).

1.2 Said proposals contain a description of the types of services to be provided, a schedule of fees for the various services to be provided and a brief discussion of the Trustee's corporate qualifications and capabilities.

1.3 The Trustee is willing to provide the services described in its proposals and in the loan documents pertaining to the Bonds at the rates set forth in said proposals, and the Issuer is willing to accept the services of the Trustee set forth in the Trustee's proposals at the rates provided therein. The Issuer and the Trustee desire to enter into this Agreement to establish the terms of said proposals for the services of the Trustee with respect to the Bonds.

### ARTICLE II SCOPE OF SERVICES AND FEES

The Trustee hereby accepts all of the duties, responsibilities and obligations imposed on it as Trustee under the terms of the Trust Indenture dated as of \_\_\_\_\_ 1, 2019, by and between the Issuer and the Trustee (the "Indenture") and hereby confirms the accuracy of all of the representations and warranties, if any, of the Trustee 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 Trustee and the fees and costs to be charged by the Trustee for such services. The fees and charges set forth in Exhibit "A" include all expenses incurred by the Trustee in connection with the execution and delivery and closing of the Bonds. Exhibit "A" comprises one (1) page.

**ARTICLE III  
OTHER PROVISIONS**

This Agreement shall continue in full force and effect and be binding on both the Issuer and the Trustee for so long as the Indenture is in effect.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

**COUNTERPART SIGNATURE PAGE TO  
TRUSTEE FEE AGREEMENT**

**(Praxis of Deerfield Beach)**

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

**ISSUER:**

HOUSING FINANCE AUTHORITY OF  
BROWARD COUNTY, FLORIDA

[SEAL]

By: \_\_\_\_\_  
Milette Manos, Chair

ATTEST:

By: \_\_\_\_\_  
Daniel D. Reynolds, Secretary

**COUNTERPART SIGNATURE PAGE TO  
TRUSTEE FEE AGREEMENT**

**(Praxis of Deerfield Beach)**

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement as of the date first above written.

**TRUSTEE:**

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT "A"

### **Services to be provided by Trustee:**

The Trustee shall provide all services required of the Trustee as set forth in (i) the Indenture, and (ii) all other documents executed in connection with the Bonds to which the Trustee is a party.

### **Fees and Expenses of Trustee:**

The fees and expenses of the Trustee shall be all such fees and expenses of the Trustee set forth in the Indenture and all other documents executed in connection with the Bonds, and shall be paid by the Borrower (as defined in the Indenture) at the times and in the manner set forth in the Indenture and the Bond Loan Agreement (as defined in the Indenture).