

AGENDA

Palm Beach County Housing Finance Authority

FRIDAY, FEBRUARY 9, 2018

9:00 A.M.

**Palm Beach County Airport Center
Complex
100 Australian Avenue
4th Floor (#4-790) Training Room
West Palm Beach, FL 33406**

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Agenda – February 9, 2018 regular meeting

Executive Director - Report on agenda items

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Meeting Agenda

February 9, 2018

PBC Airport Center – Human Resources Training Room 4-790

Housing Finance Authority of Palm Beach County

100 Australian Avenue, Suite 410
West Palm Beach, FL 33406
(561) 233-3656
FAX: (561) 233-3657
www.pbchfa.org



Chairperson

Patrick J. Franklin

Vice Chair

Gary P. Eliopoulos

Secretary

James H. Harper, Sr.

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Robin B. Henderson

Charles V. St. Lawrence

Bobby "Tony" Smith

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I. Call to Order

- a. Roll call and establishment of quorum

II. Public comment on Agenda Items

III. Agenda Approval

- a. Additions, deletions, substitutions
- b. Adoption

IV. Consent Agenda

- a. Minutes of November 17 and December 8, 2017 meetings
- b. GF Requisition's #12-2017 and #1-2018
- c. Multi-family project occupancy reports for November and December 2017
- d. First quarter FY 2017/2018 general fund financial summary

V. Old Business

- a. Heron Estates Senior – approval of Resolution No. 2018-01 for the issuance of not-to-exceed \$12,000,000 Multifamily Housing Revenue Bonds, Heron Estates Senior Project, Series 2018
- b. La Joya Villages, Series 2013 bonds – approval of Resolution No. 2018-02 - release and replacement guarantors
- c. Update on 2018 Mortgage Credit Certificate and Own a Home Opportunity loan programs

VI. New Business

- a. Consider return of La Costa indemnity deposit and accrued interest
- b. Consider FL ALHFA Conference sponsorship
- c. Consider other membership renewals for 2017

VII. Other matters

- a. Matters of Authority members
- b. Matters of the Executive Director and Professionals
- c. Matters of the Public
- d. Next meeting date: 9:00 a.m., March 9, 2018 at the PBC Airport Center, Human Resources Training Rm. 4-790, 100 Australian Avenue, West Palm Beach

VIII. Adjournment



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To: Housing Finance Authority

From: Executive Director

RE: February 9, 2018 regular meeting

Dated: February 1, 2018

V. "Old Business" items:

Item (a.) Heron Estates Senior Project – approval of Resolution No. R-2018-01 for the issuance of not to exceed \$12M Multifamily Mortgage Revenue Bonds, Series 2018

Background: The Housing Trust Group (the "developer") submitted an application for bond financing in September 2015 for the issuance of \$11.5M of bonds to finance part of the cost of constructing 74 rental housing units for seniors in a four story building on a portion (9 acres) of the site of the former Ivy Green public housing project owned by and leased from the Riviera Beach Housing Authority ("RBHA"). In 2016 the developer submitted an application under the Florida Housing Finance Corporation's competitive RFA 2015-112 seeking \$4.9M of State Apartment Incentive Loan ("SAIL") and \$720.5K of ELI soft second mortgage funding for a project of 101 units including 6 set aside for special needs units for persons with a disabling condition. This funding was tentatively awarded in May 2016. The first of two revised applications for the 101-unit project was submitted to and considered by the Authority at the June 10, 2016 meeting and the first TEFRA public hearing held at that time. An inducement resolution (No. R-2016-02) for a not-to-exceed \$13.2M issuance of bonds was approved for the owner/borrower entity HTG Heron Estates Senior, LLC as well. The developer came before the Authority again in June 2017 with the second updated application. Total development cost increased from a projected \$17M in 2016 to a then estimated \$21.5M. Total project costs are now projected to be \$23.7M or \$227K per unit an increase of 39%. The following is their summary breakdown of all permanent phase sources and uses of funds:

<u>Uses of funds:</u>		<u>Sources of funds:</u>	
Ground lease payment to RBHA	\$ 1,000,000	Tax credits	\$ 10,065,326
Construction costs & contingency	15,798,317	Series A Bonds	6,700,000
Financing costs	1,065,534	FHFC SAIL loan	4,971,218
Soft costs & other costs	2,527,589	FHFC ELI loan	720,500
Operating reserve	227,744	RBHA loan	1,000,000
		PBC loan	115,000
Developer fee	<u>3,058,716</u>	Defer. Dev. Fee	<u>220,541</u>
Total Uses	\$23,677,900	Total Sources:	\$23,792,585

The unit mix is to consist of 81 1-bedroom and 20 2-bedroom/2-bath units sized at 738 and 973 square feet respectively. The units are to be rented to households from 33% to 60% or less of Area Median Income (“AMI”). The project owner and RBHA will enter into a HAP contract providing Section 8 project based rental assistance for 50% of the units. Net rents to tenants of the HAP units will be \$344 and \$421 for the 33% AMI units and \$709 and \$859 for 60% of AMI units. The 51 non-HAP 1-bedroom, 1-bath units are expected to rent for \$1,101, which is the 2017 maximum housing tax credit permitted amount. While the project will not be deemed housing for seniors all of the units are expected to have at least one household member 62 or older.

RBC Capital Markets will serve as placement agent for the sale of the bonds to JPMorgan Chase Bank. The \$12M of draw-down bonds are to consist of two series, a short-term Series B bond in the amount of \$5.3M to be redeemed at stabilization, and a long-term 15-year Series A bond in the amount of \$6.7M with payments based on a 35-year amortization. The interest rate for both series of bonds will be established at closing based on the one-month LIBOR (1.56% as of today) plus 1.75% during construction (expected 24 months). The permanent loan rate for the Series A will also be determined at bond closing but not applied until after completion of the project based on the 10-year Treasury swap index plus 212 basis points, which would have resulted in a 4.69% as of two weeks ago. The minimum debt service coverage ratio at stabilization/conversion is 1.20x and a maximum 80% loan-to-value ratio based on the real estate and tax credit values.

Credit Underwriting Report: The complete credit underwriting report (“CUR”) from Seltzer Management Group, Inc. (“Seltzer”) dated January 29, 2018 has been posted to the Authority’s website as part of the February 9th meeting agenda. In the “Executive Summary” is Seltzer’s recommendation to the Authority for the issuance of \$12M of bonds based upon their assumptions in the CUR as noted including receipt and review of the executed HUD HAP contract. The general contractor selected by the developer and approved by the RBHA is Gulf Building, LLC of Ft. Lauderdale with a guaranteed maximum price \$14.76M. The CUR shows total development costs \$740K less than the developer estimate; \$500K of this is utility connection fees. The CUR shows permanent financing sources about \$850K less than those estimated by the developer.

The CUR underwriting all-in permanent interest rate assumption is 5.06% resulting in a 1.3x estimated bond first lien mortgage debt service coverage ratio. The JPMorgan Chase Bank minimum debt service coverage ratio at stabilization/conversion is 1.2x. The appraisal done as

part of the CUR process determined a rent restricted stabilized value of \$8.945M (which results in a 74.9% loan-to-value ratio on the \$6.7M Series a bond loan amount) and a market rent value of \$12.8M. The “break-even” ratio (debt service + operating expense/gross revenue) is 94.4%; ratios at or below 85% are considered very strong and this property will have a HAP contract on 50% of the units to further assure the revenue stream.

Authorizing resolution and bond documents: Included in the agenda materials is Resolution No. R-2018-01 with exhibits prepared by Greenberg Traurig as bond counsel. The resolution authorizes the issuance of the bonds, sets forth among others findings of the need to issue the bonds and for a negotiated sale thereof, authorizes Authority officers to execute the documents for the issuance of the bonds, accepts the CUR, and appoints US Bank as trustee for the bonds. The resolution also approves the forms of Financing Agreement with between the Authority and borrower; the Trust Indenture for the bonds, the two promissory notes one for each series of the bonds from the borrower, the mortgage from borrower on the project and the assignment of same from the Authority to the bond trustee; the Land Use Restriction Agreement between the Authority and the borrower; the Fee Guaranty and Environmental Indemnity Agreement with the borrower, the managing general partner of the borrower, other HTG sole purpose entities for the project, and the individual HTG guarantors/principals consisting of Balogh Family Partnership, Randy Rieger and Matthew Rieger; and the Bond Purchase Agreement with JPMorgan Chase Bank, N.A.

Staff recommends a motion: to approve Resolution No. R-2018-01 authorizing the issuance of not to exceed \$12,000,000 Multifamily Mortgage Revenue Bonds, Series 2018A and Series 2018B (Heron Estates Senior Project).

Item (b.) La Joya Villages – approval of Resolution No. R-2018-02 – release and replacement of guarantors

Staff at the December 8, 2017 meeting advised the Authority that the West Palm Beach Housing Authority (“WPBHA”) was under contract to acquire the general partner interest in this project from the original private for-profit developer. The board approved a staff recommendation to consent to the transfer of the general partnership interest by WPBHA or an entity controlled by it. The purchase had been expected to close before year-end but has not been concluded as of this date. The WPBHA has advised by letter dated January 23, 2018 that as part of the this purchase they and Baobab Development, Inc., their wholly owned and controlled developer entity, will agree to assume the interests and obligations of the original general partner (La Joya Villages GP, Realtex Development Corporation and Rick Deyoe) from the date of acquisition including those under the Fee Guaranty and Environmental Indemnity Agreement with the Authority under the Series 2013 bond issue. Your staff recommendations the substitution of these new guarantors as of date of purchase and the release of original guarantors of any obligations on or after that date.

Staff recommends a motion: to approve Resolution No. R-2018-02 authorizing the execution of the Substitution of Guarantors – Fee Guaranty and Environmental Indemnity Agreement as presented.

Item (c.) Updates on 2018 Mortgage Credit Certificate Program and Own a Home Opportunity Loan Program

2018 MCC program update

The Authority has made a mortgage credit certificate (“MCC”) available to first time homebuyers since 2010. The MCC provides a homebuyer with a dollar-for-dollar of up to 50% of the annual interest expense capped at \$2K per year for as long as they live in the home as their principal residence. The remaining interest expense can be taken as an itemized deduction, and any used credit amount can be carried forward for three years. The homebuyer must file an IRS 8396 with their federal income tax return to claim the credit, and are subject to potential recapture of benefit if they sell the home during the first nine years of ownership.

The Authority makes the MCC program available through lending institutions that sign a participation agreement. These lenders reserve a MCC for a prospective homebuyer during the loan application process. The Authority entered into program administration agreements with Housing and Development Services, Inc. d/b/a eHousingPlus (they are the sole provider of such services to Florida HFA’s) to maintain the on-line electronic reservation system and to issue the actual certificate to the homebuyer after loan closing. The loan must be a 15 or 30 year fixed rate FHA/VA/RD, Fannie Mae or Freddie Mac product offered by the lender, or one of the loan products of the “Own a Home Opportunity Program”. The eligibility requirements for a MCC program are the same as a tax exempt single family bond program: 1) all persons on the deed must be a first time buyer (cannot have had an ownership interest in their principal residence in the past three years), 2) currently have a total annual income of not more than \$72,544 for 1-2 person household and \$83,426 for a 3 or more person household, and 3) the home price cannot exceed \$317,646. Homebuyers are required to take a HUD approved homebuyer education course to receive a MCC.

Implementation of a MCC program requires that the issuer/HFA have single-family private activity bond (“PAB”) allocation that is then converted to MCC authorization. Carry-forward PAB allocation has been used for each of the four MCC programs (issued in 2010, 2012, 2013 and 2015), and there is currently \$50M available that the Authority requested and was granted at the end of calendar year 2015. The first three programs resulted in the issuance of 176 MCC’s, and the 2015 MCC program alone assisted an additional 98 first-time homebuyers.

The Authority approved Resolution R-2017-08 at the November 17, 2017 meeting setting into motion staff action to proceed with a 2018 MCC program including the publication of a program notice at least 90 days prior to the program start date, and Board of County Commission approval

(on their February 6 meeting agenda) of the form of Program Administration Agreement (“PAA”) with eHousingPlus. The public notice was published on November 22 that allows for an expected roll out of the 2018 MCC program of March 1, 2018.

2015 MCC program final results

The start date for reservations under the 2015 Program was January 2, 2016 and the \$25M of MCC authority was available through December 31, 2017. This amount of MCC allocation could have assisted up to \$50M of first mortgage loan originations. The seventeen (17) lenders who signed the master participation agreement for the 2013 MCC program were permitted to continue under the 2015 MCC program, and 3 additional lenders signed on after the 2015 program start date. However, only six (6) lenders have actually issued MCC’s to homebuyers under the 2015 program. As of the December 31, 2017 end of the program, nine of these lenders had used \$17.7M of MCC allocation for loans closed which is 28% of the total available.

	AFN	Cornerstone	Eagle	Hamilton	Iberia Bank Mort.	i Mortg.	Loan Depot	The Mortg. Firm	PRMG	Program totals:
Totals for 2016	4	0	0	22	1	0	5	5	1	38
1 st quarter	1	0	0	7	0	0	1	2	1	12
2 nd quarter	1	4	1	13	0	6	(1)	2	0	26
3 rd quarter	0	0	0	4	1	0	2	0	0	7
4 th quarter	0	4	1	7	0	0	0	3	0	15
Totals for 2017	2	8	2	31	1	6	2	7	1	60
Totals since inception	6	8	2	53	2	6	7	12	2	98

The final eHousing “Demographic Analysis Report” is included with the agenda back up.

Sue Denihan-Scoggins of eHousing Plus will be making a short presentation on the program as well as discussing their continuing efforts to market the program in lenders, realtors, housing counselors and the public.

Own a Home Opportunity Program update

As you know the Authority, along with the Broward, St. Johns and Volusia HFA’s and Charlotte, Collier, DeSoto and Sarasota counties, are interlocal government participants in the Lee County

HFA TBA first mortgage loan program. The program administrator is eHousing Plus, and US Bank Home Mortgage is the master loan servicer. Raymond James sets the interest rates, sometimes daily, for the various mortgage products offered under the program, and commits to the purchase of the mortgage-backed securities created by US Bank from closed loans they purchase that have been originated by approved participating lender institutions (now numbering 39 in total). I attended a Lee HFA Regional participants meeting last month that was attended by several of the governmental entities and participating lenders. Tim Wranovix of Raymond James provided detailed reports and updates on the program, which I have asked him to share in a summary report. Included in the agenda materials are the Own a Home Opportunity Program summaries for October, November and December as well a “Demographic Analysis Report” on the seventy (70) loans originated PBC in calendar year 2017.

VI. “New Business” items:

Item (a.) Approval of return of La Costa indemnity deposit and accrued interest

The Authority’s guidelines for multifamily bond issuance at one time had an option in connection with fee guaranty and environmental indemnities where a project owner could deposit \$40K to be held by the Authority in escrow and released four years following either the later of the redemption in full of the bonds or the end of the qualified project period (“QPP”). This option was utilized on three projects all of which were originally financed by the Authority prior to year 2000. The remaining escrow deposit held by the Authority is in connection with La Costa Apartments. This was a property originally financed by the Authority in 1988, subsequently acquired and renamed by a new owner, and then refinanced through the Authority in 2007. The latter bond issue was redeemed in whole in February 12, 2015 in connection with a sale of the property, which coincided with end of the QPP. The land use restriction agreement was terminated as of that date, which ended the owners tenant compliance reporting and fee obligation due the Authority. Although the fee guaranty has terminated the environmental indemnity continues until the statute of limitations has lapsed.

The property owner as of February 18, 2015, LaCosta Acquisition, Inc., (“Owner”) through their attorney, has requested the return of the \$40k, and per the terms of the agreement, the interest accrued on the deposit (see attached). While the statute of limitations may not have lapsed staff is comfortable with the return of the deposit at this time. The Owner has provided instructions for the payment of both theirs and the Authority’s counsel from these funds. The Owner is also indemnifying the Authority against claim of entitlement to these funds. The funds have been held in the Custody Escrow Account since 2007; interest on funds in this account are transferred monthly to the Authority’s Custody Account. I have done a calculation of the interest on the deposit, which I shared with the US Bank and the Authority’s accountants.

Staff recommends a motion: to approve the return of the \$40K indemnity deposit pursuant to letter of instructions from LaCosta Acquisition, Inc. dated February 1, 2018 including a transfer from the Custody Account of \$1,457.69 representing accrued interest.

Item (b.) Consider FL ALHFA conference sponsorship

The annual Florida ALHFA conference will be held back in St. Petersburg July 11th-14th. Included in the agenda materials is a letter from the co-executive director together with a conference sponsorship form. The Authority has been a Gold sponsor (\$2.5K) each year since 2015.

Staff recommends a motion: to approve a “Gold” level sponsorship for the 2018 FL ALHFA conference at a cost of \$2,500.

Item (c.) Consider other membership renewals for 2018

The Authority has been a member of the PBC Affordable Housing Collaborative (\$50) as well as a partner with Housing Leadership Council of PBC (\$250) for a number of years. I have been very pleased with the work of and our association with both of these organizations in furtherance of affordable and workforce housing here in the county including the HLC's continuing efforts with our local legislative delegation for full Sadowski Trust funding.

Staff recommends a motion: to approve renewals for both the PBC Affordable Housing Collaborative and the Housing Leadership Council of PBC for 2018.

Tab 1

IV. Consent Items - attachments

- a.** Minutes of November 17 and December 8, 2017 meetings
- b.** General Fund Requisitions #12-2017 and #1-2018
- c.** Multi-family project occupancy reports for November and December 2017
- d.** First Quarter FY 2017/2018 general fund financial summary

HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY
MINUTES OF REGULAR MEETING

Meeting Date & Time:

9:00 A.M., Friday, November 17, 2017

Location:

PBC Airport Center
100 Australian Avenue
4th Floor, Suite 4-790
West Palm Beach

Attendance Sign-in Sheet/others:

Larry Zabik – Zabik and Associates
Roy Foster – Faith*Hope*Love*Charity
Chris Moriarty – Stifel Nicolaus
Kathy Makino – Shelborne Development
Suzanne Cabrera - HLC of PBC

Staff and professionals:

David Brandt, Executive Director
Jennifer Hamilton, administrative assistant
Skip Miller – general counsel - Greenspoon Marder
Monique Spotts – bond counsel - Bryant Miller Olive
Jim Hutchison – auditors - Caler Donten Levine
Tim Wranovix – bond underwriter - Raymond James
Amanda Kumar – trustee and custodian - US Bank

I. Call to Order

a. Roll call and establishment of quorum

Vice Chair Patrick Franklin called the meeting to order at 9:00 a.m. The five (5) members present at roll call constituted a quorum:

Patrick Franklin, Chair – present
Gary Eliopoulos, Vice Chair - present
James Harper, Secretary – absent
Clark Bennett – absent
Robin Henderson - present
Tony Smith – present
Chuck St. Lawrence – present

II. Public comment on Agenda Items

There was no comment from the public on the agenda items.

III. Agenda Approval

The Executive Director (“ED”) requested that board consider Resolution R-2017-10 as “New Business – Item E”. He advised that recent passage by the US House of Representatives of a new tax bill would adversely affect existing multifamily bond issues where not all of the proceeds have been drawn down for construction of the project.

Mr. Smith moved approval the agenda with the addition. The motion was seconded by Mr. Eliopoulos and passed unanimously by a vote 5-0.

IV. Consent Agenda

Mr. Smith moved approval of the “Consent Agenda”. The motion was seconded by Mrs. Henderson and unanimously approved by a vote of 5-0.

V. Presentation

Item (a.) Update on local SEE and PBC workforce housing/Housing Summit from Suzanne Cabrera

Suzanne Cabrera, Executive Director of the Housing Leadership Council of Palm Beach County (“HLC”), had been invited by the board to give a presentation on the status of the HLC’s meetings with the local Florida legislative delegation regarding the Sadowski Education Effort (“SEE”) as well as what has been happening with workforce housing following Palm Beach County’s Housing Summit in May.

Mrs. Cabrera gave a brief history of the State Housing Trust Fund (“HTF”) created by the legislature in 1992 to provide permanent funding for affordable housing programs. The dedicated funding source was a portion of the documentary stamp tax on real estate transactions. Participating local communities must prepare a housing assistance plan showing how the funds are to be used. About fifteen years ago the legislature put a cap on the amount of money going into the HTF and then during the economic recession they swept the entire funding to general revenue. Since that time over \$2 billion of HTF monies have been lost to balance the state budget. A coalition of affordable housing advocates formed the Sadowski Education Effort (“SEE”) and for the past ten years has fought to restore full annual funding of the HTF. Initially some legislators said they needed the sweep to balance the budget, and in recent years House leadership stated they did not believe in trust funds. She stated that she is hopeful this year that a couple things can make a real difference including a bill, co-introduced by local Representative Lori Berman that would prohibit any sweep of the HTF monies. Secondly a statewide housing workgroup appointed to study affordable housing has finally admitted the problem and will have recommendations given to the legislature in January. The executive director of Florida Housing (“FHFC”) heads the workgroup and their report is to be presented at the December FHFC meeting. The ED mentioned that a public comment letter signed by the Chair supporting full HTF funding would be submitted to the workgroup.

Discussing local legislative support for SEE, Mrs. Cabrera stated that one of the

most important things the HLC does is advocate before the local legislative delegation, and meets with each member or their staff every year just prior to the start of the session. She stated that all but one of the delegation has been solidly supportive of full funding of the HTF.

General counsel Skip Miller provided a brief summary of the implications of the two federal tax bills passed by Congress. The House version would eliminate issuance of private activity bonds after the end of this year; PAB's are issued for multi-family projects. The ED added that single-family mortgage revenue bonds are also PAB's and while our current mortgage loan program with the Lee HFA uses taxable financing our mortgage credit certificate program requires conversion of single-family PAB allocation. The House version of tax reform would eliminate both programs.

Mr. Smith asked Mrs. Cabrera if she could address the production of workforce housing under the PBC ordinance, and whether PBC still had a civic land donation requirement for new development. Mrs. Cabrera stated that the Economic Council and the business community is concerned about the lack of workforce housing. She said that concerning unincorporated PBC that developers have put more "skin in the game" than anyone else has because of the inclusionary zoning ordinance, which requires projects of more than ten units to include a workforce housing component. Developers are now asking governments and major employers to share in the burden of providing workforce housing. One way this has been done in other areas is with a linkage fee based on the size of newly constructed commercial space. Fully 75% of the people that live in PBC are cost burdened which means they pay more than thirty percent of their income for housing. This reality was the driving force underlying the PBC Housing Summit event and the subsequent creation of a steering committee of individuals from government, the school district, not-for-profit affordable housing organizations, and the development and business community. The result of these meetings was the development of a set of guiding principles and the creation of four regional subcommittees made up of representatives from the chambers of commerce, the Economic Council, the League of Cities, home builders, the non-profit community, League of Women Voters, and PBC staff, tasked with developing a plan for how to create housing within each region.

Mr. Eliopoulos said there are three programs in Delray Beach where the developer can pay the city for increasing density. The developer can either build the workforce housing, or work with a community land trust to build the homes that has become a very successful model. Mr. Smith asked about efforts in the Glades communities. Mrs. Cabrera stated that there is a western community subcommittee, and that area needs economic development in addition to affordable housing. All seven county commissioners and the county administrator have made workforce housing a top priority. At the conclusion of the presentation, the Chair requested that Mrs. Cabrera provide an update at a meeting later in 2018.

There was no action taken by the Authority.

VI. Old Business

Item (a.) Consider 2018 Mortgage Credit Certificate Program – approval of Resolution #R-2017-08

The ED reported that at the last meeting, the board had given staff the green light to proceed with a 2018 mortgage credit certificate program (“MCC”) and to that end a resolution and draft documents were included in the agenda materials for consideration. He stated that while the previously discussed federal tax bill could eliminate MCC issuance after the end of 2017, the board should consider approving the resolution in the event that sometime between now and the end of the year favorable legislature is proposed or ultimately enacted that would allow for the continuation private activity bonds. This action would minimize the amount of down time between the end of the current 2015 MCC program this calendar year and the earliest state date for a 2018 MCC program, which would be mid to late February of 2018. Staff would hold off on incurring further time on the 2018 MCC program until we get more clarification as federal tax legislation.

Mr. Eliopoulos moved for approval of Resolution R-2017-08, and Mr. Smith seconded the motion. The motion passed by a unanimous vote of 5-0.

VII. New Business

a. Consider the multi-family bond application for “Village of Valor” project

The ED opened the discussion of the application for “Village of Valor” apartments project by introducing Roy Foster of the not-for profit Faith*Hope*Love*Charity and Kathy Makino of Shelborne Development, the two co-developers, and their construction project manager Larry Zabik.

Mr. Zabik started the presentation by mentioning that Christopher Moriarty, with the bond underwriting firm of Stifel Nicolaus, is assisting with the project financing and would answer any questions thereto. He stated that Roy Foster is the director and founder of the Palm Springs based Faith*Hope*Love*Charity whose mission and focus is veteran’s housing and services. Mr. Foster and Ms. Makino teamed up about three years ago to develop what is now a proposed 157-unit apartment project marketed primarily but not exclusively for veterans under the “housing first” model. The model’s focus is housing homeless veterans along with providing vocational and financial literacy training, and other onsite resident services.

Roy Foster provided some background on the organization that has been housing homeless veterans since 2001. Last year they invested over \$800K for prevention and intervention of homelessness through the payment of court dues and fees for those about to be evicted, and by placement in hotels for those that had been. The greatest issue that they are encountering is affordability; the veterans in many cases, with their pensions and disabilities payments, cannot afford the market rents in PBC. The plan for this project is to run parallel with PBC to end homelessness for veterans in 2018, and to provide job training, job placement, and an incubator program to teach veterans how to operate their own business. There are a great number of resources available for this through the Department of Veteran’s Affairs. Ms. Makino stated that she has been developing affordable housing for over 37 years with the majority of her experience with 9% housing tax credits in Michigan. They purchased the project site several years ago and they are now getting close to making the development a reality. Mr. Zabik described the project as 157 total units with 107 one, two and three bedroom units on the City of Lake Worth side of the site along with the training area for the initial entry for veterans. The City of Palm Springs side of the project will have the remaining units that are larger town homes to better accommodate families. Faith*Hope*Love*Charity will move their offices to this site so they can provide counseling and training. The project will have the other typical amenities such as a basketball court, picnic area, pool, and fitness

trail. The site is within walking distance to PB State College, two blocks from major bus routes as well as easy access to shopping and employment opportunities in Lake Worth. In indicated they had their site plan approvals from both Lake Worth and Palm Springs, and that both communities have been very supportive of the project.

Mrs. Henderson asked how many homeless veterans there are today in PBC to which Mr. Foster stated the estimate is around 500 although many additional hundreds are living with relatives or friends. Presently they have over a thousand contacts for veterans and their families. She also asked where the organization receives most of its funding to which Mr. Foster said primarily the Department of Veterans Affairs as well as the Department of Labor for job training and placement. The Chair asked how long they expect the typical veteran to reside at the facility to which Mr. Foster stated many are just looking for a place to stay but that he expects most to reside long term.

The ED stated that while the application was deemed complete by staff the project faces two major issues. The first is a funding gap. The developer has submitted an application to FHFC under a competitive workforce housing RFA for approximately \$8M of SAIL funds. The award of these funds will be announced at their December 8 meeting. The other issue is the previously discussed proposed tax bill. If the board is willing to induce the project today, which is staff's recommendation, it will allow the developer to decide if they want to proceed with an escrow bond transaction this year.

Mrs. Henderson made a motion to approve staff's recommendation to accept and file the application for Village of Valor apartments, to approve Resolution R-2017-09, to appoint Bryant Miller Olive as bond counsel, and to authorize staff to hold a TEFRA hearing upon receipt of the public hearing fee from the developer. The motion was seconded by Mr. Smith and passed unanimously by a vote of 5-0.

b. Consider adding bond underwriter to approved list

The ED advised that the developer of Village of Valor has been working with and has requested that the Authority appoint Stifel Nicolaus as bond underwriter for this transaction. While the structure of the financing has not been finalized it is anticipated that there will be cash collateralized, short term tax exempt bonds with the permanent financing provided by a taxable FHA

221 (d)4 first mortgage loan. The Authority's bond underwriter policy allows developers to request an investment banker for their transaction but that the firm must first be on our approved list. Stifel Nicolaus has provided materials showing they meet the Authority's bond underwriter criteria. Mr. Chris Moriarty give a brief overview of the firm and the proposed financing.

Mr. Smith moved staff's recommendation to add the firm of Stifel Nicolaus & Company Inc. to the Authority's list of approved bond underwriters. The motion was seconded by Mr. St. Lawrence and passed by a unanimous vote of 5-0.

c. Results of "Own a Home Opportunity" DPA loan foreclosure

The ED stated that the Authority has originated funded the origination of 137 down payment and closing cost assistance second mortgage loans under the "Own a Home Opportunity" first time homebuyer program with the Lee County HFA since 2013. Two of these loans have gone into foreclosure one of which US Bank as the servicer of the first mortgage loan has provided a workout solution with the homeowner and is now current. The other one went through the entire foreclosure process. I involved general counsel Skip Miller ("GC") when we first received notification from the homeowner's association that the borrower was delinquent with their HOA assessments. This ultimately led to a foreclosure and subsequent sale of the home by the HOA to an investor but US Bank also foreclosed on the first mortgage. With GC's assistance, we preserved the Authority's interest in the \$10k second mortgage and received \$5,830 from the court that netted about \$2,500 after costs.

There was no action needed of nor taken by the Authority on this matter.

d. Approve 2018 meeting schedule

Mr. St Lawrence moved approval of the 2018 meeting schedule. The motion was seconded by Mr. Eliopoulos and passed by a unanimous vote of 5-0.

e. Add-on item to allow for amendments to existing MF bond issues – consider approval of Resolution R-2017-10

The ED advised that the House version of the federal tax bill would not only eliminate the new issuance of PAB's after 2017 but also affect existing bond issues that have draw-down provisions. Both the New South Bay Villas bonds, which closed in 2016 and the Royal Palm Place issue closed in 2017, have this feature. Bryant Miller Olive ("BMO"), bond counsel for both, has recommended the Authority approve a resolution that would allow for any necessary amendments to the bond documents in the event that either of these requires same in order to fully draw down any remaining bond proceeds to avoid any problem with future tax exemption.

Monique Spotts of BMO stated that they've been hearing from developers and lenders that in the event a tax bill would prevent a tax exempt draw-down after December 31st and therefore the loss of their tax credits as well they want to be certain to be in a position to be able to fully draw by year end. Approval of this resolution would allow that to occur without having to come back to the Authority.

Mr. St Lawrence made a motion to approve resolution R-2017-10. The motion was seconded by Mr. Eliopoulos and passed by a unanimous vote of 5-0.

VIII. Other matters

a. Matters of Authority members

None

b. Matters of the Executive Director and Professionals

The ED, GC and bond counsel discussed the process for possible 2017 escrow bond issuances for both the Heron Estates Senior and Village of Valor project. Monique Spotts stated that bond proceeds would be deposited into a project fund and what is being referred to as a breakage of escrow would be just a release of the money from the project fund to be drawn by the borrower. These bonds will stay outstanding typically for two years but could be redeemed earlier. This would require two closings, one before year-end, and a second once the permanent financing can be closed. She also explained the reasonable expectations requirement for the issuance of bonds. GC spoke about the conditions to draw down on the project fund so as not to create a reissuance under the tax code.

The ED provided a brief review of the items included in the agenda materials under Matters of the Executive Director including a status of the existing multi-family projects under construction, and outstanding revolving loans or lines of credit.

Tim Wranovix of Raymond James give a quick update on the Own a Home Opportunity program with the Lee HFA stating that 14 loans settled this month and earned the Authority about \$38K. The Lee HFA has just recently paired up with Freddie Mac for a program offered to buyers below fifty percent of area median income (“AMI”) that provides the borrower with an additional two points of subsidy, and for borrowers that are between fifty and eight percent of AMI, an additional fifty basis points. The ED stated added that the greatest hurdle to loan production at both the lower and middle income and house price segments in PBC is inventory. Both FHA and Freddie Mac make it exceedingly difficult to finance condos and townhomes that are the only units at the lower end of our price spectrum.

There was no action taken by the Authority on these matters.

c. Matters of the public

None

d. Next meeting date:

The Chair announced the next scheduled meeting date is December 8th at 9:00 a.m. in the same location.

IX. Adjournment

Mr. Smith moved adjournment at 10:34 am. The motion was seconded by Mr. Eliopoulos and passed unanimously by a vote of 5-0.

Respectfully submitted,

Executive Director

Secretary

HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY
MINUTES OF REGULAR MEETING

Meeting Date & Time:

9:00 A.M., Friday December 8, 2017

Location:

PBC Airport Center
100 Australian Avenue
4th Floor, Suite 4-790
West Palm Beach

Attendance Sign-in Sheet/others

Larry Zabik, Zabik & Associates
Roy Foster, F*H*L*C, Inc.
Christopher Moriarty, Stifel Nicolaus

Staff and professionals:

David Brandt, Executive Director
Jennifer Hamilton, administrative assistant
Skip Miller - general counsel – Greenspoon Marder
Jim Hutchison – auditor – Caler Donten Levine
Tim Wranovix – bond underwriter - Raymond James
Amanda Kumar – bond trustee/custodian - US Bank

I. Call to Order

a. Roll call and establishment of quorum

Vice Chair Gary Eliopoulos called the meeting to order at 9:25 a.m. The four (4) members present at roll call constituted a quorum:

Patrick Franklin, Chair – absent

Gary Eliopoulos, Vice Chair - present

James Harper, Secretary – present

Clark Bennett – present

Robin Henderson - absent

Tony Smith – absent

Chuck St. Lawrence – present

II. Public comment on Agenda Items

There was no comment from the public on the agenda items.

III. Agenda Approval

The Executive Director (“ED”) requested that Resolution R-2017-13 be added to the agenda as “New Business - Item c.” which is an amendment to the construction loan agreement with the PBC CLT for Davis Landings West.

Mr. Bennett moved to approve the Agenda. The motion was seconded by Mr. St. Lawrence and passed unanimously by vote 4-0.

IV. Consent Agenda

Mr. St. Lawrence moved approval of the Consent Agenda. The motion was seconded by Mr. Harper and unanimously approved by a vote of 4-0.

V. Old Business

Item (a.) Consider issuance of not-to-exceed \$17,000,000 Multifamily Housing Revenue Bonds, Series 2017 – recommendation to approve Resolution 2017-11

The ED stated the Authority approved a motion at the November meeting to accept and file the application for “Village of Valor Apartments” and to induce the project for up to \$17M of bonds. Bryant Miller Olive (“BMO”) was named as bond counsel, and staff was authorized to hold the public hearing for the issuance of those bonds. The US House of Representatives had introduced legislation that would eliminate the tax exemption for private activity bonds after 2017, and at the end of November the developer decided that they would like to proceed with a bond issuance in the event such legislations was enacted into law. Staff has proceeded with process for issuance including Board of County Commission approval of the bonds, and has prepared a resolution and draft documents for consideration. The ED reported that the developer’s application under the Florida Housing Finance Corporation (“FHFC”) workforce housing SAIL loan RFA had some technical issues and was not considered by FHFC staff. Therefor there is substantial shortfall on the source of funds side of their transaction as well as potentially less proceeds from syndication of the housing tax credits because of potentially lower corporate tax rates being discussed by Congress. The current shortfall is at least \$2M in addition to the deferral of 100% of their developer fee. The ED advised that while these developments will more than likely keep the bonds from closing in 2017 staff and the developer would like the Authority to go ahead with the approval.

General counsel Skip Miller (“GC”) and Jolinda Herring with BMO gave brief statements including the possibility of federal transitional rule legislation grandfathering transactions approved before year-end. Chris Moriarty of Stifel advised that they would like to continue to move forward with the transaction with the expectation that the uncertainty caused by the proposed federal tax legislation would not be known until a tax bill is passed.

Mr. Harper asked the ED for additional clarification as to exactly what staff was asking the board to consider. The ED stated that the working group wants approval from the board to be in a position where the bonds could be issued before the end of 2017 in the event that tax legislation is passed this year that would prohibit us from issuing tax exempt bonds after the end of this year. He stated that in all probability the developer would elect to not go forward at this time, as they would

have to come out of pocket \$330K-\$400K to close on the bonds. The ED added that if bonds are issued in 2017, as previously discussed, there are a number of conditions that must be met before the proceeds could be released for construction, one of which is a favorable credit underwriting report.

Mr. Bennett made a motion to approve staff's recommendation to authorize Resolution R-2017-11. The motion was seconded by Mr. Harper and unanimously passed by a vote of 4-0.

VII. New Business

Item (a.) Consider subordination of LURA on Azalea Place Apartments – recommendation to approve Resolution 2017-12

The ED advised that the project owner is planning to pay off the Authority's Series 1999 bonds, and to rehab the property through a re-syndication of tax credits and bonds issued through FHFC. GC stated that our form of land use restriction agreement ("LURA") typically requires Authority approval of any title transfer. In addition, when there is FHA financing, HUD requires subordination of our LURA to their mortgage. Since this project has a Section 8 contract, the LURA will remain in place even though our bonds are being redeemed in whole. The existing fee guarantee stays in place as well, so in summary this resolution authorizes the subordination of our LURA to the refinancing and approves the sale of the project to the new owner. The ED added that the general partner for the project is and will continue to be following the sale an entity of Southport Development.

Mr. Bennett moved staff's recommendation. The motion was seconded by Mr. Harper and unanimously passed by vote of 4-0.

Item (b.) Consider approval of new general partner – La Joya Villages, Series 2013 bond issue

The ED stated that the Authority issued bonds for La Joya Villages back in 2013. The owner is a joint venture between a for-profit developer and the Community Land Trust of PBC. The for-profit developer is in the process of selling his general

partnership (“GP”) interest to the West Palm Beach Housing Authority (“WPBHA”). Staff has been advised that the limited partners have agreed to this transfer of GP to the WPBHA. The LURA for the project requires Authority consent to a change in ownership but there is a specific exception to this requirement for a change in GP interest. GC advised that if the project owner provides a letter to the Authority that the transfer is not a change in ownership then no action by the board is required. They have indicated they will provide such a letter but one has not been provided as of today. He suggested that staff’s recommendation is for the Authority to consent to the WPBHA, or an entity of WPBHA, becoming a GP.

Mr. Harper asked if the Authority should wait until the WPBHA had made a final decision to which GC stated staff has been advised that the transfer will take place before the next board meeting.

Mr. Harper made a motion to approve staff’s recommendation to consent to the transfer of general partner interest to the West Palm Beach Housing Authority or entity controlled by it. The motion was seconded by Mr. Bennett and unanimously passed by a vote of 4-0.

Item (c.) Consider approval of second amendment to construction loan agreement loan between the Authority and the Palm Beach County CLT

The ED stated that a second amendment to the loan agreement to extend the current maturity date of March 31, 2018 is being recommended by staff. The CLT had some issues with PBC and their HOME loan that resulted in a four or five month delay in the start of construction. As of this date, they have closed on the sales of six homes out of the twenty-four. In addition, the loan agreement permitted draws only through September 30, 2017. They have not completed construction and will need to continue draws into February. The CLT has asked that the loan maturity date be extended to May 15, 2018.

Mr. Bennett moved approval of the motion to approve the second amendment. The motion was seconded by Mr. St. Lawrence and unanimously passed by vote of 4-0.

VIII. Other matters

a. Matters of Authority members

Mr. Harper asked about the status the single-family program that had been discussed at one of the previous meetings. The ED gave a brief update on the proposed 2018 mortgage credit certificate program stating that the board had given approval to move forward at the November meeting in the event that proposed federal tax legislation would not hamper the issuance of MCC's after 2017.

Mr. Harper stated that he had made a request when he first came on board about getting some type of microphone so that the minutes would be recorded legibly. He expressed a concern that the summary minutes transcribed by staff at times have not accurately reflected what he had said. The ED advised that the recordings in the present room have been good so far with the exception of the August 2017 meeting where the machine was not properly set and no recording was made. He added that the drafting of summary minutes can result from time to time in errors, judgement calls or differing interpretations of what may have been said or implied. The ED advised that he would make a CD copy of the December minutes for Mr. Harper to review.

Mr. Harper also mentioned that he would come to the next meeting with a list of items that he would like the board to discuss and consider to see that the Authority is in line with the way that things are attended to and are consistent other county boards.

b. Matters of the Executive Director and Professionals

GC gave a quick update on the upcoming state legislative session and the Governors proposed housing trust fund budget.

c. Matters of the public

None.

IX. Adjournment

Mr. Harper made a motion to adjourn the meeting at 10:10 a.m. The motion was seconded by Mr. St. Lawrence and passed unanimously by a vote of 4-0.

Respectfully submitted,

Executive Director

Secretary

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 November 2017

	Project:	Date	Per Rent Roll		Number of		Total	Total	Current	Last	2017
		Report	or FHFC Recap:		TICs included:						
		was	New	Annual	# of	# of					
		received	Move-in's	renewal	IC's (1)	AR's (1)					
							#	Occup.	months	months	average
							units	Units	occup.	occup.	occup.
1)	Azalea Place (d/b/a Palm Grove) (#)	12/11/17	0	10	0	10	150	141	94.0%	95.3%	98.2%
2)	Colonial Lakes (#)	12/15/17	0	n.a.	0	n.a.	120	119	99.2%	100.0%	98.9%
3)	Colony Park (@)(2)	12/8/17	0	15	0	15	130	129	99.2%	99.2%	99.7%
4)	Green Cay Village (d/b/a Palm Park)	12/20/17	1	13	1	13	160	160	100.0%	100.0%	99.9%
5)	Indian Trace (@)(#)	12/19/17	12	15	12	15	330	327	99.1%	98.5%	99.0%
6)	La Joya Villages *(#)	12/18/17	1	n.a.	1	n.a.	55	53	96.4%	98.2%	94.0%
7)	Lake Delray *(3)	12/8/17	6	n.a.	6	n.a.	404	352	87.1%	86.9%	90.3%
8)	Malibu Bay (@)(*)(#)	12/7/17	5	n.a.	5	n.a.	264	255	96.6%	97.7%	97.0%
9)	New South Bay Villas (4)(*)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10)	Palm Gardens (#)	12/12/17	3	7	3	7	80	80	100.0%	98.8%	99.2%
11)	Palms West *(#)	12/11/17	11	n.a.	11	n.a.	290	284	97.9%	98.3%	98.9%
12)	Paul Lawrence Dunbar Senior (#)(*)(5)	1/10/18	8	n.a.	8	n.a.	99	99	100.0%	n.a.	n.a.
13)	Pine Run Villas *(#)	12/12/17	3	n.a.	3	n.a.	63	63	100.0%	95.2%	98.8%
14)	Pinnacle At Abbey Park (2)(@)(*)(#)	12/13/17	2	n.a.	2	n.a.	160	156	97.5%	96.9%	97.4%
15)	Pinnacle Palms *(#)	12/13/17	3	n.a.	3	n.a.	152	145	95.4%	96.7%	97.8%
16)	Renaissance (at San Marino) (#)	12/18/17	7	15	7	14	344	340	98.8%	96.8%	97.2%
17)	Riverview House (#)	12/15/17	2	12	2	12	160	147	91.9%	95.6%	96.8%
18)	Venetian Isles II (d/b/a San Marco VI) (2)(@)(#)	12/11/17	0	8	0	8	112	107	95.5%	97.3%	98.1%
19)	Village Square Elderly (6)(*)(#) t/b/n/a Courts at Vil	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20)	Westgate Plaza *(#)	12/14/17	0	n.a.	0	n.a.	80	80	100.0%	100.0%	99.8%
21)	Woodlake (@)(*)	12/11/17	4	n.a.	4	n.a.	224	221	98.7%	99.6%	99.2%
	Totals		68	95	68	94	3377	3258	97.2%	97.3%	97.8%
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.										
(2)	Has prepaid the remaining issuer fee .										
(3)	All rehabilitation expected to be completed by April 2018.										
(4)	First occupancy of rehabbed units expected January 2018.										
(5)	First occupancy July 2017 and fully rented up in October 2017.										
(6)	Expected first occupancy January 2018										
(@)	Bonds have been redeemed in whole but Qualified Project Period still in effect.										
(*)	No annual recertifications are required as long as 100% of units are certified as "Low Income".										
(#)	Current monthly rents are at LIHTC maximum or all Section 8 above LIHTC rent.										

Housing Finance Authority of Palm Beach County
Summary of Monthly Project Bond Program Reports
November 2017

	Project:	2016	2015	2014	2013	2016	2015	2014	2013	2016	2015	2014	2013
		average	average	average	average	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly
		occup.	occup.	occup.	occup.	high	high	high	high	low	low	low	low
1)	Azalea Place (d/b/a Palm Grove)	99.6%	98.7%	98.9%	99%	100%	100%	100%	100%	99%	98%	97%	97%
2)	Colonial Lakes	99.9%	99.6%	96.3%	n.a.	100%	100%	99%	99%	99%	99%	92%	n.a.
3)	Colony Park	99.2%	99.0%	97.8%	95%	100%	100%	99%	97%	95%	93%	96%	93%
4)	Green Cay Village (d/b/a Palm Park)	99.4%	97.8%	98.0%	92%	100%	99%	99%	95%	99%	96%	96%	88%
5)	Indian Trace	98.6%	97.9%	97.7%	95%	100%	99%	100%	98%	98%	96%	94%	92%
6)	La Joya Villages	98.9%	99.8%	n.a.	n.a.	100%	100%	n.a.	n.a.	95%	98%	n.a.	n.a.
7)	Lake Delray	n.a.	n.a.	95.6%	96%	n.a.	n.a.	96%	98%	n.a.	n.a.	96%	94%
8)	Malibu Bay	96.1%	97.4%	91.6%	89%	99%	100%	96%	96%	92%	94%	82%	84%
9)	New South Bay Villas (1)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10)	Palm Gardens	99.1%	98.9%	98.2%	85%	100%	100%	100%	100%	98%	98%	96%	93%
11)	Palms West	98.6%	98.5%	100.0%	n.a.	100%	100%	100%	n.a.	98%	98%	84%	n.a.
12)	Paul Lawrence Dunbar Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13)	Pine Run Villas	98.8%	98.8%	99.7%	n.a.	100%	100%	100%	100%	97%	95%	98%	n.a.
14)	Pinnacle At Abbey Park	97.5%	96.9%	94.2%	93%	99%	100%	98%	98%	94%	91%	92%	89%
15)	Pinnacle Palms	98.6%	97.3%	95.4%	91%	100%	99%	97%	94%	97%	96%	91%	89%
16)	Renaissance (at San Marino)	97.9%	97.6%	96.3%	94%	99%	99%	99%	95%	96%	96%	92%	91%
17)	Riverview House	97.0%	95.1%	82.6%	93%	99%	99%	96%	98%	95%	91%	75%	89%
18)	Venetian Isles II (d/b/a San Marco VI)	98.1%	99.6%	96.9%	96%	100%	100%	100%	97%	96%	98%	93%	94%
19)	Village Square Elderly (3) (d/b/a Courts a	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20)	Westgate Plaza	99.0%	98.9%	98.3%	99%	100%	100%	100%	100%	95%	98%	95%	98%
21)	Woodlake	99.4%	99.4%	97.4%	96%	100%	100%	99%	99%	98%	98%	95%	89%
	Totals (4)	98.6%	98.3%	96%	94%								
(1)	First occupancy of rehabbed units expected January 2017.												
(2)	Rent up completed in October 2017												
(3)	Expected first occupancy January 2018.												
(4)	Sum of the averages of each project												

Housing Finance Authority of Palm Beach County
Summary of Monthly Project Bond Program Reports
November 2017

			2016	2015	2014	2013	
	Project:	Location:	occup.	occup.	occup.	occup.	Most restrictive tenant set aside
			turn	turn	turn	turn	requirements per HFA bond or
			over	over	over	over	other subordinate/HTC financing
1)	Azalea Place (d/b/a Palm Grove)	Australian Ave. south of 25st Street, WPB	9%	15%	14%	26%	100% HAP contract
2)	Colonial Lakes	Lake Worth Rd. west of Haverhill Rd., Greenacres	28%	31%	n.a..	n.a..	25% @ 30%, 30% @ 50% AMI
3)	Colony Park	Belverdere Rd. west of Benoist Farms, suburban WPB	25%	28%	38%	39%	2% @ 25% & 98% @ 60% AMI
4)	Green Cay Village (d/b/a Palm Park)	Off Jog Rd. south of Woolbright, Boynton Bch.	17%	26%	29%	34%	100% @ 60% AMI
5)	Indian Trace	N. Military Trail south of SR 710, Riviera Bch.	28%	38%	38%	37%	20% @ 50% & 80% @ 60% AMI
6)	La Joya Villages	6th Ave S. just east of US 1, Lake Worth	5%	5%	n.a..	n.a..	25% @ 50% AMI per NSP2
7)	Lake Delray	Lindell Blvd. east of I-95/south of Linton Blvd. Del. Bch	n.a.	n.a.	12%	15%	100% @ 60% AMI; 50% HAP
8)	Malibu Bay	Executive Center Dr. south of PB Lake Blvd. WPB	22%	35%	38%	47%	100% @ 60% AMI
9)	New South Bay Villas (1)	MLK and Palm Beach Road, City of South Bay	n.a.	n.a.	n.a.	n.a..	HAP contract all but 1 unit
10)	Palm Gardens	4th Ave N. south of 10 Ave. N., Lake Worth	15%	24%	33%	38%	17% @ 30% and 83% @ 60% AMI
11)	Palms West	1551 Quail Drive off Westgate Ave, suburban WPB	9%	13%	n.a..	n.a..	2% @ 50% and 98% @ 60% AMI
12)	Paul Lawrence Dunbar Senior (2)	Corner of Division and Grant St., WPB	n.a..	n.a..	n.a..	n.a..	100% HAP contract
13)	Pine Run Villas	6th Ave S./Melaleuca west of Haverhill Rd. Lk. Worth	14%	19%	3%	n.a..	25% @ 30%/30% @ 50%/45% @ 60%
14)	Pinnacle At Abbey Park	Forest Hill Blvd. west of Haverhill, WPB	29%	30%	36%	48%	4% @ 30% & 96% @ 60% AMI
15)	Pinnacle Palms (3)	Executive Center Dr. south of Congress Ave. WPB	19%	25%	31%	31%	100% @ 60% AMI
16)	Renaissance (at San Marino)	N. Military Trail north of Roebuck Rd., WPB	24%	34%	41%	29%	25% @ 50% & 75% @ 60% AMI
17)	Riverview House (4)	Lake Worth Rd. east of S. Military Trail, Lake Worth	34%	48%	55%	38%	100% @ 60% AMI
18)	Venetian Isles II (d/b/a San Marco VI)	N. Congress Ave. south of Northlake Blvd., Riv. Bch.	22%	27%	44%	30%	100% @ 60% AMI
19)	Village Square Elderly (5)(d/b/a Courts	NE corner of SW8th Street & Auburn Ave., Del. Bch.	n.a.	n.a.	n.a.	n.a..	100% HAP contract
20)	Westgate Plaza	Quail Drive and Westgate Ave., suburban WPB	14%	10%	14%	6%	100% HAP contract
21)	Woodlake	N. Jog Rd. south of Okeechobee Blvd., WPB	15%	21%	33%	47%	100% @ 60% AMI
		Totals (6)	19%	25%	31%	33%	
(1)	First occupancy of rehabbed units expected January 2017.						
(2)	Rent up completed in October 2017						
(3)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18						
(4)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.						
(5)	Expected first occupancy January 2018.						
(6)	Sum of the averages of each project based on move-in's						

Housing Finance Authority of Palm Beach County
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					Qualified Project							
			Approx. QPP									
			start date		Period end (approximate)							
1)	Azalea Place (d/b/a Palm Grove)		Apr-00		QPP for term of HAP							
2)	Colonial Lakes		May-13		2028							
3)	Colony Park		Aug-03		QPP ends 9/1/2017 (incorrect date of 8/27/18 stated in 1st Amendment to LURA dated 1							
4)	Green Cay Village (d/b/a Palm Park)		May-07		2022							
5)	Indian Trace		Apr-03		QPP ends 2/28/2024							
6)	La Joya Villages		Feb-15		2030							
7)	Lake Delray		Dec-16		QPP end 11/30/2031							
8)	Malibu Bay		Jun-05		QPP ends 6/6/2020							
9)	New South Bay Villas (1)		Apr-17		QPP for term of HAP							
10)	Palm Gardens		Nov-08		2023							
11)	Palms West		Sep-13		2028							
12)	Paul Lawrence Dunbar Senior (2)		TBD		QPP for term of HAP							
13)	Pine Run Villas		Oct-13		2028							
14)	Pinnacle At Abbey Park		Mar-04		QPP ends 3/1/2019							
15)	Pinnacle Palms (3)		Jul-05		QPP ends not sooner than July 1, 2020							
16)	Renaissance (at San Marino)		2004?		2019							
17)	Riverview House (4)		Aug-01		2016							
18)	Venetian Isles II (d/b/a San Marco VI)		Jul-04		QPP ends 7/1/2019							
19)	Village Square Elderly (d/b/a Courts at Village Squ (5)				QPP for term of HAP							
20)	Westgate Plaza		Nov-12		QPP for term of HAP							
21)	Woodlake		Nov-13		2028							
(1)	First occupancy of rehabbed units expected January 2017.											
(2)	First occupancy of rehabbed units expected January 2017.											
(3)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18											
(4)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.											
(5)	Expected first occupancy January 2018.											

Housing Finance Authority of Palm Beach County
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	Project:	Date	Per Rent Roll		Number of		Total	Total	Current	Last	2017
		Report	or FHFC Recap:		TICs included:						
		was	New	Annual	# of	# of					
		received	Move-in's	renewal	IC's (1)	AR's (1)					
					#	Occup.	months	months	average		
					units	Units	occup.	occup.	occup.		
1)	Azalea Place (d/b/a Palm Grove) (#)	1/11/18	0	14	0	13	150	138	92.0%	94.0%	97.7%
2)	Colonial Lakes (#)	1/15/18	1	n.a.	1	n.a.	120	115	95.8%	99.2%	98.6%
3)	Colony Park (@)(2)	1/10/18	2	12	2	12	130	130	100.0%	99.2%	99.7%
4)	Green Cay Village (d/b/a Palm Park)	1/9/18	1	11	1	11	160	160	100.0%	100.0%	99.9%
5)	Indian Trace (@)(#)	1/10/18	5	19	5	19	330	325	98.5%	99.1%	98.9%
6)	La Joya Villages *(#)	1/16/18	1	n.a.	1	0	55	53	96.4%	96.4%	94.2%
7)	Lake Delray *(3)	1/12/18	4	n.a.	4	n.a.	404	354	87.6%	87.1%	90.0%
8)	Malibu Bay (@)(*)(#)	1/18/18	4	n.a.	4	n.a.	264	251	95.1%	96.6%	96.9%
9)	New South Bay Villas (4)(*)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10)	Palm Gardens (#)	1/8/18	2	8	2	8	80	78	97.5%	100.0%	99.1%
11)	Palms West *(#)	1/11/18	11	n.a.	11	n.a.	290	290	100.0%	97.9%	99.0%
12)	Paul Lawrence Dunbar Senior (#)(*)(5)	1/23/18	1	n.a.	1	n.a.	99	99	100.0%	100.0%	n.a.
13)	Pine Run Villas *(#)	1/8/18	0	n.a.	0	n.a.	63	63	100.0%	100.0%	98.9%
14)	Pinnacle At Abbey Park (2)(@)(*)(#)	1/12/18	2	n.a.	2	n.a.	160	156	97.5%	97.5%	97.4%
15)	Pinnacle Palms *(#)	1/12/18	5	n.a.	5	n.a.	152	143	94.1%	95.4%	97.5%
16)	Renaissance (at San Marino) (#)	1/15/18	4	18	4	18	344	336	97.7%	98.8%	97.2%
17)	Riverview House (#)	1/15/18	2	9	2	9	160	148	92.5%	91.9%	96.4%
18)	Venetian Isles II (d/b/a San Marco VI) (2)(@)(#)	1/11/18	2	12	2	12	112	109	97.3%	95.5%	98.1%
19)	Village Square Elderly (6)(*)(#) t/b/n/a Courts at Vill	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20)	Westgate Plaza *(#)	1/19/18	0	n.a.	0	n.a.	80	80	100.0%	100.0%	99.8%
21)	Woodlake (@)(*)	1/9/18	7	n.a.	6	n.a.	224	221	98.7%	98.7%	99.1%
	Totals		54	103	53	102	3377	3249	96.9%	97.2%	97.7%
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.										
(2)	Has prepaid the remaining issuer fee .										
(3)	All rehabilitation expected to be completed by April 2018.										
(4)	First occupancy of rehabbed units expected January 2018.										
(5)	First occupancy July 2017 and fully rented up in October 2017.										
(6)	Expected first occupancy January 2018										
(@)	Bonds have been redeemed in whole but Qualified Project Period still in effect.										
(*)	No annual recertifications are required as long as 100% of units are certified as "Low Income".										
(#)	Current monthly rents are at LIHTC maximum or all Section 8 above LIHTC rent.										

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	Project:	2016	2015	2014	2013	2016	2015	2014	2013	2016	2015	2014	2013
		average	average	average	average	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly
		occup.	occup.	occup.	occup.	high	high	high	high	low	low	low	low
1)	Azalea Place (d/b/a Palm Grove)	99.6%	98.7%	98.9%	99%	100%	100%	100%	100%	99%	98%	97%	97%
2)	Colonial Lakes	99.9%	99.6%	96.3%	n.a.	100%	100%	99%	99%	99%	99%	92%	n.a.
3)	Colony Park	99.2%	99.0%	97.8%	95%	100%	100%	99%	97%	95%	93%	96%	93%
4)	Green Cay Village (d/b/a Palm Park)	99.4%	97.8%	98.0%	92%	100%	99%	99%	95%	99%	96%	96%	88%
5)	Indian Trace	98.6%	97.9%	97.7%	95%	100%	99%	100%	98%	98%	96%	94%	92%
6)	La Joya Villages	98.9%	99.8%	n.a.	n.a.	100%	100%	n.a.	n.a.	95%	98%	n.a.	n.a.
7)	Lake Delray	n.a.	n.a.	95.6%	96%	n.a.	n.a.	96%	98%	n.a.	n.a.	96%	94%
8)	Malibu Bay	96.1%	97.4%	91.6%	89%	99%	100%	96%	96%	92%	94%	82%	84%
9)	New South Bay Villas (1)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10)	Palm Gardens	99.1%	98.9%	98.2%	85%	100%	100%	100%	100%	98%	98%	96%	93%
11)	Palms West	98.6%	98.5%	100.0%	n.a.	100%	100%	100%	n.a.	98%	98%	84%	n.a.
12)	Paul Lawrence Dunbar Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13)	Pine Run Villas	98.8%	98.8%	99.7%	n.a.	100%	100%	100%	100%	97%	95%	98%	n.a.
14)	Pinnacle At Abbey Park	97.5%	96.9%	94.2%	93%	99%	100%	98%	98%	94%	91%	92%	89%
15)	Pinnacle Palms	98.6%	97.3%	95.4%	91%	100%	99%	97%	94%	97%	96%	91%	89%
16)	Renaissance (at San Marino)	97.9%	97.6%	96.3%	94%	99%	99%	99%	95%	96%	96%	92%	91%
17)	Riverview House	97.0%	95.1%	82.6%	93%	99%	99%	96%	98%	95%	91%	75%	89%
18)	Venetian Isles II (d/b/a San Marco VI)	98.1%	99.6%	96.9%	96%	100%	100%	100%	97%	96%	98%	93%	94%
19)	Village Square Elderly (3) (d/b/a Courts a	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20)	Westgate Plaza	99.0%	98.9%	98.3%	99%	100%	100%	100%	100%	95%	98%	95%	98%
21)	Woodlake	99.4%	99.4%	97.4%	96%	100%	100%	99%	99%	98%	98%	95%	89%
	Totals (4)	98.6%	98.3%	96%	94%								
(1)	First occupancy of rehabbed units expected January 2017.												
(2)	Rent up completed in October 2017												
(3)	Expected first occupancy January 2018.												
(4)	Sum of the averages of each project												

Housing Finance Authority of Palm Beach County
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			2016	2015	2014	2013	
	Project:	Location:	occup.	occup.	occup.	occup.	Most restrictive tenant set aside
			turn	turn	turn	turn	requirements per HFA bond or
			over	over	over	over	other subordinate/HTC financing
1)	Azalea Place (d/b/a Palm Grove)	Australian Ave. south of 25st Street, WPB	9%	15%	14%	26%	100% HAP contract
2)	Colonial Lakes	Lake Worth Rd. west of Haverhill Rd., Greenacres	28%	31%	n.a..	n.a..	25% @ 30%, 30% @ 50% AMI
3)	Colony Park	Belverdere Rd. west of Benoist Farms, suburban WPB	25%	28%	38%	39%	2% @ 25% & 98% @ 60% AMI
4)	Green Cay Village (d/b/a Palm Park)	Off Jog Rd. south of Woolbright, Boynton Bch.	17%	26%	29%	34%	100% @ 60% AMI
5)	Indian Trace	N. Military Trail south of SR 710, Riviera Bch.	28%	38%	38%	37%	20% @ 50% & 80% @ 60% AMI
6)	La Joya Villages	6th Ave S. just east of US 1, Lake Worth	5%	5%	n.a..	n.a..	25% @ 50% AMI per NSP2
7)	Lake Delray	Lindell Blvd. east of I-95/south of Linton Blvd. Del. Bch	n.a.	n.a.	12%	15%	100% @ 60% AMI; 50% HAP
8)	Malibu Bay	Executive Center Dr. south of PB Lake Blvd. WPB	22%	35%	38%	47%	100% @ 60% AMI
9)	New South Bay Villas (1)	MLK and Palm Beach Road, City of South Bay	n.a.	n.a.	n.a.	n.a..	HAP contract all but 1 unit
10)	Palm Gardens	4th Ave N. south of 10 Ave. N., Lake Worth	15%	24%	33%	38%	17% @ 30% and 83% @ 60% AMI
11)	Palms West	1551 Quail Drive off Westgate Ave, suburban WPB	9%	13%	n.a..	n.a..	2% @ 50% and 98% @ 60% AMI
12)	Paul Lawrence Dunbar Senior (2)	Corner of Division and Grant St., WPB	n.a..	n.a..	n.a..	n.a..	100% HAP contract
13)	Pine Run Villas	6th Ave S./Melaleuca west of Haverhill Rd. Lk. Worth	14%	19%	3%	n.a..	25% @ 30%/30% @ 50%/45% @ 60%
14)	Pinnacle At Abbey Park	Forest Hill Blvd. west of Haverhill, WPB	29%	30%	36%	48%	4% @ 30% & 96% @ 60% AMI
15)	Pinnacle Palms (3)	Executive Center Dr. south of Congress Ave. WPB	19%	25%	31%	31%	100% @ 60% AMI
16)	Renaissance (at San Marino)	N. Military Trail north of Roebuck Rd., WPB	24%	34%	41%	29%	25% @ 50% & 75% @ 60% AMI
17)	Riverview House (4)	Lake Worth Rd. east of S. Military Trail, Lake Worth	34%	48%	55%	38%	100% @ 60% AMI
18)	Venetian Isles II (d/b/a San Marco VI)	N. Congress Ave. south of Northlake Blvd., Riv. Bch.	22%	27%	44%	30%	100% @ 60% AMI
19)	Village Square Elderly (5)(d/b/a Courts	NE corner of SW8th Street & Auburn Ave., Del. Bch.	n.a.	n.a.	n.a.	n.a..	100% HAP contract
20)	Westgate Plaza	Quail Drive and Westgate Ave., suburban WPB	14%	10%	14%	6%	100% HAP contract
21)	Woodlake	N. Jog Rd. south of Okeechobee Blvd., WPB	15%	21%	33%	47%	100% @ 60% AMI
		Totals (6)	19%	25%	31%	33%	
(1)	First occupancy of rehabbed units expected January 2017.						
(2)	Rent up completed in October 2017						
(3)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18						
(4)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.						
(5)	Expected first occupancy January 2018.						
(6)	Sum of the averages of each project based on move-in's						

Housing Finance Authority of Palm Beach County
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					Qualified				
			Approx. QPP		Project				
			start		Period end				
			date		(approximate)				
1)	Azalea Place (d/b/a Palm Grove)		Apr-00		QPP for term of HAP				
2)	Colonial Lakes		May-13		2028				
3)	Colony Park		Aug-03		QPP ends 9/1/2017				
4)	Green Cay Village (d/b/a Palm Park)		May-07		2022				
5)	Indian Trace		Apr-03		QPP ends 2/28/2024				
6)	La Joya Villages		Feb-15		2030				
7)	Lake Delray		Dec-16		QPP end 11/30/2031				
8)	Malibu Bay		Jun-05		QPP ends 6/6/2020				
9)	New South Bay Villas (1)		Apr-17		QPP for term of HAP				
10)	Palm Gardens		Nov-08		2023				
11)	Palms West		Sep-13		2028				
12)	Paul Lawrence Dunbar Senior (2)		TBD		QPP for term of HAP				
13)	Pine Run Villas		Oct-13		2028				
14)	Pinnacle At Abbey Park		Mar-04		QPP ends 3/1/2019				
15)	Pinnacle Palms (3)		Jul-05		QPP ends not sooner than July 1, 2020				
16)	Renaissance (at San Marino)		2004?		2019				
17)	Riverview House (4)		Aug-01		2016				
18)	Venetian Isles II (d/b/a San Marco VI)		Jul-04		QPP ends 7/1/2019				
19)	Village Square Elderly (d/b/a Courts at Village Squ (5)				QPP for term of HAP				
20)	Westgate Plaza		Nov-12		QPP for term of HAP				
21)	Woodlake		Nov-13		2028				
(1)	Incorrect date of 8/27/18 in 1st Amendment to LURA of 11/1/15 but correctly stated as 9/1/17 in R-2015-08 approved by HFA on 9/18/15								
(2)	First occupancy of rehabbed units expected January 2017.								
(3)	First occupancy of rehabbed units expected January 2017.								
(4)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18								
(5)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.								
	Expected first occupancy January 2018.								

	FY 2017/2018	FY 2017/2018	FY 2017/2018	FY 2017/2018
	Initial Budget	Budget adjustments	Projected Annual	Cash at 12/31/17
Operating revenues:				
Multifamily on-going fees	\$ 314,647		\$ 358,262	\$ 104,106
Multifamily one-time fees	\$ -		\$ -	\$ 7,500
Single Family Loan Origination Fees	\$ 100,000		\$ 100,000	\$ 53,778
Other	\$ -		\$ (418)	\$ (418)
Total Receipts	\$ 414,647	\$ -	\$ 457,845	\$ 164,966
Operating expenditures:				
Reimbursement to PBC	\$ 304,908		\$ 304,908	\$ 9,846
Accounting fees	\$ 39,200		\$ 37,600	\$ 23,000
Auditing fees	\$ 67,102		\$ 65,723	\$ 25,649
Legal	\$ 45,000		\$ 45,000	\$ 3,550
Other	\$ 45,000		\$ 45,000	\$ 8,679
Total Disbursements	\$ 501,210	\$ -	\$ 498,231	\$ 70,724
Income/(Loss) from operations	\$ (86,563)		\$ (40,386)	\$ 94,243
Non-operating revenues/expenditures:				
Interest Income:				
from short-term investment	\$ 125,000		\$ 125,000	\$ 42,246
from single family MBS	\$ 50,000		\$ 50,000	\$ 15,259
DPA second mortgage funding	\$ (350,000)		\$ (350,000)	\$ (206,289)
Total Non-Operating Revenues	\$ (175,000)	\$ -	\$ (175,000)	\$ (148,784)
Increase/(decrease) in Net Position:	\$ (261,563)		\$ (215,386)	\$ (54,541)

Tab 2

V. Old Business - attachments

- a.** Heron Estates Senior Project
 - i. Resolution R-2018-01 – with exhibits
 - ii. Credit Underwriting Report dated January 29, 2018
- b.** La Joya Villages, Series 2013 bonds
 - i. Request letter from West Palm Beach Housing Authority
 - ii. Resolution No. 2018-02
- c.** Update on 2018 Mortgage Credit Certificate and Own a Home Opportunity programs
 - i. 2015 MCC final program report
 - ii. Own A Home Opportunity Program Report for 2017
 - iii. OAHOP loan origination summaries Oct-Dec 2017

RESOLUTION NO. 2018-01

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA (THE "AUTHORITY"), AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$12,000,000 HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A (HERON ESTATES SENIOR PROJECT) AND MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B (HERON ESTATES SENIOR PROJECT) (COLLECTIVELY, THE "BONDS") TO FINANCE A PORTION OF THE COSTS OF CONSTRUCTING AND EQUIPPING A 101 UNIT MULTIFAMILY HOUSING DEVELOPMENT IN THE CITY OF RIVIERA BEACH, FLORIDA; PROVIDING FOR CERTAIN DETAILS WITH RESPECT TO SUCH BONDS; APPOINTING A TRUSTEE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE BY AND BETWEEN THE AUTHORITY AND U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT BY AND AMONG THE AUTHORITY, THE TRUSTEE AND HTG HERON ESTATES SENIOR, LLC, AS THE BORROWER; APPROVING THE FORMS OF SERIES 2018A NOTE AND THE SERIES 2018B NOTE EVIDENCING THE BORROWER'S OBLIGATIONS TO REPAY THE LOAN MADE FROM THE PROCEEDS OF THE BONDS; APPROVING THE FORM OF THE SECURITY INSTRUMENT SECURING THE LOAN; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE ASSIGNMENT OF MORTGAGE AND SECURITY DOCUMENTS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT BY AND AMONG THE AUTHORITY, THE BORROWER AND JPMORGAN CHASE BANK, N.A., AS THE PURCHASER OF THE BONDS; DETERMINING THE NEED FOR A NEGOTIATED PRIVATE SALE OF THE BONDS; ACCEPTING THE CREDIT UNDERWRITING REPORT; AUTHORIZING THE PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "Board"), has heretofore enacted an ordinance, as amended and supplemented, as codified in Sections 2-181 through 2-191 Code of Ordinances of Palm Beach County, Florida, creating the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of Florida law (collectively, the "Act"); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the “County”); and

WHEREAS, the Authority, pursuant to the Act, may issue its Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) and its Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) (collectively, the “Bonds”) in the principal amount of not to exceed \$12,000,000 and loan the proceeds therefrom to the Borrower (as defined below) to finance a portion of the costs of the construction and equipping of a 101 unit multifamily rental housing development located in the City of Riviera Beach, Florida (the “City”), known as Heron Estates Senior Apartments (the “Project”); and

WHEREAS, the proceeds received by the Authority from JPMorgan Chase Bank, N.A., as the initial purchaser (the “Bond Purchaser”) of the Bonds will be loaned (the “Loan”) to HTG Heron Estates Senior, LLC, a limited liability company organized under the laws of the State of Florida (together with its successors and assigns, the “Borrower”) to finance a portion of the Project pursuant to the terms and provisions of that certain Financing Agreement expected to be dated as of March 1, 2018 (the “Financing Agreement”) by and among the Authority, U.S. Bank National Association, as trustee (the “Trustee”) and the Borrower in substantially the form attached hereto as Exhibit “A”; and

WHEREAS, the Bond Purchaser will advance funds to the Authority with respect to the Loan evidenced by the Bonds pursuant to the terms and provisions of that certain Trust Indenture expected to be dated as of March 1, 2018 (the “Indenture”) by and between the Authority and the Trustee, in substantially the form attached hereto as Exhibit “B”; and

WHEREAS, the Loan shall be made pursuant to the Financing Agreement and the repayment obligations of the Borrower will be evidenced by a Series 2018A Note and a Series 2018B Note, both from the Borrower payable to the Authority (collectively, the “Promissory Notes”) in substantially the forms attached hereto as Composite Exhibit “C” and will be secured

by a Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (Leasehold) (the "Security Instrument") in substantially the form attached hereto as Exhibit "D" from the Borrower to the Authority; and

WHEREAS, pursuant to that certain Assignment of Mortgage and Security Documents, in substantially the form attached hereto as Exhibit "E" (the "Assignment"), the Authority will assign (other than certain unassigned rights), without recourse, its right in the Promissory Notes and Security Instrument to the Trustee; and

WHEREAS, the Authority desires to authorize the execution and delivery of a Land Use Restriction Agreement expected to be dated as of March 1, 2018, by and among the Borrower, the Trustee and the Authority in substantially the form presented at this meeting and attached hereto as Exhibit "F," which agreement evidences certain restrictions placed on the use and occupancy of the Project as required under the Act and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Restriction Agreement"); and

WHEREAS, the Authority desires to authorize the execution and delivery of a Fee Guaranty and Environmental Indemnity Agreement expected to be dated as of March 1, 2018 from the Borrower and the other indemnitors named therein to the Authority and the Trustee in substantially the form presented at this meeting and attached hereto as Exhibit "G" (the "Indemnity Agreement"); and

WHEREAS, the Authority has determined that the Bonds will be sold pursuant to the terms and provisions of that certain Bond Purchase Agreement expected to be dated the date of delivery of the Bonds by and among the Bond Purchaser, the Borrower and the Authority substantially in the form attached hereto as Exhibit "H"; and

WHEREAS, the Authority hereby acknowledges that RBC Capital Markets, LLC has served as "placement agent" in connection with the private placement of the Bond to the Bond Purchaser.

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

Section 1: Recitals. That the foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

Section 2: Definitions. That in addition to the terms defined above, the words and terms referred to in Article I of the Indenture, unless a different meaning clearly appears from the context, shall have the same meanings in this Resolution as in the Indenture.

Section 3: Authorization of the Bonds. That, for the purpose of providing funds to make the Loan to the Borrower to finance a portion of the costs of the Project, there is hereby authorized by the Authority, its not to exceed \$6,700,000 Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) and its not to exceed \$5,300,000 Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) (herein collectively, the "Bonds").

Section 4: Security for the Bonds. That the Bonds will be limited obligations of the Authority. The principal of, or redemption price and interest on, the Bonds will be payable solely as provided in the Indenture. Neither the members of the Authority nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds will not be debts of the Authority, the County, the City, the State of Florida (the "State") or any other political subdivision thereof, and neither the faith and credit nor the taxing power of the County, the City, the State or any other political subdivision thereof will be pledged to the payment of the principal of, or redemption price and interest on, the Bonds. The Authority has no taxing power.

Section 5: Approval and Execution of Financing Agreement. That the form of the Financing Agreement relating to the Loan (the "Financing Agreement") presented at this meeting (and attached hereto as Exhibit "A") expected to be dated as of March 1, 2018, by and among the Authority, the Trustee and the Borrower is hereby approved and adopted by the

Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority the Financing Agreement, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Financing Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 6: Appointment of Trustee. That U.S. Bank National Association, having its designated office in Fort Lauderdale, Florida, is hereby appointed Trustee, under the Trust Indenture, Financing Agreement, the Restriction Agreement and the Indemnity Agreement.

Section 7: Approval and Execution of the Indenture. That the form of the Trust Indenture (the "Indenture") expected to be dated as of March 1, 2018, by and between the Authority and the Trustee in substantially the form presented at this meeting (and attached hereto as Exhibit "B") is hereby approved and authorized by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority the Indenture and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Indenture in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to

the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

Section 8: Details of the Bonds. That the proceeds of the Bonds, together with the moneys received by the Trustee or the title insurance company from the Borrower or any tax credit investor, shall be applied, the Bonds shall mature in the years and in the amounts, bear interest at such rate or rates, as determined in accordance with the provisions of the Indenture, and be subject to redemption, all as provided in the Indenture. The Authority hereby authorizes, pursuant to the provisions of the Indenture, the use of the proceeds of the Bonds to make the Loan to the Borrower for the Borrower to pay a portion of the costs of the Project. The execution of the Indenture shall constitute approval of such terms as set forth in this Section 8.

Section 9: Approval of Forms of the Promissory Notes and Security Instrument. That the forms of Promissory Notes given to the Authority and endorsed (without recourse by the Authority) to the Trustee, and the form of Security Instrument in favor of the Authority and assigned (without recourse) to the Trustee, in substantially the forms presented at this meeting and attached hereto as Composite Exhibit "C," and Exhibit "D, respectively, expected to be dated as of the date the Bonds are issued, to evidence and secure the Borrower's obligations under the Financing Agreement, and the Authority's non-recourse obligations to the Bond Purchaser under the Indenture are hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate.

Section 10: Approval of Assignment. That the form of the Assignment in substantially the form presented at this meeting and attached hereto as Exhibit "E," expected to be dated the date of issuance of the Bonds, from the Authority (without recourse) in favor of the Trustee, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the

Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Assignment in the form presented to this meeting together with such changes, modifications, and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

Section 11: Approval and Execution of the Land Use Restriction Agreement.

That the form of the Land Use Restriction Agreement (the "Restriction Agreement") in substantially the form presented at this meeting (and attached hereto as Exhibit "F"), expected to be dated as of March 1, 2018, by and among the Authority, the Trustee and the Borrower, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Restriction Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

Section 12: Approval and Execution of Fee Guaranty and Environmental Indemnity Agreement. That the form of the Fee Guaranty and Environmental Indemnity Agreement (the "Indemnity Agreement") in substantially the form presented at this meeting (and

attached hereto as Exhibit “G”), expected to be dated as of March 1, 2018, by and among the Authority, the Trustee, the Borrower and the other indemnitors named therein, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Indemnity Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

Section 13: Negotiated Private Sale of Bonds Authorized. That, based on market conditions and the uniqueness of the structure by which the Bonds are to be issued, the Authority hereby finds that it is necessary and in the best interest of the Authority that the Bonds be sold, with the assistance of RBC Capital Markets, LLC, acting as placement agent, on a negotiated basis directly to the Bond Purchaser.

Section 14: Approval and Execution of the Bond Purchase Agreement. That the form of the Bond Purchase Agreement (the “BPA”) in substantially the form presented at this meeting (and attached hereto as Exhibit “H”), expected to be dated the date of delivery of the Bonds, by and among the Authority, the Bond Purchaser and the Borrower, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and, if

required, the Secretary (or, in the absence of the Secretary, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the BPA in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority. The Authority recognizes RBC Capital Markets, LLC, is serving as placement agent.

Section 15: Credit Underwriting Report. That the Authority accepts the credit underwriting report prepared by Seltzer Management Group, Inc. dated January 8, 2018.

Section 16: Agreement of Authority. That all covenants, stipulations, obligations and agreements contained in this Resolution, the Indenture, the Financing Agreement and any other agreements to which the Authority is a party and which have been hereby approved by the Authority, shall be deemed to be the covenants, stipulations, obligations and agreements of the Authority and all such covenants, stipulations, obligations and agreements shall be binding upon the Authority.

Section 17: No other Rights Conferred. That, except as herein otherwise expressly provided, nothing in this Resolution, the Indenture, or the Financing Agreement, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the Trustee, the Borrower, or the Bond Purchaser under the provisions of this Resolution, the Financing Agreement and the Indenture, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, the Indenture, or the Financing Agreement or any other agreements to which the Authority is a party and which have been approved by the Authority or any provision thereof; this Resolution, the Indenture, or the Financing Agreement, and all of its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Trustee, the Borrower and the Bond Purchaser.

Section 18: Severability. That, in case any one or more of the provisions of this Resolution, or of the Indenture or Financing Agreement or the Bonds issued hereunder or any other agreements to which the Authority is a party and which have been approved by the Authority, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of the Indenture, or Financing Agreement or of said Bonds, but this Resolution, the Indenture and the Financing Agreement, and said Bonds shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein.

Section 19: Further Actions. That the Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director, the Authority's general counsel or Bond Counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of the Credit Underwriting Report, the Bonds, the Indenture, the Financing Agreement and the other documents herein approved and also to do all acts and things required of them by the provisions of this Resolution, including, but not limited to, the execution of such other documents that may be required for the better securing of the Bonds or as a condition precedent for the issuance of the Bonds.

Section 20: Headings Not Part of this Resolution. That any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 21: Resolution Effective. That this Resolution shall take effect immediately upon its adoption.

ADOPTED this 9th day of February, 2018.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: _____
Name: Patrick J. Franklin
Title: Chairperson

By: _____
Name: James H. Harper, Sr.
Title: Secretary

EXHIBITS TO RESOLUTION

Exhibit A	--	Form of Financing Agreement
Exhibit B	--	Form of Trust Indenture
Composite Exhibit C	--	Forms of Promissory Notes
Exhibit D	--	Form of Security Instrument
Exhibit E	--	Form of Assignment
Exhibit F	--	Form of Land Use Restriction Agreement
Exhibit G	--	Form of Indemnity Agreement
Exhibit H	--	Form of Bond Purchase Agreement

WPB/384063653v8/007132.102600

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and

HTG HERON ESTATES SENIOR, LLC,
a Florida limited liability company

FINANCING AGREEMENT

Dated as of March 1, 2018

Relating to

\$6,700,000

Housing Finance Authority of Palm Beach County, Florida
Multifamily Mortgage Revenue Bonds, Series 2018A
(Heron Estates Senior Project)

and

\$5,300,000

Housing Finance Authority of Palm Beach County, Florida
Multifamily Mortgage Revenue Bonds, Series 2018B
(Heron Estates Senior Project)

The interest of the Housing Finance Authority of Palm Beach County, Florida (the “**Issuer**”) in this Financing Agreement has been assigned (except for certain “**Reserved Rights**” as defined in this Financing Agreement) pursuant to the Trust Indenture dated as of the date hereof from the Issuer to U.S. Bank National Association, as trustee together with its permitted successors and assigns, (the “**Trustee**”), and is subject to the security interest of the Trustee thereunder.

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT dated as of March 1, 2018 (together with all supplements, modifications and amendments thereto, this “**Financing Agreement**”), among the Housing Finance Authority of Palm Beach County, Florida, a public body corporate and politic (together with its permitted successors and assigns, the “**Issuer**”), U.S. Bank National Association, a national banking association, as trustee under the herein defined Indenture (together with any successor trustee hereunder and their respective successors and assigns, the “**Trustee**”), and HTG Heron Estates Senior, LLC, a Florida limited liability company (together with its successors and assigns, the “**Borrower**”).

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered under the Florida Housing Finance Authority Law, being Part IV of Chapter 159, Florida Statutes, as amended (the “**Act**”), to finance multifamily rental housing by issuing its revenue bonds to provide funds for the cost of the acquisition and construction financing thereof; and

WHEREAS, the Issuer has determined to issue (i) its Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) in the aggregate principal amount of \$6,700,000 (the “**Series 2018A Bonds**”) and (ii) its Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) in the aggregate principal amount of \$5,300,000 (the “**Series 2018B Bonds**,” and, together with the Series 2018A Bonds, the “**Bonds**”) pursuant to that certain Trust Indenture dated as of March 1, 2018 (the “**Indenture**”), executed by the Issuer and the Trustee, for the purpose of providing funding necessary for the acquisition, construction and equipping by the Borrower of an approximately 101-unit multifamily rental housing project for seniors and persons with disabilities in incorporated Riviera Beach, Florida to be known as Heron Estates Senior Apartments (the “**Project**”); and

WHEREAS, pursuant to this Financing Agreement, the Issuer has agreed to issue the Bonds and to use proceeds of the Bonds to fund a loan to the Borrower (the “**Loan**”), and the Borrower has agreed to (i) apply the proceeds of the Loan to pay a portion of the costs of the acquisition, construction, installation and equipping of the Project, (ii) make payments sufficient to pay the principal of, premium, if any, and interest on the Bonds when due (whether at maturity, by redemption, acceleration or otherwise), and (iii) observe the other covenants and agreements and make the other payments set forth herein; and

WHEREAS, the Borrower has delivered to the Trustee, on behalf of the Issuer, (i) its Series 2018A promissory note dated the date of issuance of the Bonds in an original principal amount equal to the aggregate principal amount of the Series 2018A Bonds (as the same may be amended, modified or supplemented from time to time, the “**Series 2018A Note**”) and (ii) its Series 2018B promissory note dated the date of issuance of the Bonds in an original principal amount equal to the aggregate principal amount of the Series 2018B Bonds (as the same may be amended, modified or supplemented from time to time, the “**Series 2018B Note**,” and, together with the Series 2018A Note, the “**Notes**”) evidencing its obligation to repay the Loan; and

WHEREAS, to secure its obligations under this Financing Agreement and the Notes, the Borrower has executed a Mortgage, Security Agreement and Assignment of Rents, Leases, and Profits (Leasehold) in favor of the Issuer (as assigned to the Trustee pursuant to the Assignment of the Security Instrument and as amended, modified or supplemented from time to time, the “**Security Instrument**”) dated as of even date with this Financing Agreement, for the benefit of the Purchaser, as secured party;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following capitalized terms shall have the meanings specified in this Article unless the context requires otherwise. All other capitalized terms used herein which are defined in the Indenture and not defined herein shall have the respective meanings ascribed thereto in the Indenture unless otherwise expressly provided or unless the context otherwise requires. The singular shall include the plural and the masculine shall include the feminine and neuter shall include the masculine or feminine.

“**Accountant**” means such independent certified public accountant or firm of independent certified public accountants, selected by the Borrower and approved by the Servicer, such approval not to be unreasonably withheld or delayed.

“**Appraisal**” means the written statement setting forth an opinion of the market value of the Project that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by the Purchaser or its agent, (b) complies with all applicable and state laws and regulations dealing with appraisals or valuations of real property and (c) has been reviewed as to form and content and approved by the Purchaser.

“**Approved Budget**” means the Proposed Budget approved by the Purchaser, as may be amended from time to time.

“**Architect**” means the architect or the firm of architects selected by the Borrower with respect to the Project and acceptable to the Purchaser.

“**Architect’s Contract**” means the Architect Agreement between the Borrower and the Architect, providing for the design of the Improvements and the supervision of the construction and equipping thereof, including ongoing monthly inspection of the Improvements, certification of Requisitions and certification of Completion, among other things.

“**Authorized Member**” means HTG Heron Estates Senior Manager, LLC, a Florida limited liability company.

“**Bond Purchase Agreement**” means the Bond Purchase Agreement by and among the Issuer, the Purchaser and the Borrower, dated as of March __, 2018, as the same may be amended, modified or supplemented from time to time.

“**Borrower Legal Requirements**” means any and all judicial decisions, statutes, rulings, directives, rules, regulations, permits, certificates, or ordinances of any Governmental Authority, in any way applicable to the Borrower or the Project, including without limitation, the ownership, division, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof.

“**Borrower’s Tax Certificate**” means the Borrower’s Proceeds Certificate and Arbitrage Rebate Agreement executed by the Borrower on the Closing Date in which the Borrower certifies various facts relating to the Project which bear on the exclusion of interest on the Bonds from gross income for purposes of federal income taxation and agrees to comply with the applicable provisions of Section 148 of the Internal Revenue Code of 1986, as amended.

“**Budget**” means the construction budget for the construction of the Improvements as set forth in the project cost statement prepared by the Purchaser and signed by the Borrower, as may be amended by reason of change orders in accordance with Section 4.2(c) or otherwise by agreement of the Purchaser and the Borrower.

“**Capital Expenditures**” means capital expenditures determined in accordance with generally accepted accounting principles relating to the repair, renovation or replacement of the Project.

“**Completion**” means the occurrence of the Completion Date.

“**Completion Date**” means _____, as the same may be extended in accordance with the terms hereof.

“**County**” means Palm Beach County, Florida.

“**Default**” or “**Event of Default**” means, when referring to (i) the Indenture, an event or condition specified or defined as such by Section 6.01 of the Indenture, (ii) this Financing Agreement, an event or condition specified or defined as such by Section 7.1 hereof, and (iii) in the Bond Purchase Agreement, an event or condition specified or defined as such by Section 6.01(A) thereof.

“**Developer**” means HTG Heron Estates Senior Developer, LLC, a Florida limited liability company.

“**Development Agreement**” means the Development [**Services**] Agreement between the Borrower and the Developer dated as of _____, 2018.

“**Direct Costs**” means the costs of the Improvements, the Personal Property, and all labor, materials, fixtures, machinery and equipment required to construct and equip the Improvements in accordance with the Plans and Specifications.

“Effective Gross Income” means gross potential rent (including proceeds of rent loss insurance) and other income collected from the residential units at the Project, less a vacancy rate. For restricted units, the Purchaser will underwrite gross potential rent at the lower restricted, actual market rent levels. Unrestricted units will be underwritten at the lower of market or actual rent levels. Gross potential rent will be reduced by any current, existing or future tenant rent concessions. Other income shall be on a reoccurring or stabilized basis including income collected from garage, parking, laundry, clubhouse revenues, pet and late fees as determined by the Purchaser in its reasonable discretion. Other income shall not include interest income, commercial income, tenant deposits and other non-residential related income. Vacancy shall be the greater of 7.0%, or actual as determined by the Purchaser in its reasonable discretion.

“Financing Statement” means Uniform Commercial Code Form 1 Financing Statement(s) from the Borrower, the Authorized Member and the Developer in favor of the Issuer.

“Indenture” has the meaning assigned in the recitals hereto.

“Indirect Costs” means all title insurance premiums, survey charges, engineering fees, architectural fees, real estate taxes, appraisal costs, premiums for insurance, marketing, advertising and leasing costs, brokerage commissions, legal fees, accounting fees, overhead and administrative costs, and all other expenses as shown on the Budget which are expenditures relating to the Project and are not Direct Costs.

“Issuer Annual Fee” shall mean the annual fee of the Issuer, payable by the Borrower to the Trustee in the amount of 15 basis points (0.15%) of the original principal amount of the Bonds equal to \$18,000 payable in semiannual installments of \$9,000 in arrears on each March 1 and September 1, commencing March 1, 2018.

“Issuer Documents” means, collectively, the Indenture, this Financing Agreement, the Regulatory Agreement, the Arbitrage Rebate Agreement and the Fee Guaranty and Environmental Indemnity Agreement.

“Issuer Fee” shall mean, collectively, the Issuer’s (i) one (1) time initial issuance fee of 20 basis points (0.20%) of the original principal amount of the Bonds payable by the Trustee to the Issuer on the Closing Date from amounts in the Closing Costs Fund in the amount of \$ _____, and (ii) the Issuer Annual Fee.

“Key Principal” means, collectively, Balogh Family Partnership, LLC, a Florida limited liability company and Randy E. Rieger, an individual.

“Land” means the real property described in Exhibit A attached hereto.

“Management Agreement” means the Management Agreement between the Borrower and the Manager, as amended from time to time, and any substitute agreement relating to the management of the Project.

“**Manager**” means HTG Management, LLC, a Florida limited liability company, or any successor manager of the Project approved by the Servicer.

“**Obligor(s)**” means the Borrower and each Guarantor.

“**Operating Reserve**” means the greater of (a) the amount equal to (i) six (6) months Operating Expenses plus (ii) six (6) months debt service with respect to the Series 2018A Note and all other Indebtedness requiring mandatory payments of principal and/or interest during the Permanent Term, or (b) the amount required under the Operating Agreement and the Bond Purchase Agreement to be deposited by the Borrower as provided in the Operating Agreement or the Bond Purchase Agreement, as applicable, to fund operating deficits, funded in the amount of \$_____ (or, if greater, an amount equal to four months of actual Operating Expenses and required debt service payments as calculated with respect to the final principal amount of the Loan).

“**Organizational Documents**” means for any corporation, partnership, trust, limited liability company, limited liability partnership, unincorporated association, business or other legal entity, the documents pursuant to which such entity has been established or organized, as such documents may be amended from time to time in accordance with the terms of this Financing Agreement.

“**Permitted Transfer**” has the meaning set forth in the Bond Purchase Agreement.

“**Personal Property**” means all materials, furnishings, fixtures, furniture, machinery, equipment and all items of tangible or intangible personal property now or hereafter owned or acquired by the Borrower in which the Issuer has been or will be granted an interest to secure the obligations of the Borrower under the Loan Documents.

“**Plans and Specifications**” means the plans and specifications for the construction of the Improvements prepared by the Architect.

“**Project Approvals**” means all approvals, consents, waivers, orders, agreements, authorization, permits and licenses required under applicable Legal Requirements or under the terms of any restriction, covenant or easement affecting the Project, or otherwise necessary or desirable for the ownership, acquisition, construction and equipping, use and operation of the Project and the Improvements, whether obtained from a Governmental Authority or any other Person.

“**Project Costs**” means the sum of all Direct Costs and Indirect Costs that will be incurred by the Borrower in connection with the acquisition of the Land and the Improvements, the construction and equipping of the Improvements, the marketing and leasing of leasable space in the Improvements, and the operation and carrying of the Project through Stabilization.

“**Proposed Budget**” means the proposed capital and operating budget for the Project, submitted to the Purchaser for approval.

“**Reserved Rights**” means, the rights of the Issuer hereunder pursuant to Sections 2.3(a), 2.3(b), 2.3(c), 2.3(d), 2.3(e), 2.3(f), 2.3(j), 2.3(k), 3.2(b), 3.2(c), 3.2(d), 3.2(f), 5.3, 5.6, 5.10,

5.13, 5.14, 5.19, 5.25, 6.3(a)(ii), 7.4, 7.8 and 8.15 hereof, which are retained and not assigned to the Trustee pursuant to the Indenture.

“**Resolution**” means the resolution of the Issuer adopted on March ____, 2018, authorizing, among other things, the execution and delivery by the Issuer of the Issuer Documents and the Bonds and the performance of its obligations thereunder.

“**Retainage**” means amounts withheld from advancements of the installments of the purchase price of the Bonds pursuant to Section 4.2.

“**Requisition**” means a requisition in the form attached to this Financing Agreement as **Exhibit D**, together with all invoices, bills of sale, schedules and other submissions required for the making of an advance from the Construction Fund.

“**Subordinate Loan Account**” means the account of that name established within the Construction Fund pursuant to Section 5.05 of the Indenture.

“**Survey**” means an instrument survey of the Land and the Improvements prepared in accordance with the Servicer’s survey requirements, such survey to be reasonably satisfactory to the Servicer in form and substance.

“**Title Insurance Company**” means Fidelity National Title Insurance Company, the issuer of the title insurance policy required by the Purchaser pursuant to Section 3.02(B)(8) of the Bond Purchase Agreement.

“**Title Policy**” means an ALTA standard form title insurance policy issued by the Title Insurance Company for the benefit of the Trustee and the Issuer and, its successors and assigns, as their interests may appear (with such reinsurance or co-insurance as the Servicer may require, any such reinsurance to be with direct access endorsements) insuring the priority of the Security Instrument and that the Borrower holds marketable leasehold title to the Project, subject only to Permitted Encumbrances and such exceptions as the Purchaser may approve, and containing such endorsements and affirmative insurance available in the State of Florida and approved by the Department of Insurance as the Purchaser in its discretion may require.

Section 1.2 Construction. In this Financing Agreement, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Financing Agreement.

(b) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms refer to this Financing Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Financing Agreement.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(d) References in the Indenture to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignation for codification purposes.

ARTICLE II REPRESENTATIONS AND COVENANTS

Section 2.1 Representations by the Issuer. The Issuer makes the following representations as of the date of the execution and delivery of this Financing Agreement as the basis for the undertakings on its part herein contained:

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

(b) The Issuer has the power and lawful authority to adopt the Resolution, to execute and deliver the Issuer Documents, to issue the Bonds and receive the proceeds of the Bonds, to apply the proceeds of the Bonds to make the Loan, to assign the revenues derived and to be derived by the Issuer from the Loan to the Trustee and to perform and observe the provisions of and to enter into the transactions the Issuer Documents and the Bonds on its part to be performed and observed.

(c) The Issuer has duly authorized the execution and delivery of each of the Issuer Documents, the issuance sale and delivery of the Bonds and the performance of the obligations of the Issuer thereunder.

(d) The Issuer Documents and the Bonds have been duly executed and delivered by the Issuer and constitute the legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(e) Neither of the Issuer nor any member, officer or employee of the Issuer has any interest, financial, employment or other, in the Borrower, the Project or the transactions contemplated hereby.

(f) There is no action, suit, proceeding, inquiry or investigation pending against the Issuer 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 territorial jurisdiction of the Issuer 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.

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

Section 2.2 Representations by the Borrower. The Borrower makes the following representations and warranties, and covenants and agrees as follows, as of and from the date of the execution and delivery of this Financing Agreement as the basis for the undertakings on its part herein contained:

(a) The Borrower is, and at all times will be, a limited liability company duly organized, validly existing and in good standing under the laws of the State. The Authorized Member is, and at all times will be, a limited liability company, duly organized, validly existing and in good standing under the laws of the State. Each of the Borrower and its Authorized Member has, and will at all times have, all requisite power to own its property and conduct its business as now conducted and as presently contemplated, to execute and deliver the Loan Documents and its respective Organizational Documents and to perform its duties and obligations hereunder and thereunder.

(b) The execution, delivery and performance of this Financing Agreement and the other Loan Documents and the transactions contemplated hereby and thereby (i) are within the authority of the Borrower, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower and its Authorized Member, (iii) to the Borrower's knowledge do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which the Borrower is subject or any judgment, order, writ, injunction, license or permit applicable to the Borrower, (iv) do not conflict with any provision of the Organizational Documents of the Borrower, and (v) do not require the approval or consent of, or filing with, any governmental agency or authority other than those already obtained (or to be obtained on a timely basis) and the filing of certain of the Loan Documents in the appropriate public records.

(c) The execution and delivery of this Financing Agreement and the other Loan Documents will result in valid and legally binding obligations of the Borrower enforceable against it in accordance with the respective terms and provisions hereof and thereof, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(d) The address of the Borrower's chief executive office and principal place of business is 3225 Aviation Avenue, Suite 602, Coconut Grove, Florida 33133. The organizational identification number for the Borrower is L15000011796. The federal employer identification number for the Borrower is _____.

(e) On the Closing Date, the Borrower will acquire and hold leasehold title to the Land and the Improvements, in each case subject only to the Permitted Encumbrances. The Borrower possesses (or shall possess as and when required), and will at all times possess, all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in

respect of the foregoing, adequate for the conduct of its business substantially as now conducted or as it is intended to be conducted with respect to the Project, without known conflict with any rights of others.

(f) The Borrower is not subject to any charter, membership or other legal restriction, or any judgment, decree, order, rule or regulation that has or is expected in the future to have a materially adverse effect on the business assets or financial condition of the Borrower. The Borrower is not, and will not be, a party to any contract or agreement that has or is expected, in the judgment of the Borrower's Authorized Member, to have any materially adverse effect on the business or financial condition of the Borrower.

(g) The Borrower is not and will not at any time be, in violation of any provision of its Organizational Documents or any agreement or instrument to which it may be subject or by which it or any of its properties may be bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could result in the imposition of substantial penalties or adversely affect the financial condition, properties or business of the Borrower in any material respect.

(h) The Borrower and each Obligor (i) has made or filed, and will make or file in a timely fashion, all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid, and will pay when due, all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings, (iii) if a partnership, limited liability partnership or limited liability company, has, and will maintain, partnership tax classification under the Code, and (iv) has set aside, and will at all times set aside, on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the period to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the Authorized Member of the Borrower knows of no basis for any such claim. The Borrower has filed, and will continue to file, all of such tax returns, reports, and declarations either (x) separately from any Affiliate or (y) if part of a consolidated filing, as a separate member of any such consolidated group.

(i) The Project is located wholly within the State and within the jurisdiction of the Issuer.

(j) None of the Issuer, the Trustee or any director, member, officer or employee of the Issuer or the Trustee has any interest, financial, employment or other, in the Borrower, the Project or the transactions contemplated hereby.

(k) There is no Event of Default on the part of the Borrower or any Obligor under this Financing Agreement or any other Loan Document, the Fee Guaranty and Environmental Indemnity Agreement or any Organizational Document, and no event has occurred and is continuing which after notice or passage of time or both would give rise to a default under any thereof. The Borrower has received no notices of and has no knowledge of any violations of any Borrower Legal Requirements or Project Approvals.

(l) The certifications, representations, warranties, statements, information and descriptions contained in the Loan Documents and in the Borrower's Tax Certificate, as of the date of the first authentication and delivery of the Bonds, are and will be true, correct and complete, do not and will not contain any untrue statement or misleading statement of a material fact, and do not and will not omit to state a material fact required to be stated therein 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 the assumptions contained in the Loan Documents and in the Borrower's Tax Certificate, as of the date of the first authentication and delivery of the Bonds, are reasonable and based on the best information available to the Borrower. Each of the certifications, representations, warranties, statements, information and descriptions contained in the Borrower's Tax Certificate is hereby incorporated into this Financing Agreement by reference, as if fully set forth herein.

(m) The Borrower has furnished to the Issuer in the Borrower's Proceeds Certificate all information necessary for the Issuer to file an IRS Form 8038 with respect to the Bonds, and all of such information is and will be on the date of filing, true, complete and correct.

(n) The Borrower is not contemplating either the filing of a petition by it or by the Authorized Member under any state or federal bankruptcy or insolvency law or the liquidation of all or a major portion of its property, and the Borrower has no knowledge of any Person contemplating the filing of any such petition against it or any Obligor.

(o) The Borrower is not an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets of the Borrower constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

(p) No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other Regulation of such Board of Governors, or for any purpose prohibited by Legal Requirements or any Loan Document.

(q) The Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

(r) The Borrower has not entered into the Loan or any Loan Document with the actual intent to hinder, delay, or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for its obligations under the Loan Documents. To the knowledge of the Borrower, giving effect to the transactions contemplated by the Loan Documents, the fair saleable value of the Borrower's assets exceeds and will, immediately

following the execution and delivery of the Loan Documents, exceed the Borrower's total liabilities, including subordinated, unliquidated, disputed or contingent liabilities. To the knowledge of the Borrower, the fair saleable value of the Borrower's assets is and will, immediately following the execution and delivery of the Loan Documents, be greater than the Borrower's probable liabilities, including maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. To the knowledge of Borrower, the Borrower's assets do not and, immediately following the execution and delivery of the Loan Documents, will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Borrower does not intend to, and does not believe it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

(s) All information regarding the Borrower, the Project and any Obligor delivered to the Issuer, the Trustee and the Purchaser is true and correct in all material respects and all such financial information fairly presents in all material respects the financial condition and results of operations of the Borrower and the other Obligors for the periods to which such financial information relates, and discloses all liabilities and contingent liabilities of the Borrower or the other Obligors.

(t) There are no actions, suits, proceedings or investigations of any kind pending or to the Borrower's knowledge, threatened, against the Borrower, or the Authorized Member before any court, tribunal or administrative agency or board or any mediator or arbitrator that, if adversely determined, might, either in any case or in the aggregate, adversely affect the business, assets or financial condition of the Borrower, or the Authorized Member in any material respect, or result in any liability not adequately covered by insurance, or for which adequate reserves are not maintained on the balance sheet of the Borrower, or the Authorized Member, or which question the validity of this Financing Agreement or any of the other Loan Documents or the Fee Guaranty and Environmental Indemnity Agreement, any action taken or to be taken pursuant hereto or thereto, or any lien or security interest created or intended to be created pursuant hereto or thereto, or which will adversely affect the ability of the Borrower or the Authorized Member to acquire, construct, install, equip, use and occupy the Project or to pay and perform its obligations hereunder in the manner contemplated by this Financing Agreement, any of the other Loan Documents or the Fee Guaranty and Environmental Indemnity Agreement.

(u) All utility services necessary and sufficient for the acquisition, construction, installation and equipping and operation of the Project shall be, upon the Completion Date, and thereafter will at all times be, available through dedicated public rights of way or through perpetual private easements with respect to the Borrower's interest in which the Security Instrument creates a valid and enforceable first priority mortgage lien. The Borrower has obtained, or promptly will obtain, all utility installations and connections required for the operation and servicing of the Project for its intended purposes.

(v) The rights of way for all roads necessary for the full utilization of the Project for its intended purposes have either been acquired by the appropriate Governmental Authority or have been dedicated to public use and accepted by such Governmental Authority. All such roads shall have been completed, and the right to use all such roads, or suitable

substitute rights of way approved by the initial Servicer, shall be maintained at all times for the Project. All curb cuts, driveways and traffic signals shown on the Plans and Specifications are existing or have been fully approved by the appropriate Governmental Authority and after the completion thereof, shall be maintained at all times for the Project.

(w) The acquisition, construction, equipping, use and occupancy of the Project will at times comply with all Borrower Legal Requirements. The Borrower will give all notices to, and take all other actions with respect to, such Governmental Authorities as may be required under applicable Borrower Legal Requirements to construct and equip the Improvements and to use, occupy and operate the Project.

(x) The Borrower has obtained or will obtain all Project Approvals required for the acquisition, construction and equipping of the Project in accordance with the Plans and Specifications. All Project Approvals obtained by the Borrower have been validly issued and are in full force and effect. The Borrower has no reason to believe that any of the Project Approvals required for acquisition, construction and equipping of the Project in accordance with the Plans and Specifications and not heretofore obtained by the Borrower will not be obtained by the Borrower in the ordinary course in order to permit completion of construction and equipping of the Project in accordance with the Plans and Specifications on or before the Completion Date. The Borrower will timely obtain all Project Approvals not heretofore obtained by the Borrower (including those required for use and occupancy of the Project for its intended purpose upon the Completion of the Project and any other Project Approvals which may hereafter become required, necessary or desirable) and will furnish the Servicer with evidence that the Borrower has obtained such Project Approvals promptly upon their receipt. The Borrower will duly perform and comply with all of the terms and conditions of all Project Approvals obtained at any time. No Project Approvals will terminate, or become void or voidable or terminable, upon any sale, transfer or other disposition of the Project, including any transfer pursuant to foreclosure, deed in lieu of foreclosure or exercise of power of sale under the Security Instrument.

(y) The Borrower has furnished the Purchaser with true and complete sets of the Plans and Specifications. The Plans and Specifications so furnished to the initial Servicer comply with all Borrower Legal Requirements, all Project Approvals, and all restrictions, covenants and easements affecting the Project, and have been approved by such Governmental Authority as is required for construction and equipping of the Improvements.

(z) The Budget reflects all Project Costs known to the Borrower as of the date hereof.

(aa) To the knowledge of the Borrower, the Survey delivered to the Purchaser does not fail to reflect any material matter of survey affecting the Project or the title thereto.

(bb) No part of the Land is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazard or to the extent any part of the Land is an area identified as an area having special flood hazard, adequate flood insurance has been obtained by the Borrower.

(cc) The Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which might materially adversely affect the condition (financial or otherwise) or business of the Borrower. There has not been and shall never be committed by the Borrower or any other Person in occupancy of or involved with the operation or use of the Project any act or omission affording any Governmental Authority the right of forfeiture as against the Project or any part thereof any moneys paid in performance of the Borrower's obligations under any Loan Document.

(dd) The Construction Contract and the Architect's Contract are each in full force and effect and each of the parties thereto are in full compliance with their respective obligations thereunder. The work to be performed by the Contractor under the Construction Contract is the work called for by the Plans and Specifications, and all work required to complete the Improvements in accordance with the Plans and Specifications is provided for under the Construction Contract.

(ee) Each Requisition submitted by the Borrower shall contain an affirmation that the foregoing representations and warranties remain true and correct as of the date thereof.

(ff) The Related Persons are not, and to Borrower's knowledge after diligent inquiry, no other Person holding any legal or beneficial interest whatsoever in the Related Persons, directly or indirectly, is included in, owned by, Controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in any list of persons, entities, and governments issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") pursuant to Executive Order 13224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended ("**Executive Order 13224**"), or any similar list issued by OFAC or any other department or agency of the United States of America (collectively, the "**OFAC Lists**").

Section 2.3 Covenants by the Borrower. The Borrower hereby covenants and agrees that, on and after the Closing Date, it will:

(a) Give written notice promptly, and in any event at least thirty (30) days prior to the closing thereof, of any intended refinancing of the Project to the Issuer, the Trustee and the Servicer;

(b) Comply with all Borrower Legal Requirements and promptly furnish the Issuer, the Trustee and the Servicer with reports of any official searches made by any Governmental Authority and any claims of violations thereof;

(c) Upon reasonable written notice and at reasonable times, permit the Servicer, the Majority Owner, the Issuer and the Trustee (or their representatives) to enter upon the Land and inspect the Project;

(d) Indemnify the Issuer, the Trustee, the Owners and the Servicer against claims of brokers (claiming by or through the Borrower) arising by reason of the execution hereof or the consummation of the transactions contemplated hereby;

(e) Deliver to the Servicer and the Issuer copies of all leases (other than leases to residential tenants in the ordinary course of business) with respect to the Project or any portion thereof, whether executed before or after the date of this Financing Agreement;

(f) Not enter into, cancel or amend in any material respect any agreement for the furnishing of management or similar services to the Project, without the prior consent of the Servicer and the Issuer, such consent not to be unreasonably withheld or delayed;

(g) Comply with all restrictions, covenants and easements affecting the Land or the Project;

(h) Take, or require to be taken, such acts as may be required under applicable law or regulation in order that the interest on the Bonds continues to be excludable from gross income for purposes of federal income taxation, and refrain from taking any action which would adversely affect the exclusion from gross income of interest on the Bonds from federal income taxation;

(i) Perform and satisfy all the duties and obligations of the Borrower set forth and specified in the Indenture as duties and obligations of the Borrower, including those duties and obligations which the Indenture requires this Financing Agreement or the other Loan Documents to impose upon the Borrower;

(j) Confirm and assure that the Project, equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination and inspection at reasonable times and upon reasonable notice by the Issuer, the Trustee or the Servicer or the duly authorized agent of any of them and shall keep copies of all written contracts or other instruments which affect the Project, all or any of which shall be subject to inspection and examination by the Issuer, the Trustee, the Servicer or the duly authorized agent of any of them;

(k) Promptly notify the Issuer, the Trustee and the Servicer in writing of any (i) default by the Borrower in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Borrower set forth in this Financing Agreement or any other Loan Documents or (ii) any event or condition which with the lapse of time or the giving of notice, or both would constitute an Event of Default under this Financing Agreement or any other Loan Documents; and commence, pursue and complete construction and equipping of the Improvements as provided herein.

The Borrower acknowledges that, to the extent that regulations of the Comptroller of the Currency or any other applicable regulatory agency require granting the Borrower the right to receive brokerage confirmations of securities transactions as they occur, the Borrower specifically waives the right to receive such confirmations.

**ARTICLE III
LOAN AND PROVISIONS FOR REPAYMENT**

Section 3.1 Issuance of Bonds and Delivery of Notes and other Loan Documents.

(a) In order to finance a portion of the costs of the construction and equipping of the Project, the Issuer has, consistent with its duties and purpose under the Act, issued and caused the Trustee to authenticate and deliver the Bonds to the initial Owner pursuant to the Indenture and as set forth in the Bond Purchase Agreement. The Bonds bear interest and are payable as provided therein and in the Indenture. The Bonds shall mature and all Outstanding principal of, Pre-Conversion Equalization Payments, and interest on the Bonds shall be due and payable in full on the Maturity Date applicable to the Bonds, all as provided more fully in the Bonds and the Indenture.

(b) The Issuer agrees to lend the proceeds received from the sale of the Bonds to the Borrower, by causing such amounts to be deposited directly into the Construction Fund, subject to the terms and conditions of the Indenture, this Financing Agreement and the Bond Purchase Agreement, including the terms and conditions thereof and hereof governing the disbursement of proceeds of the Loan.

(c) Pursuant to the Indenture, the Trustee shall make disbursements from the Construction Fund created pursuant to the Indenture to pay or to reimburse the Borrower for costs of the acquisition, construction, installation and equipping of the Project, subject to the conditions of the Indenture and this Financing Agreement. Upon receipt of a properly signed Requisition approved by the Servicer and the applicable lenders of the Subordinate Loan (with respect to disbursements from the Subordinate Loan Account), the Trustee is authorized to act upon such Requisition without further inquiry, and, except for negligence after notice of facts to the contrary or willful misconduct of the Trustee, the Borrower shall indemnify and hold the Trustee harmless against any and all losses, claims or liabilities incurred in connection with the Trustee's making disbursements from the Construction Fund in accordance with such Requisition. Neither the Trustee nor the Issuer shall be responsible for the application by the Borrower of moneys properly disbursed from the Construction Fund.

(d) Concurrently with the sale and delivery of the Bonds, and to evidence further the obligation to repay the Loan in accordance with the provisions of this Financing Agreement, the Borrower has executed and delivered the Notes and the other Loan Documents.

Section 3.2 Loan Repayments and Other Amounts.

(a) The Borrower shall pay to the Trustee, for deposit into the Revenue Fund, on or before the tenth (10th) day of each month commencing [**December 10, 2018**], an amount equal to the sum of (i) the interest due on the Bonds on said date (after taking into account funds available for such purpose, if any, in the Interest Account of the Revenue Fund), to the extent the Servicer has notified the Trustee that it has directed the Borrower to make interest payments to the Trustee; plus (ii) the principal due on the Bonds on said date, to the extent the Servicer has notified the Trustee that it has directed the Borrower to make principal payments to the Trustee; plus (iii) amounts required to be deposited into the Fee and Expense Account of the Revenue

Fund as required under Section 5.01(b)(i) of the Indenture; plus (iv) to the extent applicable, amounts required to be deposited into the Tax and Insurance Account (pursuant to Section 5.22(b) hereof) of the Revenue Fund as of such date. Amounts so paid to the Trustee by the Borrower shall be in immediately available funds or shall be such that on the Bond Payment Date they are available funds. Additionally, after the deposits to the Revenue Fund the Borrower shall deposit into the designated accounts for the Replacement Reserve and the Operating Reserve any amounts necessary to comply with the provisions of the Replacement Reserve Agreement and the Bond Purchase Agreement. For the avoidance of doubt and as provided in Section 5.01(d) of the Indenture, unless and until the Sole Holder directs the Borrower to make payments of principal, premium, if any, and interest due on the Bonds to the Trustee, the Borrower shall pay all payments of principal, premium, if any, and interest due on the Bonds directly to the Sole Holder. The Servicer shall provide prompt notice to the Trustee as to any amounts deposited with the Servicer to pay debt service on the Bonds.

(b) The Borrower understands that the interest rate applicable under the Notes and with respect to the Bonds is based upon the assumption that interest income paid on the Bonds will be excludable from the gross income of the Owners under Section 103 of the Code and applicable state law. In the event that a Determination of Taxability shall occur, then the interest rate on the Notes and the Bonds, and on all obligations under this Agreement (other than those to which the Taxable Rate applies) shall, effective on the date of such Determination of Taxability (subject to the Borrower's right to contest a determination, as provided in the definition of "Determination of Taxability" in Article I of the Indenture), be increased to a rate equal to the Taxable Rate. The Borrower shall, promptly upon demand from the Servicer and in addition to the other amounts payable as described in this Section 3.2, pay an amount equal to the additional interest payable on the Bonds pursuant to this Section 3.2(b) directly to the Sole Holder, unless and until the Sole Holder directs the Borrower to make payments to the Trustee as described in Section 5.01(d) of the Indenture, in which case the Borrower shall, promptly upon demand from Trustee or the Sole Holder, pay such additional interest payable on the Bonds pursuant to this Section 3.2(b) to the Trustee for deposit into the Revenue Fund. The Borrower shall also indemnify, defend and hold the Owners harmless from any penalties, interest expense or other costs, including reasonable attorneys' fees (including all reasonably allocated time and charges of Owners' and Trustee's "in-house" and "outside" counsel) and accountants' costs, resulting from any dispute with the Internal Revenue Service concerning the proper tax treatment of the Bonds and any interest payable to any Owner with respect to the Bonds. The obligations of the Borrower under this Section 3.2(b) shall survive termination of this Agreement and the Notes and repayment of the Loan. If, following any increase in interest rates pursuant to this Section 3.2(b), a final determination is made, to the satisfaction of the Owners, that interest paid on the Bonds is excludable from the Owners' gross income under Section 103 of the Code and applicable state law, the Owners shall promptly refund to the Borrower any additional interest and other additional amounts paid by the Borrower pursuant to this Section 3.2(b) other than costs, including attorney fees charged the Owner and the Trustee.

(c) The Borrower also agrees to pay all fees, charges and expenses of the Trustee and the Issuer not otherwise described in and paid to the Trustee pursuant to Section 3.2(a)(iii), respectively (including, without limitation, the reasonable, actually incurred fees and expenses of counsel to the Issuer, Bond Counsel and counsel to the Trustee), as and when the same become due. The Borrower and the Trustee are authorized to negotiate a higher annual

administration fee of the Trustee with the written consent or approval of the Issuer. The Borrower also agrees to pay the printing costs of the Bonds, including any certificates required to be prepared for use in connection with any exchanges of Bonds for the cost of which Owners are not liable. The Borrower also agrees to pay any fees or expenses of any Rebate Analyst engaged pursuant to Section 5.18. The Borrower also agrees to pay the Loan Fee to the Purchaser on or before the Closing Date, to pay the fees of the Majority Owner and the Servicer, and to pay all reasonable costs and expenses incurred by the Majority Owner and the Servicer in connection with the administration of the Bonds, the Loan or the collateral therefor, and any amendments, modifications or “workouts” thereof, including without limitation reasonable attorneys’ fees and costs (including allocated costs of in-house attorneys), fees and costs of engineers, accountants, appraisers and other consultants, title insurance premiums and recording costs upon receipt of written demand therefor.

(d) The Borrower agrees to pay all Costs of Issuance (in addition to those Costs of Issuance otherwise required to be paid by this Section 3.2).

(e) The Borrower agrees to pay any Pre-Conversion Equalization Payment at the times and in the amounts the same become payable pursuant to the Indenture.

(f) The Borrower agrees to pay, as and when the same become due, to the Issuer or the Trustee any extraordinary expenses, including, without limitation, any costs of litigation, which may be incurred by the Issuer or the Trustee in connection with this Financing Agreement or the Indenture, including the reasonable, actually incurred costs and fees of any attorneys or other experts retained by the Issuer or the Trustee in connection therewith.

(g) The Borrower agrees to repay the Loan at the times and in the amounts necessary to enable the Trustee, on behalf of the Issuer, to pay all amounts payable with respect to the Bonds, when due, whether at maturity or upon redemption, acceleration, tender, purchase or otherwise. The Borrower may pay or cause to be paid, in immediately available funds, interest, principal and other sums due to the Purchaser directly, all as more fully provided in the Notes and in the Bond Purchase Agreement. The Purchaser will notify the Trustee in writing if it has not received payment from the Borrower.

Section 3.3 Payments Pledged and Assigned. It is understood and agreed that the Loan Documents and certain other documents and property and all payments required to be made by the Borrower pursuant hereto (except payments to be made to the Issuer in respect of its Reserved Rights and payments to be made to the Servicer, the Owners and the Trustee pursuant to Section 3.2(b) hereof) have been assigned to the Trustee simultaneously herewith pursuant to the Indenture as and for security for the Bonds. The Borrower hereby consents to such assignment and recognizes the Trustee as the assignee of the Issuer, to the extent of the assignment, for purposes of said documents and property.

Section 3.4 Obligations of Borrower Hereunder Unconditional. The obligations of the Borrower to make any payments required by the terms of this Financing Agreement and the other Loan Documents, including, without limitation, the payments required in Section 3.2 hereof, and to perform and observe the other agreements on its part contained herein and in the other Loan Documents shall be absolute and unconditional and shall not be subject to any

defense (other than payment) or any right of set-off, counterclaim, abatement or otherwise and, until such time as 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. The Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for herein or in the other Loan Documents, (ii) will perform and observe all of its other agreements contained herein and the other Loan Documents and (iii) will not suspend the performance of its obligations hereunder and under the other Loan Documents for any cause including, without limiting the generality of the foregoing, failure to complete acquisition, construction, installation and equipping of the Project, any acts or circumstances that may constitute failure of consideration, failure of or a defect of title to the Project or any part thereof, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any 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, or 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 Financing Agreement or the other Loan Documents. The Borrower may, at its own cost and expense and in its own name or in the name of the Issuer (provided the Issuer is a necessary party and consents thereto), prosecute or defend any action or proceeding or take any other action involving third persons which the Borrower deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Issuer, subject to the provisions of the Indenture, hereby agrees to cooperate fully with the Borrower and to take all action (at the Borrower's cost and expense) necessary to effect the substitution of the Borrower for the Issuer in any such action or proceeding if the Borrower shall so request.

ARTICLE IV ADVANCES

Section 4.1 Requisition.

(a) At such time as the Borrower shall desire to obtain an advance from the Bond Proceeds Account, Insurance and Condemnation Proceeds Account, Subordinate Loan Account or the Borrower Equity Account of the Construction Fund, the Borrower shall complete, execute and deliver a Requisition to the Servicer. Each Requisition shall be signed on behalf of the Borrower and shall be in the form attached as Exhibit D hereto. The Trustee may rely conclusively on the statements and certifications contained in any Requisition. The Borrower shall not submit any Requisition directly to the Trustee. Each advance from the Bond Proceeds Account, the Insurance and Condemnation Proceeds Account, Subordinate Loan Account or the Borrower Equity Account of the Construction Fund by the Trustee shall be subject to prior approval of the Requisition by the Servicer and, if required, the applicable lender of a Subordinate Loan (with respect to disbursements from the Subordinate Loan Account). Upon approval by all such parties, the Servicer shall forward each Requisition to the Trustee for payment.

(b) Each Requisition shall be delivered to the Servicer and, if required, the applicable lender of a Subordinate Loan not less than ten (10) Business Days prior to the date upon which the advance of the Loan is requested. Each Requisition shall be accompanied by (i) a currently dated and sworn statement and request for partial payment from the General

Contractor on AIA Documents G702 and G703 or their equivalent, or in such other form as may be acceptable to the Servicer, as approved by the Construction Consultant, and accompanied by a waiver of lien from the Contractor in form satisfactory to the Servicer and the Title Company, (ii) such waivers of lien and other documents and instruments as may be requested or required by the Servicer or the applicable lender of a Subordinate Loan with respect to subcontractors and materialmen engaged in the construction of the Improvements or as may be requested or required by the Title Company to induce the Title Company to insure each advance of the Loan against all mechanics' and materialmen's liens for labor furnished and materials supplied in connection with the construction of the Improvements, and (iii) such other information and document as may be requested or required by the Servicer, the applicable lender of a Subordinate Loan or the Construction Consultant. All requisitions shall be approved by the Borrower and recommended for payment by the Construction Consultant.

Section 4.2 Retainage.

(a) Retainage shall be withheld from advancements of the installments of the purchase price of the Bonds by the Purchaser to fund disbursements from the Construction Fund as follows:

(i) 10% of the aggregate construction costs actually incurred by the Borrower for work in place as part of the construction of the first 50% of the Improvements, as verified from time to time by the Construction Consultant, and 0% of the aggregate construction costs actually incurred by the Borrower for work in place as part of the construction of the last 50% of the Improvements, as verified from time to time by the Construction Consultant. It is the intent of this Section 4.2(a)(i) that the total Retainage held upon completion of the construction of the Improvements in accordance with the Plans and Specifications shall be equal to 5.0% of the aggregate construction costs actually incurred by the Borrower for work in place; provided, however, that the Retainage shall in no event be less than the amount actually held back by the Borrower from the Contractor and all subcontractors and materialmen engaged in the construction of the Improvements.

(ii) The monies withheld pursuant to Section 4.2(a)(i) with respect to the site work shall be withheld until such time as the Construction Consultant verifies to the Servicer that the site work has been completed with the balance withheld until such time as the Construction Consultant verifies to the Servicer that the Construction of the Improvements has been completed substantially in accordance with the Plans and Specifications; provided, however, that the Retainage shall in no event be less than the amount actually held back by the Borrower from the Contractor and all subcontractors and materialmen engaged in the construction of the Improvements. The balance of the Retainage withheld shall be advanced and released as provided in paragraph (b) below.

(b) Except as provided below, and provided the Borrower is not otherwise in default in the performance of its obligations under this Agreement or any of the other Loan Documents, the monies withheld pursuant to Section 4.2(a) above shall be advanced to the Borrower within thirty (30) days of the latest to occur of (1) completion of the Project and approval thereof by the Servicer and receipt by the Servicer of a certification from the

Borrower's Architect of substantial completion certifying that the work performed by the Contractor under the Construction Contract is fully complete together with Contractor's certification thereof, including all punchlist items except those punchlist items specified by the Construction Consultant as incomplete and as to which one hundred fifty percent (150%) of the funds reasonably necessary to pay the costs of completion, as determined by the Construction Consultant, have been escrowed with the Servicer or with the Trustee subject to direction from the Servicer; (2) the issuance of a certificate of occupancy or a temporary certificate of occupancy with conditions acceptable to the Servicer in its sole discretion; (3) receipt by the Servicer of an as-built survey of the Project in a form reasonably acceptable to the Servicer; (4) receipt by the Servicer of complete releases, discharges and full and final waivers of lien from all persons and all business entities furnishing labor, material or services; and (5) receipt by the Purchaser of: (A) as-built drawings certified by the Architect and engineer of record; (B) final work approval stickers; (C) executed AIA Form G706 (Contractor's Affidavit of Payment); (D) final change orders updated and revised; (E) AIA Form G704 (Certificate of Substantial Completion), and (F) AIA Form 706a (Contractor's Affidavit of Release of Liens).

(c) Notwithstanding anything to the contrary contained in this Agreement, the Borrower shall have the right to enter into or to authorize the entering into of change orders with respect to the Improvements without obtaining the Servicer's or the Construction Consultant's prior acceptance, provided that (i) no such change order will materially change the gross square feet or the net rentable square feet of space to be contained in the Improvements, or the number of apartment units to be contained in the Improvements, or adversely affect the quality or type of amenities or furnished recreational facilities and ancillary facilities for the Project, or the basic layout of the Improvements, the number of subsidized units or the number of parking spaces to be located on the Premises after completion of construction of the Improvements, or involve the use of materials, furniture, fixtures or equipment which will not be at least equal in quality to the materials, furniture, fixtures and equipment originally specified in or required by the Plans and Specifications, as accepted by the Servicer and the Construction Consultant, or would in the aggregate with all other factors, cause a material increase in the projected Operating Expenses for the Project, (ii) no such change order shall, in a single instance, result in an increase or decrease in the cost of constructing the Improvements of more than \$50,000.00, and (iii) the aggregate cost of all such change orders which have not been accepted by the Servicer and the Construction Consultant shall not, at any given time, result in an increase or decrease in the cost of constructing the Improvements of more than \$100,000.00 in the aggregate, it being agreed that such aggregate \$100,000.00 maximum increase or decrease in the cost of constructing the Improvements as a result of such change orders shall not include the cost of any change order entered into without the prior acceptance of the Servicer and the Construction Consultant pursuant to this paragraph with respect to which the acceptance of the Servicer and the Construction Consultant shall have been subsequently obtained. The Borrower shall also have the right, without obtaining the Servicer's or the Construction Consultant's prior acceptance, to enter into change orders or field changes which do not increase or decrease the cost of constructing the Improvements, provided that the requirements of clause (i) and clause (ii) of the preceding sentence are satisfied with respect thereto. The Borrower shall submit to the Servicer and the Construction Consultant copies of all change orders entered into with respect to the Improvements within fifteen (15) days after the same are entered into and irrespective of whether the same require the prior acceptance of the Servicer and the Construction Consultant pursuant to this Agreement.

ARTICLE V
SPECIAL COVENANTS OF THE BORROWER

Section 5.1 Commencement and Completion of Project. The Borrower will commence construction and equipping of the Improvements within thirty (30) days after the Closing Date, will diligently pursue construction and equipment of the Improvements, will attain completion prior to the Completion Date, and will pay all sums and perform all such acts as may be necessary or appropriate to complete such construction and equipping. The Completion Date will be extended for a period of time equal to the number of days during which the Borrower is prevented from proceeding with the construction of the Improvements by reason of force majeure, provided that (i) no Event of Default shall have occurred and shall be continuing under the Financing Documents, (ii) the aggregate of any such respective extensions of the Completion Date pursuant to the provisions of this section shall in no event be for a period of time in excess of sixty (60) days, (iii) if applicable, the outside date for the completion of the construction of the Improvements as set forth in the Subordinate Loan Documents shall be extended by a period of time equal to the aggregate period of time by which the Completion Date is extended pursuant to this paragraph and the Subordinate Loan Documents shall remain in full force and effect during any such force majeure extension of the Completion Date pursuant to this section, and (iv) the Borrower notifies the Servicer of the events constituting such force majeure within 15 days after the Borrower has knowledge of their occurrence. No extension of the Completion Date pursuant to this section shall be construed as extending the maturity date of the Notes. If the Completion Date is extended by reason of force majeure pursuant to the provisions of this section and if subsequent to such extension the Borrower makes up all or any portion of such force majeure delay, such extension of the Completion Date shall be reduced by the number of days the Borrower is able to make up after the occurrence of such force majeure delay. The term “**force majeure**” as used in this paragraph shall include acts of God, flooding, strikes, lockouts or other labor trouble, materially adverse weather conditions, fire or other casualty, governmental preemption in connection with a national emergency, any rule, order or regulation of any governmental agency or any department or subdivision thereof, or inability to secure materials or labor because of any such emergency, rule, order, regulation, war, civil disturbance or other emergency, cause or event beyond the reasonable control of the Borrower.

Section 5.2 Records and Accounts. The Borrower will (a) keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with Generally Accepted Accounting Principles, which records and books will not be maintained on a consolidated basis with those of any other Person, including any Affiliate of the Borrower and (b) maintain adequate accounts and reserves for all taxes (including income taxes), depreciation and amortization of its properties, contingencies, and other reserves, all of which accounts shall not be commingled with accounts of any other Person, including any or Affiliate of the Borrower.

Section 5.3 Financial Statements and Information.

(a) Borrower. The Borrower will deliver, or cause to be delivered, to the Issuer and the Servicer and, if requested, to the Trustee:

(i) as soon as reasonably practicable and in any event within one hundred twenty (120) days after the end of each fiscal year of the Borrower, beginning with the year ended December 31, 2019, the audited financial statements of the Borrower prepared in accordance with GAAP, and accompanied by an auditor's report prepared without qualification by the Accountant;

(ii) starting ninety (90) days from the time at which leasing of the Project commences to the Conversion Date, as soon as reasonably practicable and in any event within thirty (30) days after the end of each calendar month, (A) monthly operating statements for the Project which include all income and expenses in connection with the Project, (B) a report of monthly rent collections, including a rent roll identifying tenants by name and unit of occupancy, (C) a report detailing the total number of units occupied and vacant as of the end of that calendar month (including a comparison to the budget for that calendar month, the year-to-date occupancy data, and the year-to-date budget) and (D) a reconciliation of Net Operating Income for that calendar month;

(iii) from the Conversion Date to payment in full of the Bonds (whether at maturity, redemption or otherwise):

(A) so long as the Borrower's Debt Service Coverage Ratio has been equal to or greater than 1.05 to 1.00 at all times during the twelve (12) preceding calendar month period, as soon as reasonably practicable and in any event within one hundred twenty (120) days after the end of the fiscal year of the Borrower, (A) a report of annual rent collections, including a rent roll identifying tenants by name and unit of occupancy and (B) a report detailing the total number of units occupied and vacant as of the end of that fiscal year (including a comparison to the budget for that fiscal year).

(B) if the Borrower's Debt Service Coverage Ratio has been less than 1.05 to 1.00 at any time during the twelve preceding calendar month period, as soon as reasonably practicable and in any event within thirty (30) days after the end of each fiscal quarter, (A) quarterly operating statements for the Project which include all income and expenses in connection with the Project, (B) a report of quarterly rent collections, including a rent roll identifying tenants by name and unit of occupancy, (C) a report detailing the total number of units occupied and vacant as of the end of that fiscal quarter (including a comparison to the budget for that fiscal quarter, the year-to-date occupancy data, and the year-to-date budget) and (D) a reconciliation of Net Operating Income for that fiscal quarter. Quarterly reporting shall continue until such time as the Debt Service Coverage Ratio exceeds 1.05 to 1.00 for the twelve (12) consecutive calendar month period.

(iv) At the request of the Issuer, as soon as reasonably practicable and in any event within thirty (30) days after filing the same, copies of filed federal income tax returns and any extensions thereof.

(v) The Borrower hereby covenants that, if the Borrower's Debt Service Coverage Ratio is less than 1.05 to 1.00 for a period of six (6) consecutive calendar months, then the Borrower shall not make any distributions to its members until

such time as the Borrower's Debt Service Coverage Ratio has been equal to or greater than 1.05 to 1.00 for a period of twelve (12) consecutive calendar months.

(b) Individual Guarantor. The Individual Guarantor will deliver, or cause to be delivered, to the Servicer and if requested, to the Issuer and Trustee during the Construction Term, on a semi-annual basis, by the last day of April and October each year during the Construction Term, beginning with the year ended December 31, 2018, the Individual Guarantor's personal financial statements certified by the Individual Guarantor to be true, correct and complete.

(c) Entity Guarantors. During the Construction Term, each Entity Guarantor will deliver, or cause to be delivered, to the Servicer and if requested, the Trustee:

(i) as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year during the Construction Term, commencing with fiscal year ending [**December 31, 2018**], financial statements for each Entity Guarantor (except the Authorized Member) and financial statements for the Contractor, in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") except for the omission of accounts of variable interest entities in which the Company holds a variable interest and is the primary beneficiary and reviewed by an independent certified public accountant, and otherwise in form and content reasonably acceptable to the Servicer;

(ii) upon the request of the Servicer, within thirty (30) days after filing same, copies of the signed federal income tax returns (with all K-1s, if any, and other forms and supporting schedules attached) and any extensions thereof) for each Entity Guarantor and the Contractor.

All financial statements shall be in form and detail satisfactory to the Issuer, the Servicer and the Trustee.

Notwithstanding the requirements of this Section 5.3, the Trustee does not have any duty to review such financial statements and information, is not considered to have notice of the content of such statements or a default based on such content and does not have a duty to verify the accuracy of such financial statements and information.

Section 5.4 Insurance.

(a) The Borrower will obtain and maintain insurance with respect to the Project and the operations of the Borrower as reasonably required from time to time by the Servicer. The initial insurance requirements are set forth in the Security Instrument. All renewal policies, with premiums paid, shall be delivered to the Servicer at least thirty (30) days before expiration of the existing policies. If any such insurance shall expire or be canceled, or become void or voidable by reason of the breach of any condition of coverage, or if the Servicer determines that any coverage is unsatisfactory by reason of the failure or impairment of the capital of any insurance carrier, or if any insurance is unsatisfactory to the Servicer, in its

reasonable judgment, the Borrower shall promptly place new insurance satisfactory to the Servicer.

(b) The Borrower will provide the Trustee and the Servicer with certificates evidencing such insurance upon the request of the Servicer.

(c) If the Borrower fails to provide, maintain, keep in force or deliver to the Servicer the policies of insurance and certificates required by this Financing Agreement and the Bond Purchase Agreement, the Servicer may (but shall have no obligation to) procure such insurance, and the Borrower will pay all premiums thereon promptly on demand by the Servicer, and until such payment is made by the Borrower, the amount of all such premiums shall bear interest at the Alternative Rate.

Section 5.5 Liens and Other Charges. The Borrower will duly pay and discharge, cause to be paid and discharged, or provide a bond satisfactory to the Servicer to pay or discharge, before the same shall become overdue all claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon any of its property.

Section 5.6 Inspection of Project and Books, Appraisals.

(a) The Borrower shall permit the Issuer, the Trustee and the Servicer upon reasonable notice at reasonable times, at the Borrower's cost and expense, to visit and inspect the Project and all materials to be used in the acquisition, construction, installation and equipping thereof and will cooperate with the Issuer, the Trustee, and the Servicer during such inspections (including making available working drawings of the Plans and Specifications); provided that this provision shall not be deemed to impose on the Issuer, the Trustee, and the Servicer any obligation to undertake such inspections.

(b) The Borrower shall permit the Issuer, the Trustee, and the Servicer, upon reasonable written notice at reasonable times, at the Borrower's cost and expense, to examine the books of account of the Borrower and the Project (and to make copies thereof and extracts therefrom) and to discuss the affairs, finances and accounts of the Borrower and the Project with, and to be advised as to the same by, its officers, members, or trustees, all at such reasonable times and intervals as the Issuer, the Trustee, and the Servicer may reasonably request; provided that so long as no Default or Event of Default shall have occurred and be continuing, the Borrower shall only be obligated to pay the expenses associated with one (1) such investigation during any twelve (12) month period.

(c) The Servicer shall have the right to obtain from time to time, at the Borrower's cost and expense, updated Appraisals of the Project; provided that so long as no Default or Event of Default shall have occurred and be continuing, the Borrower shall only be obligated to pay for the costs and expenses associated with one (1) appraisal until the commencement of the Permanent Term. During the Permanent Term, the Borrower's obligations to pay for the costs and expenses of an Appraisal shall be limited to circumstances in which it is required by law or regulation or in the case of an Event of Default.

(d) The costs and expenses incurred by the Issuer, the Trustee, and the Servicer in obtaining such Appraisals or performing such inspections shall be paid by the

Borrower promptly upon billing or request by the Issuer, the Trustee or the Servicer, as applicable, for reimbursement.

Section 5.7 Compliance with Laws, Contracts, Licenses, and Permits. The Borrower will comply with (a) all Borrower Legal Requirements, (b) the provisions of its Organizational Documents, (c) all applicable decrees, orders and judgments, and (d) all licenses and permits required by applicable laws and regulations for the conduct of its business or the ownership, use or operation of its properties, including all Project Approvals.

Section 5.8 Use of Proceeds. In accordance with the Budget, the Borrower will use the proceeds of the Bonds solely for the purpose of paying for Qualified Costs of the Project in a manner consistent with the requirements of Sections 42(b) and 142(a) of the Code.

Section 5.9 Borrower to Pay Excess Project Costs. If at any time, the Servicer shall in its sole discretion determine that the remaining undisbursed portion of the Construction Fund, the balance of the Loan to be advanced, the amount of proceeds from the Subordinate Loans, and any other sums previously deposited or to be deposited by the Borrower in connection with the Project, is or will be insufficient to complete the acquisition, construction, installation and equipping of the Improvements in accordance with the Plans and Specifications, to operate and carry the Project after Completion until the satisfaction of Conditions to Conversion (as defined in the Indenture) have been satisfied, to pay all other Project Costs, to pay all interest accrued or to accrue on the Bonds from and after the date hereof to the Conversion Date, and to pay all other sums due or to become due under the Loan Documents (or any budget category or line item), regardless of how such condition may be caused, the Borrower will, within ten (10) days after written notice of such determination from the Servicer, deposit with the Trustee in the Borrower Equity Account such sums of money in cash as the Servicer may require, in an amount sufficient to remedy the condition described in such notice, and sufficient to pay any liens for labor and materials alleged to be due and payable at the time in connection with the Improvements, and, at the Servicer's direction, no further disbursements from the Construction Fund shall be made by the Trustee until the provisions of this Section have been fully complied with. All such deposited sums shall constitute additional security under the Loan Documents and, prior to the occurrence of a Default, shall be disbursed by the Trustee in the same manner as disbursements under the Indenture before any further disbursements from the Construction Fund shall be made by the Trustee. Notwithstanding the above, in the event amounts deposited hereunder are actually in excess of the amount necessary to achieve Completion, such excess amounts shall be returned to the Borrower in accordance with Section [5.05(c)] of the Indenture.

Section 5.10 Laborers, Subcontractors and Materialmen. The Borrower will furnish to the Issuer, the Trustee, or the Servicer, upon reasonable request, and from time to time, affidavits listing all laborers, subcontractors, materialmen, and any other Persons who might or could claim statutory or common law liens and are furnishing or have furnished labor or material to the Project or any part thereof, together with affidavits, or other evidence satisfactory to the requesting party, showing that such parties have been paid all amounts then due for labor and materials furnished to the Project. The Borrower will also furnish to the Issuer, the Trustee, and the Servicer, at any time and from time to time upon reasonable request by the Issuer, the Trustee, or the Servicer, lien waivers bearing a then current date and prepared on a form

satisfactory to the Issuer, the Trustee, or the Servicer from the Contractor and such subcontractors or materialmen as the Issuer, the Trustee, or the Servicer may designate.

Section 5.11 Further Assurance of Title. If at any time the Servicer has reason to believe that any disbursement from the Construction Fund is not secured or will or may not be secured by the Security Instrument as a first priority leasehold mortgage lien and security interest on the Property, then the Borrower shall, within ten (10) days after written notice from the Servicer, do all things and matters necessary, to assure to the satisfaction of the Servicer that any disbursement from the Construction Fund previously made hereunder or to be made hereunder is secured or will be secured by the Security Instrument as a first priority mortgage lien and security interest on the Property, and the Servicer, at their option, may decline to approve any further Requisitions until the Servicer, as applicable have received such assurance. Nothing in this Section shall limit the right of the Servicer, at the Borrower's expense, to order searches of title from time to time and to require bringdowns or endorsements extending the effective date of the Title Policy in connection with the making of advances as herein set forth.

Section 5.12 Publicity. The Borrower will permit the Servicer to obtain publicity in connection with the construction, installation and equipping of the Improvements through press releases and participation in such events as ground breaking and opening ceremonies and placement of signs on the Land.

Section 5.13 Further Assurances.

(a) **Regarding Construction.** The Borrower will furnish or cause to be furnished to the Issuer, the Trustee, and the Servicer all instruments, documents, boundary surveys, footing or foundation surveys, certificates, plans and specifications, title and other insurance, reports and agreements and each and every other document and instrument required to be furnished by the terms of this Financing Agreement or the other Loan Documents, all at the Borrower's expense.

(b) **Regarding Preservation of Collateral.** The Borrower will execute and deliver to the Issuer, the Trustee, and the Servicer such further documents, instruments, assignments and other writings, and will do such other acts necessary or desirable, to preserve and protect the collateral at any time securing or intended to secure the obligations of the Borrower under the Loan Documents, as the Issuer, the Trustee, and the Servicer may require.

(c) **Regarding this Financing Agreement.** The Borrower will cooperate with, and will do such further acts and execute such further instruments and documents as the Issuer, the Trustee, and the Servicer shall reasonably request to carry out to their satisfaction the transactions contemplated by this Financing Agreement and the other Loan Documents.

(d) **Operating Accounts.** All operating accounts (including the Construction Fund) will be established and maintained with the Purchaser so long as the Bonds remaining outstanding and the Purchaser is a holder of all or a portion of the Bonds.

Section 5.14 Notices. The Borrower will promptly notify the Issuer, the Trustee, and the Servicer in writing of (i) the occurrence of any Default or Event of Default or event which, with the giving of notice or the passage of time, or both, would constitute a Default or Event of

Default; (ii) the Borrower's receipt of notice from any Governmental Authority of any alleged violation of environmental laws or regulations or other Borrower Legal Requirements; (iii) any labor problems with respect to the Borrower or the Project, (iv) the occurrence of any other event which would have a material adverse effect on the Project or the business or financial condition of the Borrower; or (v) the receipt by the Borrower of any notice of default or notice of termination with respect to any contract or agreement relating to the ownership, acquisition, construction, installation, equipping, operation, or use of the Project.

Section 5.15 Solvency; Adequate Capital. The Borrower will:

(a) Remain solvent and pay all of its Indebtedness from its assets as the same become due; and

(b) Maintain adequate capital for the normal obligations reasonably foreseeable for a business of its size and character and in light of its contemplated business operations.

Section 5.16 Management Contract.

(a) At all times during the term of this Financing Agreement following Completion, the Project shall be managed pursuant to a management contract with the Manager, which contract shall be terminable with or without cause by the Borrower or its successors as owners of the Project and shall otherwise be in form and substance satisfactory to the Servicer. Subject to paragraph (c) below, the Borrower acknowledges that the Issuer, the Trustee and the Servicer will rely on the Manager's experience in operating properties such as the Project as a means of maintaining the value of the collateral. In connection with the approval of the Manager, or any replacement management company:

(i) the Manager or holder of the stock, membership, or partnership interest therein, shall be a Person whose character, financial strength, stability and experience is acceptable to the Servicer and who shall have experience managing properties of a type and size reasonably similar to the Project;

(ii) the Manager shall deliver all organizational documentation and other materials evidencing its experience acceptable to the Servicer; and

(iii) the terms of any management contract shall be reasonably acceptable to the Servicer in all respects.

(b) The Borrower shall, from time to time, obtain from the Manager such certificates of estoppel with respect to compliance by the Borrower with the terms of the management contract as may be requested by the Servicer and the Trustee.

(c) The Project will be managed by the Manager pursuant to the Management Agreement. The Borrower acknowledges and agrees that the Trustee, as mortgagee under the Security Instrument, is and shall be a third-party beneficiary of the Management Agreement and any replacement management agreement. Any amendment to the Management Agreement or delivery of a replacement management agreement must be approved in writing by the Servicer.

In the event of the change of the Manager, the Borrower shall also provide the Issuer and the Trustee with evidence of approval by the Florida Housing Finance Corporation.

Section 5.17 Negative Covenants of the Borrower. The Borrower covenants and agrees that, so long as the Loan is outstanding:

(a) Restrictions on Easements and Covenants. Except for Permitted Encumbrances and matters permitted by Section 5.17(d), the Borrower will not create or suffer to be created or to exist any easement, right of way, restriction, covenant, condition, license or other right in favor of any Person which affects or might affect title to the Project or the use and occupancy of the Project or any part thereof without obtaining the prior written consent of the Servicer, which shall not be unreasonably withheld or delayed so long as the proposed action is necessary for the operation of the Project for the purposes contemplated hereby and the proposed action does not materially impair the validity or priority of the lien of the Security Instrument.

(b) No Amendments, Terminations or Waivers. Neither the Borrower nor the Authorized Member shall amend, supplement terminate or otherwise modify or waive any provision of its Organizational Documents, the documents evidencing the Subordinate Loans or any documents relating to the contribution of equity by the members of the Borrower in a manner that would have a material adverse effect on the Issuer or the Owners without obtaining the prior written consent of the Servicer.

(c) Restrictions on Indebtedness. Without obtaining the prior written consent of the Servicer, the Borrower will not create, incur, assume, guarantee or be or remain liable, contingently or otherwise, with respect to any Indebtedness other than:

(i) Indebtedness arising under the Loan Documents;

(ii) Indebtedness arising in connection with the Subordinate Loans;

(iii) current liabilities of the Borrower relating to the Project, incurred in the ordinary course of business but not incurred through (A) the borrowing of money, or (B) the obtaining of credit except for credit on an open account basis customarily extended and in fact extended in connection with normal purchases of goods and services; and

(iv) Indebtedness relating to the Project, in respect of taxes, assessments, governmental charges or levies and claims for labor, materials and supplies to the extent that payment therefor shall not at the time be required to be made.

(d) Restrictions on Liens. The Borrower shall not subject the Project, or permit the Project to be subjected, to any Lien or encumbrance except for Permitted Encumbrances.

(e) Transfers. Transfers of membership interests in the Borrower without the consent of the Issuer shall be limited to Permitted Transfers.

(f) Merger, Consolidation, Conversion and Disposition of Assets.

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

(ii) The Borrower will not convert into any other type of entity.

(iii) 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, assignment for the benefit of creditors or similar proceedings.

(g) Sale and Leaseback. 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.

(h) Preservation of Tax Exemption. 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.

Section 5.18 Arbitrage and Tax Matters. [Vanessa To Review]

(a) The Borrower hereby represents, warrants and agrees that all certifications and representations of fact made by the Borrower in the Borrower's Tax Certificate are true, accurate and complete in all material respects of the date on which executed and delivered.

(b) The Borrower covenants not to cause or direct any moneys on deposit in any fund or account to be used in a manner which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code, and the Borrower certifies and covenants to and for the benefit of the Issuer and the Owners of the Bonds that so long as there are any Bonds Outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. In furtherance of the foregoing, the Borrower covenants to comply with the terms and conditions of Borrower's Tax Certificate and to pay when due any amount required to be paid to the United States in accordance with Borrower's Tax Certificate and this Financing Agreement.

(c) At any time when any amount required to be paid under Section 148(f) of the Code (the "**Rebate Regulations**") is due, the Borrower shall pay to the United States on behalf of the Issuer the full amount then required to be paid under the Rebate Regulations (the "**Rebate Requirement**"). Within sixty (60) days after the Bonds have been paid in full, the Borrower shall pay to the United States on behalf of the Issuer the full amount then required to be paid under the Rebate Regulations. Each such payment shall be made to such location specified by the Internal Revenue Service, accompanied by a Form 8038-T (or other appropriate information reporting form) prepared by the Borrower. No later than fifteen (15) days prior to each date on which a payment could become due under the Rebate Regulations ("**Rebate Payment Date**"), the Borrower shall deliver to the Issuer and the Trustee (unless the Trustee is serving as Rebate Analyst) a certificate of a Rebate Analyst either summarizing the

determination that no amount is required to be paid or specifying the amount then required to be paid, if the certificate specifies an amount to be paid, (A) such certificate shall be accompanied by a completed Form 8038-T, which is to be signed by an Authorized Representative of the Issuer, and shall include a certification by the Borrower that the Form 8038-T is accurate and complete, and (B) no later than ten (10) days after the Rebate Payment Date, the Borrower shall furnish to the Issuer and the Trustee a certificate stating that such amount has been timely paid. This Section 5.18(c) shall be construed so as to cause compliance with the Rebate Regulations. The Borrower covenants that all action taken under this Section 5.18(c) shall be taken in a manner that complies with the Rebate Regulations and that it shall neither take any action nor omit to take any action that would cause the Bonds to be “arbitrage bonds” by reason of the failure to comply with the Rebate Regulations. To the extent that any payment of rebatable arbitrage or penalty in lieu of rebate is not timely made to the United States, the Borrower shall pay to the United States on behalf of the Issuer any correction amount, interest, penalty or other amount necessary to prevent the Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code. The Borrower covenants that, to the extent necessary, it shall obtain the advice and assistance of a Rebate Analyst to aid it in complying with the Rebate Regulations.

Section 5.19 Indemnification.

(a) The Borrower hereby releases the Issuer, the Trustee, and the Servicer (including any Person at any time serving as a member, employee, officer, trustee, official or agent of any thereof) from and agrees that the Issuer, the Trustee, and the Servicer (including any Person at any time serving as a member, employee, officer, trustee, official or agent of any thereof) shall not be liable for, and to the maximum extent permitted by law, agrees to indemnify and hold the Issuer, the Trustee, and the Servicer (including any Person at any time serving as a member, employee, officer, trustee, official or agent of any thereof) harmless from: (i) any liability for any loss or damage to property or any injury to, or death of, any Person that may be occasioned by any cause whatsoever pertaining to the Project, (ii) any liabilities, losses or damages, or claims therefor, and expenses (including reasonable attorneys’ fees actually incurred), arising out of or in connection with the Indenture or any Loan Document or any of the transactions contemplated hereby or thereby or failure on the part of the Borrower to comply with any law, regulation or ordinance affecting the Project and (iii) any liabilities, losses or damages, or claims therefor, arising out of or in connection with the issuance, sale and public or other offering or remarketing of the Bonds, including, in each such case, reasonable attorneys’ fees actually incurred, except for any such liabilities, losses or damages, or claims therefor resulting from information provided by the Issuer, the Trustee, or the Servicer, as the case may be, in connection with the issuance, sale and public or other offering or remarketing of the Bonds which proves to have been materially incorrect or misleading when provided or any act of negligence or willful misconduct by such Person. If any such claim is asserted, any Person indemnified herein will give prompt notice to the Borrower and will cooperate with the Borrower in the investigation and defense of any such claim, and the Borrower will assume the defense thereof by engaging counsel approved by the indemnified party (which approval shall not be unreasonably withheld). In the event the indemnified party reasonably determines that there exists a conflict of interest between counsel’s representation of the Borrower and its own representation in any such action or proceedings, the indemnified party shall have the right to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses actually

incurred by such separate counsel. During the pendency of litigation with respect to any claim which would have a material adverse effect on the financial condition of the Borrower or the Project, Borrower shall at its cost post such bond or other security as the Issuer, the Trustee, or the Servicer or any individual indemnified hereunder may reasonably require with respect to any such claim. This indemnification covenant shall survive repayment of the Loan and the Bonds and the termination of this Financing Agreement and the Indenture.

(b) The Borrower agrees to indemnify and hold harmless the Issuer, the Trustee, and the Servicer from and against any and all claims, actions and suits, and from and against any and all liabilities, losses, damages and expenses of every nature and character arising out of this Financing Agreement, the Indenture or any of the other Loan Documents or the transactions contemplated hereby and thereby including, without limitation, (i) any brokerage, leasing, finder's or similar fees, (ii) any disbursement of the proceeds of any of the Bonds, (iii) any condition of the Project whether related to the quality of construction or otherwise, (iv) any actual or proposed use by the Borrower of the proceeds of the Bonds, (v) any actual or alleged violation of any Borrower Legal Requirements or Project Approvals, or (vi) any Obligor's entering into or performing this Financing Agreement or any of the other Loan Documents, in each case including reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding except for any act of negligence or willful misconduct by the Person. If any such claim is asserted, any Person indemnified herein will give prompt notice to the Borrower and will cooperate with the Borrower in the investigation and defense of any such claim, and the Borrower will assume the defense thereof by engaging counsel approved by the indemnified party (which approval shall not be unreasonably withheld). In the event the indemnified party reasonably determines that there exists a conflict of interest between counsel's representation of the Borrower and its own representation in any such action or proceedings, the indemnified party shall have the right to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses actually incurred by such separate counsel. During the pendency of litigation with respect to any claim which would have a material adverse effect on the financial condition of the Borrower or the Project, Borrower shall at its cost post such bond or other security as the Issuer, the Trustee, or the Servicer or any individual indemnified hereunder may reasonably require with respect to any such claim. The obligations of the Borrower under this Section shall survive the termination of this Financing Agreement and the Indenture and the repayment of the Loan and the Bonds. If, and to the extent that the obligations of the Borrower under this Section are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law.

(c) Notwithstanding anything in this Section 5.18 to the contrary, solely with respect to Borrower's obligation to pay principal and interest due on the Bonds as set forth in Section 3.2, recourse under this Section 5.18 shall be limited to the assets of the Borrower that are the security from time to time provided with respect to the Notes and this Financing Agreement; provided, however, nothing herein contained shall limit or be construed to limit or impair the enforcement against the Project or any other additional security as may from time to time be given to the beneficiary hereof as security for the performance of this Financing Agreement, the Security Instrument, the Regulatory Agreement, the Borrower's Tax Certificate, the Notes, or any other instrument now or hereafter securing the Notes or this Financing

Agreement, or the rights and remedies of the Trustee or the beneficiary, its successors and assigns, under this Financing Agreement, the Security Instrument, the Regulatory Agreement, the Tax Agreement or the Notes or any other instruments.

Section 5.20 Agreements Between Borrower and its Affiliates. Except for the Development Agreement, the Construction Contract, and the Management Agreement, the Borrower shall not enter into any agreement, written or otherwise, directly or indirectly relating to the Project with an Affiliate of the Borrower without the prior written consent of the Servicer.

Section 5.21 Sale of Bonds and Securitization.

(a) At the request of the Servicer, the Borrower shall take such actions and execute and deliver such documents and data as may be reasonably necessary or appropriate in connection with the sale of the Bonds or participation therein or any securitization (such sale and/or securitization, the “**Securitization**”) of single or multi-class securities (the “**Securities**”) secured by or evidencing ownership interests in the Bonds. Without limiting the generality of the foregoing, the Borrower shall to the extent within its control:

(i) provide financial and other information with respect to the Project, the Borrower and its Affiliates, the Manager and any tenants of the Project and provide business plans and budgets relating to the Project;

(ii) perform or permit or cause to be performed or permitted such site inspection, appraisals, market studies, environmental reviews and reports (Phase I and, if appropriate, Phase II), engineering reports and other due diligence investigations of the Project, as may be reasonably requested by the Servicer or the nationally recognized rating agency or agencies selected by the Servicer (herein, the “**Rating Agencies**”) or as may be necessary or appropriate in connection with the Securitization (the items provided to the Servicer pursuant to this paragraph (a) being called the “**Provided Information**”), together, if customary, with appropriate verification of and/or consents to the Provided Information through letters of auditors or opinions of counsel of independent attorneys acceptable to the Servicer and the Rating Agencies;

(iii) cause counsel to render opinions as to non-consolidation, fraudulent conveyance, true sale and true contribution and any other opinion customary in securitization transactions with respect to the Project, the Borrower and its Affiliates, which counsel and opinions shall be satisfactory to the Servicer and the Rating Agencies;

(iv) make such representations and warranties as of the closing date of the Securitization with respect to the Project, the Borrower and the Loan Documents as are customarily provided in securitization transactions and as may be reasonably requested by the Servicer or the Rating Agencies and consistent with the facts covered by such representations and warranties as they exist on the date thereof, including the representations and warranties made in the Loan Documents;

(v) provide current certificates of existence with respect to the Borrower from appropriate Governmental Authorities; and

(vi) execute such amendments to the Loan Documents and the Organizational Documents of the Borrower as may be reasonably requested by the Servicer or the Rating Agencies or otherwise to effect the Securitization; provided such amendments do not increase the amount of the Loan, increase the interest rate or shorten the term or amortization of the Loan.

(b) All reasonable third party costs and expenses incurred by the Borrower solely in connection with the Borrower's complying with requests made under this Section 5.21 shall promptly be paid or caused to be paid by the Servicer. The Borrower shall not be liable for third party costs or expenses incurred by the Servicer in connection with the Securitization.

(c) The Borrower understands that certain of the Provided Information may be included in disclosure documents in connection with the Securitization, including a prospectus or private placement memorandum (each, a "**Disclosure Document**") and may also be included in filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), or the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies, and service providers relating to the Securitization. In the event that the Disclosure Document is required to be revised prior to the sale of all Securities, the Borrower shall at the request of the Servicer, cooperate with the Servicer in updating the Provided Information for inclusion or summary in the Disclosure Document by providing all current information pertaining to the Borrower and the Project necessary to keep the Disclosure Document accurate and complete in all material respects with respect to such matters.

(d) In connection with a preliminary and a final private placement memorandum or prospectus, as applicable, the Borrower agrees if requested by the Servicer or the Issuer, to certify in writing that the Borrower has examined those portions of such memorandum or prospectus, as applicable, pertaining to the Borrower and the Project and such sections (and any other sections reasonably requested and pertaining to Borrower and the Project) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which they were made, not misleading.

(e) The Borrower's liability under this Section 5.20 shall be limited to liabilities arising out of or based upon any such material untrue statement or omission made with knowledge thereof and made therein in reliance upon and in conformity with information furnished to the Servicer by or on behalf of the Borrower in connection with the preparation of those portions of the Disclosure Document pertaining to the Borrower or the Project or in connection with the underwriting of the debt, including financial statements of the Borrower, operating statements, rent rolls, environmental site assessment reports and property condition reports with respect to the Project.

(f) The Issuer shall have no responsibility or liability for the Disclosure Document or its contents. Notwithstanding the foregoing any information in the Disclosure Document concerning the Issuer, its operations, or its professional staff must be approved by the Issuer.

(g) Any sale of the Bonds pursuant to this Section 5.20 shall be subject to compliance of Section 3.09(f) or 3.09(g) of the Indenture.

Section 5.22 Funds.

(a) Capital Expenditures shall be administered by the Servicer in accordance with the Replacement Reserve Agreement.

(b) Borrower shall provide to the Trustee and the Servicer, promptly following the Borrower's receipt thereof, copies of all bills received by the Borrower for real property taxes for the Property and for the premiums on the insurance policies required to be maintained pursuant to the Loan Documents. On each Payment Date, beginning with the first month after the Conversion Date if not collected and held by the Servicer under the Servicing Agreement, the Borrower shall deposit funds into the Tax and Insurance Account of the Revenue Fund in an amount equal to one-twelfth (1/12) of the amount required to be payable during the current year for real estate taxes and insurance premiums with respect to the Project, as indicated by the current bills. If, one month prior to the due date of any aforementioned obligations, the amounts then on deposit shall be insufficient for the payment of such obligation in full, the Borrower shall deposit with the Trustee the amount of the deficiency within ten (10) days after demand from the Trustee or the Servicer. Amounts held in the Tax and Insurance Account of the Revenue Fund shall be applied by the Trustee to the payment of real estate taxes and insurance premiums on or before the respective dates on which the same or any of them would become delinquent.

(c) To the extent that the Effective Gross Income is insufficient to pay Operating Expenses and/or the amount necessary to pay principal and interest on the Bonds as required pursuant to Section 3.2, the Borrower may request disbursement of the Operating Reserve in the manner provided in **Section [7.4(B)]** of the Operating Agreement for payment of such Operating Expenses and debt service on the Bonds, subject to the prior consent of the Equity Investor. Following receipt of any such request and the express written approval of the Equity Investor, such sums shall be disbursed from the Operating Reserve in the manner provided in Section **[7.4(B)]** of the Operating Agreement.

Section 5.23 Covenants Regarding Tax Credits. The Borrower hereby agrees to comply with all of the following covenants (each, a "**Tax Credit Covenant**"):

(a) To observe and perform all obligations imposed on the Borrower in connection with the Tax Credits, including the obligation to have the Project "placed in service" (within the meaning given in Section 42 of the Code) in a timely manner, and to operate the residential units of the Project, and to use the Borrower's best efforts to cause all appropriate parties to operate the same, in accordance with all requirements, statutes, and regulations governing the Tax Credits;

(b) To preserve at all times the allocation and availability of the Tax Credits;

(c) Not to release, forego, alter, amend, or modify its rights to the Tax Credits without the Servicer's prior written consent, which the Servicer may give or withhold in the Servicer's reasonable discretion;

(d) Not to execute any residential lease of all or any portion of the Project which does not comply fully with all requirements, statutes, and regulations governing the Tax Credits, without the Servicer's prior written consent, which the Servicer may give or withhold in the Servicer's sole and absolute discretion;

(e) To cause to be kept all records, and cause to be made all elections and certifications, pertaining to the number and size of apartment units, occupancy thereof by tenants, income level of tenants, set-asides for low-income tenants, and any other matters now or hereafter required to qualify for and maintain the Tax Credits in connection with the occupancy of the Project;

(f) To comply with the appropriate minimum low-income set-aside requirements under the Code or applicable federal regulations (the "**Federal Laws**") and all laws and regulations of the State (the "**State Laws**") applicable to the creation, maintenance and continued availability of the Tax Credits;

(g) To certify compliance with the set-aside requirements and report the dollar amount of qualified basis and maximum applicable percentage, date of placement in service and any other information required for the Tax Credits at such time periods as required by Federal Laws or State Laws for such Tax Credits;

(h) To set aside the appropriate number of units for households with incomes meeting the required standards of the median income of the county in which the Project is located to qualify for the Tax Credits (as determined pursuant to Section 42 of the Code and/or State Laws), adjusted for family size, and to operate and maintain all such units as "low-income units" qualifying for the Tax Credits under Section 42(i)(3) of the Code and/or State Laws;

(i) To exercise good faith in all activities relating to the operation and maintenance of the Project in accordance with the requirement of Federal Laws and State Laws; and

(j) To promptly deliver to the Servicer true and correct copies of all notices or other documents or communications received or given by the Borrower with regard to or relating in any way to the Borrower's membership interests and/or the Tax Credits. Promptly upon receipt thereof, the Borrower shall deliver to the Servicer a copy of (i) the fully-executed allocation and final reservation of Tax Credits for the Project; (ii) if requested by the Servicer, the cost certification (as required by Section 42 of the Code) for the Project (including a certificate of the Borrower's accountant or attorneys if requested by the Servicer); and (iii) the fully-completed Form 8609 (required by the Code) issued for the Project. The Borrower shall deliver promptly to the Servicer such other certificates, income certificates, reports and information as the Servicer may reasonably request.

The Borrower understands and acknowledges that the Purchaser is purchasing the Bonds based, in part, upon the value of the Tax Credits, and the Tax Credits, directly or indirectly, constitute part of Trustee's security on behalf of the Owners of the Bonds, for the obligations of the Borrower in connection with the Loan. The Borrower agrees to indemnify, defend, and hold the Servicer and the Owners harmless for, from, and against any and all actions, suits, claims,

demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the Borrower's failure to comply with one or more Tax Credit Covenants, excepting those arising out of, or resulting, solely from the gross negligence or willful misconduct of the Servicer or the Owners.

Section 5.24 Leasing.

(a) The Servicer (and all other parties whose approval is required) must approve the Borrower's standard form of residential lease or rental agreement prior to its use by the Borrower. The Borrower may not materially modify the approved standard form of residential lease without the Servicer's prior written consent in each instance (which consent shall not be unreasonably withheld), together with the approval of all other parties whose consent is required. Each lease, other than leases on the Borrower's standard form of residential lease, of any part of the Project is subject to the Servicer's written approval as to form and substance prior to execution and delivery. Despite the foregoing, the Borrower may enter into residential leases (and amendments) in the ordinary course of business with bona fide third party tenants without the Servicer's prior written consent if the Borrower uses the approved standard form of residential lease and:

(i) Within fifteen (15) days after the Servicer's written request therefor, the Servicer receives a copy of the executed lease (accompanied by all financial information and certificates obtained by the Borrower pertaining to the tenant);

(ii) The Borrower, acting in good faith and exercising due diligence, has determined that the tenant qualifies as a low-income family for purposes of meeting the requirements for obtaining Tax Credits;

(iii) The lease meets the standards required by Section 42 of the Code;

(iv) The lease meets the requirements of the Servicer, the Issuer, and the Equity Investor;

(v) The lease reflects an arm's-length transaction; and

(vi) The lease does not affect more than one (1) residential unit within the Improvements and is for a minimum term of six (6) months and a maximum term of twelve (12) months, unless otherwise agreed in writing by the Servicer.

(b) The Servicer's approval of any lease is for the sole purpose of protecting the Servicer's security and preserving the Servicer's rights under the Loan Documents. No approval by the Servicer will result in a waiver of any default of the Borrower. In no event will the Servicer's approval of any lease be a representation of any kind with regard to the lease, its enforceability or the financial capacity of any tenant or guarantor.

(c) The Borrower must perform all obligations required to be performed by it as landlord under any lease affecting any part of the Land or any space within the Improvements.

Section 5.25 Compliance with Anti-Terrorism Regulations.

(a) None of the Related Persons will be included in, owned by, Controlled by, act for or on behalf of, provide assistance, support, sponsorship, or services of any kind to, or otherwise associate with any of the Persons referred to or described in any list of persons, entities, and governments issued by OFAC pursuant to Executive Order 13224 or any other OFAC List.

(b) Borrower will comply at all times with the requirements of Executive Order 13224; the International Emergency Economic Powers Act, 50 U.S.C. Sections 1701-06; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (the “**PATRIOT Act**”); the Iraqi Sanctions Act, Pub. L. 101-513, 104 Stat. 2047-55; the United Nations Participation Act, 22 U.S.C. Section 287c; the Antiterrorism and Effective Death Penalty Act, (enacting 8 U.S.C. Section 219, 18 U.S.C. Section 2332d, and 18 U.S.C. Section 2339b); the International Security and Development Cooperation Act, 22 U.S.C. Section 2349 aa 9; the Terrorism Sanctions Regulations, 31 C.F.R. Part 595; the Terrorism List Governments Sanctions Regulations, 31 C.F.R. Part 596; the Foreign Terrorist Organizations Sanctions Regulations, 31 C.F.R. Part 597; the Bank Secrecy Act, Pub. L. 91-508, 84 Stat. 1114, 1118; the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et seq.; the laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957 and any similar laws or regulations currently in force or hereafter enacted (collectively, the “**Anti-Terrorism Regulations**”).

(c) If Borrower becomes aware or receives any notice that any of the Related Persons are named on any of the OFAC Lists (such occurrence, an “**OFAC Violation**”), Borrower will immediately (i) give notice to the Issuer, the Trustee, and the Servicer of such OFAC Violation, and (ii) comply with all laws applicable to such OFAC Violation (regardless of whether the party included on any of the OFAC Lists is located within the jurisdiction of the United States of America), including, without limitation, the Anti-Terrorism Regulations, and Borrower hereby authorizes and consents to Issuer’s, Trustee’s, and Servicer’s taking any and all steps Issuer, Trustee, and Servicer deem necessary, in the sole discretion of each of Issuer, Trustee, and Servicer, to comply with all laws applicable to any such OFAC Violation, including, without limitation, the requirements of the Anti-Terrorism Regulations (including the “freezing” and/or “blocking” of assets).

(d) Upon Issuer’s, Trustee’s, or Servicer’s request from time to time during the term of the Loan, Borrower agrees to deliver a certification confirming that the representations and warranties set forth in this Section remain true and correct as of the date of such certificate and confirming Borrower’s compliance with this Section. Borrower also agrees to cooperate with each of Issuer, Trustee, and Servicer, and to cause each Related Person to cooperate with Issuer, Trustee, and Servicer, in providing such additional information and documentation on Borrower’s and such Related Person’s legal or beneficial ownership, policies, procedures and sources of funds as Issuer, Trustee, and Servicer deem necessary or prudent to enable each of them to comply with the Anti-Terrorism Regulations as now in existence or hereafter amended. From time to time upon the written request of Issuer, Trustee, or Servicer, Borrower shall deliver to the requesting party a schedule of the name, legal domicile, address

and jurisdiction of organization, if applicable, for each Related Party and each holder of a legal interest in any Borrower.

Section 5.26 Indenture. The Borrower hereby acknowledges that 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 Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

In connection with the issuance of the Bonds, certain moneys will 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 the Financing 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.

ARTICLE VI OPTION AND OBLIGATIONS OF BORROWER TO PREPAY

Section 6.1 Optional Prepayment.

(a) The Notes and amounts due under Section 3.2(a) hereof are subject to prepayment in order to effect the redemption of the Bonds under Section 4.01 of the Indenture and Article V of the Bond Purchase Agreement at the option of the Borrower in whole or in part at the times (and not before the times) and at the redemption prices plus accrued interest to the redemption date of the Bonds, any additional interest payable on the Bonds pursuant to Section 3.2(b) and the Pre-Conversion Equalization Payment, if applicable, together with interest as set forth in Section 4.03 of the Indenture and Article V of the Bond Purchase Agreement. The Notes are not otherwise subject to optional prepayment by the Borrower.

(b) To effect prepayment of the Notes and redemption of the Bonds as contemplated in subparagraph (a) above, the Borrower shall deliver to the Trustee, the Issuer and the Servicer, not less than ten (10) days prior to the date on which Bonds are subject to redemption under said Section, a written certificate of the Borrower stating that the Borrower is prepaying the Notes pursuant to this Section 6.1. The certificate from the Borrower shall certify the following: (i) the principal amount of the Notes to be prepaid, (ii) that the amount to be prepaid on the Notes shall be credited to redemption of the Bonds pursuant to Section 4.03 of the Indenture, (iii) the date for redemption of the Bonds, and (iv) any conditions to such prepayment.

(c) The options granted to the Borrower in this Section 6.1 shall be exercisable only (i) in the event and to the extent the Bonds are subject to redemption in accordance with the Indenture and (ii) if no Event of Default under any of the Loan Documents shall have occurred and be then continuing or if all costs associated with any existing Event of Default (including, without limitation, late fees, penalties, costs of enforcement, protective advances and interest on such amounts) which are then due and owing under the Loan Documents are paid in full in connection with such prepayment.

Section 6.2 Mandatory Prepayment. The Loan and amounts due under Section 3.2(a) hereof shall be prepaid in whole or in part in order to effect the mandatory redemption of the Bonds at the times and in the amounts specified in Section 4.01 of the Indenture and Sections 5.02 and 5.03 of the Bond Purchase Agreement.

Section 6.3 Amounts Required for Prepayment.

(a) The amount payable by the Borrower hereunder upon either (i) the exercise of the option granted to the Borrower in Section 6.1 hereof, or (ii) the mandatory prepayment of the Notes by the Borrower in Section 6.2 hereof shall be, to the extent applicable and except as otherwise provided, the sum of the following:

(i) the amount of money necessary to pay the redemption price of the Bonds to be redeemed specified in Section 4.01 of the Indenture, together with all interest specified therein payable up to and including said redemption date, Pre-Conversion Equalization Payment (if applicable), and all expenses of the redemption; plus

(ii) in the event of a redemption in whole, an amount of money equal to the Trustee Fee, Trustee's Expenses, Issuer Fee and expenses under the Indenture accrued and to accrue until the final payment and redemption of the Bonds; plus

(iii) in the event of any prepayment during the existence and continuance of an Event of Default evidence that, the amounts described in Section 6.1(c)(ii) hereof have been paid or are being permitted to be paid in conjunction with such redemption, in which case, together with the funds necessary to so pay.

(b) Any prepayment made pursuant to Section 6.1 or 6.2 hereof shall be deposited into the Revenue Fund. No prepayment or investment of the proceeds thereof shall be made which shall cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 6.4 Cancellation at Expiration of Term. At the acceleration, termination or expiration of the term of this Financing Agreement and following full payment of the Bonds or provision for payment thereof in accordance with Article IX of the Indenture and of all other fees and charges of all parties having been made in accordance with the provisions of this Financing Agreement and the Indenture, the Issuer shall deliver to the Borrower any documents and take or cause the Trustee to take such actions as may be necessary to effectuate the cancellation and evidence the termination of this Financing Agreement and the Loan Documents (other than the Regulatory Agreement and the Fee Guaranty and Environmental Indemnity Agreement, which shall not terminate except in accordance with the respective terms thereof).

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. The following shall be “**Events of Default**” under this Financing Agreement, and the term “Event of Default” shall mean, whenever it is used in this Financing Agreement, any one or more of the following events (after expiration of any applicable notice and cure period):

(a) Failure by the Borrower to pay any amounts required to be paid on the Notes or under Section 3.2 (a) or (b) hereof within ten (10) days of the date of notice of non-payment;

(b) Any failure by the Borrower to pay as and when due and payable any other sums to be paid by the Borrower under this Financing Agreement and the continuation of such failure for a period of ten (10) days after the same are due; or

(c) Any failure of any representation or warranty made in this Financing Agreement or any Requisition to be true and correct in any material respect; or

(d) Any failure by the Borrower to observe and perform any covenant or agreement on its part to be observed or performed hereunder or thereunder, other than as referred to in subsections (a), (b) or (c) of this Section 7.1, for a period of thirty (30) days after written notice specifying such breach or failure and requesting that it be remedied, given to the Borrower by the Issuer, the Trustee, or the Servicer; provided, however, that in the event such breach or failure be such that it can be corrected but cannot be corrected within said 30-day period, the same shall not constitute an Event of Default hereunder if corrective action is instituted by the Borrower or on behalf of the Borrower within said 30-day period and is diligently pursued to completion thereafter (unless, in the opinion of Bond Counsel delivered to the Trustee and Servicer, failure to correct such breach or failure within the cure period herein provided (or such shorter time as shall be established as a limitation on the period of time during which correction may be pursued) will adversely affect the exclusion from gross income of interest on the Bonds for federal income taxation purposes or violate State law, in which case the extension of cure period herein provided will not be available); or

(e) Any Event of Default (as defined or otherwise set forth in the Indenture, the Bond Purchase Agreement or any of the Loan Documents) shall have occurred and shall remain uncured beyond any applicable cure period provided in the applicable document; or

(f) Any dissolution, termination, partial or complete liquidation, merger or consolidation of any Obligor, or any sale, transfer or other disposition of all or substantially all of the assets of Borrower; or

(g) Any failure by the Borrower to obtain any Project Approvals as required in order to proceed with the construction of the Project so as to complete the same by the Completion Date, or the revocation or other invalidation of any Project Approvals previously obtained; or

(h) Any change in the legal or beneficial ownership of the Borrower or the Authorized Member other than a Permitted Transfer as expressly permitted by the terms hereof or by reason of the death of the owner of such interests; or

(i) The Authorized Member ceases for any reason to act in that capacity unless replaced by a transferee permitted pursuant to Section 5.17(e); or

(j) **[Reserved]**.

(k) Any failure by the Borrower to pay at maturity, or within any applicable period of grace, any Indebtedness, or any failure to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing any Indebtedness, for such period of time as would permit (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof; or

(l) Any Obligor shall file a voluntary petition in bankruptcy under Title 11 of the United States Code, or an order for relief shall be issued against any such Obligor in any involuntary petition in bankruptcy under Title 11 of the United States Code, or any such Obligor shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief of debtors, or such Obligor shall seek or consent to or acquiesce in the appointment of any custodian, trustee, receiver, conservator or liquidator of such Obligor, or of all or any substantial part of its respective property, or such Obligor shall make an assignment for the benefit of creditors, or such Obligor shall give notice to any governmental authority or body of insolvency or pending insolvency or suspension of operation; provided however, the Borrower shall have thirty (30) days to cure such default with respect to any such Obligor that is a Guarantor by providing a replacement guarantor acceptable to the Issuer and the Purchaser; or

(m) An involuntary petition in bankruptcy under Title 11 of the United States Code shall be filed against the Borrower or any Obligor and such petition shall not be dismissed within ninety (90) days of the filing thereof provided however, the Borrower shall have thirty (30) days to cure such default with respect to any such Obligor that is a Guarantor by providing a replacement guarantor acceptable to the Issuer and the Purchaser; or

(n) A court of competent jurisdiction shall enter any order, judgment or decree approving a petition filed against any Obligor seeking any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, or appointing any custodian, trustee, receiver, conservator or liquidator of all or any substantial part of its property provided however, the Borrower shall have thirty (30) days to cure such default with respect to any such Obligor that is a Guarantor by providing a replacement guarantor acceptable to the Issuer and the Purchaser; or

(o) Any of the events described in Section 7.1(l), (m) or (n) occurs with respect to the Equity Investor prior to funding by the Equity Investor of all of the capital

contributions required in order to avoid the occurrence of an Event of Default pursuant to Section 7.1(v) or the Borrower has not otherwise provided sufficient funding acceptable to the Servicer in order to perform its obligations hereunder; or

(p) Any uninsured final judgment in excess of \$100,000 shall be rendered against the Borrower and shall remain in force, undischarged, unsatisfied and unstayed, for more than thirty (30) days, whether or not consecutive; or

(q) Any of the Loan Documents shall be canceled, terminated, revoked or rescinded other than in accordance with the terms thereof or with the express prior written consent of the Servicer, or any action at law, suit in equity or other legal proceeding to cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of any Obligor which is a party thereto, or any of their respective stockholders, partners or beneficiaries, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof; or

(r) Any refusal by the Title Insurance Company to insure that any advance is secured by the Security Instrument as a valid lien and security interest on the Project and the continuation of such refusal for a period of twenty (20) days after notice thereof by Servicer to the Borrower; or

(s) Completion shall not have been attained by the Completion Date; provided, however, if the Borrower shall have requested and received the consent of the Servicer to an extension of the Completion Date, Borrower's failure to attain Completion by the Completion Date shall not be an Event of Default hereunder unless and until Completion shall not have been attained by such extended Completion Date; or

(t) Any cessation at any time in construction or equipping of the Improvements for more than twenty (20) consecutive days except for strikes, acts of God, fire or other casualty, or other causes entirely beyond the Borrower's control, or any cessation at any time in construction or equipping of the Improvements for more than sixty (60) consecutive days, regardless of the cause thereof; provided, however, that such cessation may continue for a period of longer than sixty (60) consecutive days with the consent of the Servicer if the Borrower shall have requested and received the consent of the Servicer to an extension of the Completion Date, in which case it shall not be an Event of Default hereunder unless and until the period of cessation extends beyond the number of days for which the extension was granted; or

(u) Any of the Indenture, this Agreement, the Regulatory Agreement or the Tax Certificate shall be amended in a material manner (including, without limitation, any "automatic" amendments of the Regulatory Agreement) without the prior written consent of the Servicer; or

(v) Failure of the Equity Investor to fund its capital contributions in accordance with the terms and conditions set forth in the Operating Agreement unless the Borrower has otherwise provided necessary funding satisfactory to the Servicer.

Section 7.2 Remedies on Default.

(a) Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing, any obligation of the Servicer to approve Requisitions shall be terminated, and the Trustee (but only if directed to do so by Servicer and, subject to the provisions of the Indenture) shall:

(i) by notice in writing to the Borrower declare the unpaid indebtedness under the Loan Documents to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable; and

(ii) take whatever action at law or in equity or under any of the Loan Documents, as may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due hereunder or thereunder or under the Notes, or to exercise any right or remedy or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Financing Agreement, the Notes or any other Loan Document (including without limitation foreclosure of the Security Instrument); and

(iii) cause the Project to be completed, constructed and equipped in accordance with the Plans and Specifications, with such changes therein as the Servicer may, from time to time, and in its sole discretion, deem appropriate.

(b) Any amounts collected pursuant to action taken under this Section (other than amounts collected by the Issuer pursuant to the Reserved Rights) shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Issuer, the Trustee or the Servicer and their respective Counsel, be paid into the Revenue Fund (unless otherwise provided in this Financing Agreement) and applied in accordance with the provisions of the Indenture. No action taken pursuant to this Section 7.2 shall relieve the Borrower from the Borrower's obligations pursuant to Section 3.2 hereof.

Section 7.3 No Remedy Exclusive. No remedy conferred herein or in any other Loan Document upon or reserved to the Trustee, or the Servicer 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 Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee, or the Servicer to exercise any remedy reserved to it herein or in any other Loan Document, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 7.4 Agreement to Pay Fees and Expenses of Counsel. If an Event of Default shall occur under this Financing Agreement or under any of the other Loan Documents, and the Issuer, the Trustee, or the Servicer should employ counsel or incur other expenses for the

collection of the indebtedness or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein or therein contained, the Borrower agrees that it will on demand therefor pay to any such party, or, if so directed by any such party, to its counsel, the reasonable actually incurred fees of such Counsel and all other out-of-pocket expenses incurred by or on behalf of the Issuer, the Trustee, or the Servicer.

Section 7.5 No Additional Waiver Implied by One Waiver; Consents to Waivers.

In the event any agreement contained in this Financing 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. No waiver shall be effective unless in writing and signed by the party making the waiver.

Section 7.6 Remedies Subject to Applicable Law. All rights, remedies, and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the Land and to be limited to the extent necessary so that they will not render this Financing Agreement invalid, unenforceable, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

Section 7.7 Cure by Equity Investor. The Issuer, the Trustee, and the Servicer hereby agree to accept performance on the part of the Equity Investor or an Affiliate of the Equity Investor as though the same had been performed by the Borrower under any of the Loan Documents. The Equity Investor or an Affiliate will be allowed (a) ten (10) days after the Equity Investor has been given notice to cure a monetary default under the Financing Documents other than payment due at maturity, and (b) except as to Section 7.1(l), (m) and (n), up to thirty (30) days after receipt of notice to cure any non-monetary default under the Loan Documents provided, however, in the event of a non-monetary default that is not susceptible to being cured within such thirty (30) day period, the Equity Investor or an Affiliate will be allowed an additional period of up to sixty (60) days to cure such default, provided that the Equity Investor or an Affiliate has commenced to cure such default and is diligently and continuously proceeding to cure such default through the end of the sixty (60) day period. If the Equity Investor or an Affiliate makes any such payment or otherwise offers to cure such default, the same will be accepted or rejected as curing such default on the same basis as if payment or cure was made directly by the Borrower.

Section 7.8 Issuer Exercise of Remedies. Notwithstanding anything to the contrary contained herein, the Issuer may enforce its Reserved Rights under the Loan Documents and exercise the permitted remedies with respect thereto against the Borrower; provided that the Issuer shall not commence or direct the Trustee to commence any action to declare the outstanding balance of the Bonds or the Loan to be due and neither the Issuer nor the Trustee shall take any action in respect of Reserved Rights (i) to foreclose or take similar action under the Security Instrument or otherwise in respect of any liens upon or security interests in the Project or other property pledged to secure the Borrower's obligations under the Loan Documents, (ii) to appoint a receiver, (iii) to enforce any similar remedy against the Project or other property pledged to secure the Borrower's obligations under the Loan Documents; or (iv) to enforce any other remedy which would cause any liens or security interests granted under

the Loan Documents to be discharged or materially impaired thereby, which shall be determined by the Purchaser upon notice by the Issuer stating what remedy it intends to pursue.

ARTICLE VIII MISCELLANEOUS

Section 8.1 General Provisions. The following provisions shall be applicable at all times throughout the term of this Financing Agreement:

(a) The Issuer, the Trustee, and the Servicer shall, at all times, be free to establish independently to their respective satisfaction and in their respective absolute discretion the existence or nonexistence of any fact or facts the existence of which is a condition of this Financing Agreement or any other Loan Document.

(b) The Bonds and the obligations and undertakings of the Issuer hereunder do not constitute a general obligation of the Issuer, the City, the County or the State or any other political subdivision thereof, and recourse on the Bonds and on the instruments and documents executed and delivered by or on behalf of the Issuer in connection with the transactions contemplated hereby may be had only against certain moneys due and to become due under the Loan Documents (and not against any moneys due or to become due to the Issuer pursuant to the Reserved Rights). No recourse shall be had for the payment of the principal of or interest on the Bonds, or for any claim based thereon or on this Financing Agreement or any other Loan Document, any Issuer Document or any instrument or document executed and delivered by or on behalf of the Issuer in connection with the transactions contemplated hereby, against the Issuer or any member, officer, employee or other elected or appointed official, past, present or future, of the Issuer or any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise and all such liability of the Issuer or any such incorporation, member, officer, director, employee, any other elected or appointed official or trustee as such is hereby expressly waived and released as a condition of and consideration for the adoption of the resolution authorizing the execution of the Issuer Documents and issuance of the Bonds and the delivery of other documents in connection herewith. No member, officer, employee or other elected or appointed official past, present or future, of the Issuer or any successor body shall be personally liable on the Issuer Documents, the Bonds or any other documents in connection herewith, nor shall the issuance of the Bonds be considered as misfeasance or malfeasance in office. The Bonds and the undertakings of the Issuer under the Issuer Documents do not constitute a pledge of the general credit or taxing power of the Issuer, the City, the County, the State, or any other political subdivision thereof, do not evidence and shall never constitute a debt of the State, the City, the County or any other political subdivision thereof (other than the Issuer), and shall never constitute nor give rise to a pecuniary liability of the State, the City, the County or any other political subdivision thereof, other than the Issuer. The Issuer has no taxing power.

Section 8.2 Authorized Borrower Representative. Pursuant to written direction provided on the Closing Date, the Borrower has appointed one or more Authorized Representative for the purpose of taking all actions and making all certificates required to be taken and made by the Authorized Representative under the provisions of the Loan Documents.

Whenever under the provisions of any Loan Document the approval of the Borrower is required or any party is required to take some action at the request of the Borrower, such approval or such request shall be made by the Authorized Borrower Representative, unless otherwise specified in this Financing Agreement, and the Issuer, the Trustee, and the Servicer shall be authorized to act on any such approval or request and the Borrower shall have no complaint against any such party as a result of any such action taken in conformity with such approval or request by the Authorized Borrower Representative.

Section 8.3 Binding Effect. This Financing Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Trustee and the Borrower and their respective successors and permitted assigns. The Borrower acknowledges and agrees that the Issuer has, except as to Reserved Rights, assigned or is assigning its rights under this Financing Agreement to the Trustee, and that, pursuant to the Indenture, Trustee will follow directions from the Servicer in implementing certain of the rights and remedies under this Financing Agreement. The Owners of the Bonds and the Servicer shall be express third party beneficiaries of this Financing Agreement, and shall have the right to enforce directly against Borrower or other persons the rights and implement the rights and remedies provided to each of them hereunder, but not including the Reserved Rights; provided, however, that the rights of the Owners to bring actions and implement rights and remedies hereunder shall be subject to the same restrictions as are imposed with respect to actions, rights and remedies of the Owners under the Indenture.

Section 8.4 Execution in Counterparts. This Financing Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Financing Agreement by Electronic Means shall be effective as delivery of a manually executed counterpart of this Financing Agreement.

Section 8.5 Amendments, Changes and Modifications. Subsequent to the issuance of the Bonds and prior to payment or provision for the payment of the Bonds in full (including interest thereon) in accordance with the provisions of the Indenture and except as otherwise provided herein, the Loan Documents may not be amended, changed, modified, altered or terminated by the Issuer, the Trustee or the Borrower except in compliance with Article VIII of the Indenture.

Section 8.6 Severability. In the event any provision of this Financing 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 and such invalid or unenforceable provision shall be deemed no longer to be contained in this Financing Agreement.

Section 8.7 Notices. All notices, demands, requests, consents, approvals, certificates or other communications hereunder shall be effective if given in the manner required in Section 10.08 of the Indenture.

Section 8.8 Applicable Law. This Financing Agreement shall be governed exclusively by and construed in accordance with the laws of the State.

Section 8.9 Debtor-Creditor Relationship. It is expressly understood and agreed that the relationship between the Issuer and the Borrower established by the transaction contemplated by this Financing Agreement and by all of the other Loan Documents is exclusively that of creditor or lender, on the part of the Issuer, and debtor or borrower, on the part of the Borrower and is in no way to be construed as a partnership or joint venture of any kind. It is further understood that all payments by the Borrower under the Loan Documents shall be exclusively on account of the said debtor/creditor relationship.

Section 8.10 Usury; Total Interest. This Financing Agreement is subject to the express condition, and it is agreed, that at no time shall payments hereunder, under the Notes or under the other Loan Documents that are or are construed to be payments of interest on the unpaid principal amount of the Loan reflect interest that is borne at a rate in excess of the maximum permitted by law. The Borrower shall not be obligated or required to pay, nor shall the Issuer be permitted to charge or collect, interest borne at a rate in excess of such maximum rate. If by the terms of this Financing Agreement or the other Loan Documents the Borrower is required to make such payments reflecting interest borne at a rate in excess of such maximum rate, such payments shall be deemed to be reduced immediately and automatically to reflect such maximum rate. It is further agreed that the total of amounts paid hereunder as interest on the Loan which is to pay interest on the Bonds, cumulative from the date of the Notes, shall not exceed the sum of 5% per month, simple and non-compounded for each month from such date to the date of calculation (calculated on the basis of a 360-day year of twelve thirty-day months). Any such excess payment previously made in either case shall be immediately and automatically applied to the unpaid balance of the principal sum of the Loan and not to the payment of interest thereon. This Financing Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

Section 8.11 Term of this Financing Agreement. This Financing Agreement shall be in full force and effect from its date to and including such date as all of the Bonds issued under the Indenture shall have been fully paid or retired in accordance with their terms and the terms of the Indenture (or provision for such payment shall have been made as provided in the Indenture), except, however, that the covenants and provisions relating to the Reserved Rights of the Issuer, indemnification pursuant to Section 5.19 hereof and the covenants relating to the preservation of exclusion from gross income of interest on the Bonds for purposes of federal income taxation shall survive the termination hereof.

Section 8.12 Non-Recourse. Anything contained in any provision of this Financing Agreement, the Security Instrument, the Regulatory Agreement, the Borrower's Tax Certificate or the Notes notwithstanding, in the event of any proceeding to foreclose the or otherwise to enforce the provisions of the Notes, the Bonds, this Financing Agreement, the Security Instrument or the Regulatory Agreement, neither the Issuer, nor the Trustee or other holder of the Notes (collectively, the "Noteholder"), nor any Owner of Bonds, nor any beneficiary of the Security Instrument shall be entitled to take any action to procure any personal money judgment or any deficiency decree against the Borrower or any member of the Borrower or its or their heirs, personal representatives, successors and assigns during the Permanent Term, it being understood and agreed that recourse hereon and under the Security Instrument, the Regulatory Agreement, the Notes and the Bonds during the Permanent Term shall be limited to the assets of

the Borrower that are the security from time to time provided with respect to the Notes and this Financing Agreement; provided, however, nothing herein contained shall limit or be construed to limit or impair the enforcement against the Project or any other additional security as may from time to time be given to the beneficiary hereof as security for the performance of this Financing Agreement, the Security Instrument, the Regulatory Agreement, the Borrower's Tax Certificate, the Notes, or any other instrument now or hereafter securing the Notes or this Financing Agreement, or the rights and remedies of the Trustee or the beneficiary, its successors and assigns, under this Financing Agreement, the Security Instrument, the Regulatory Agreement, the Tax Agreement or the Notes or any other instruments. Notwithstanding the foregoing, the provisions of this Section shall not be construed as modifying, qualifying or affecting in any manner whatsoever the personal recourse, undertakings, obligations and liabilities of any person, party or entity under any guaranty of payment, completion guaranty, other guaranty or indemnification agreement now or hereafter executed and delivered in connection with the Bonds or the Financing Documents and shall be null and void and have no force and effect to the extent of any loss suffered by the Issuer, the Trustee, any Bondholder or any beneficiary of or the Trustee under the Security Instrument as a result of the Borrower's: (a) committing any act of fraud; (b) misapplication of any condemnation award or casualty insurance proceeds; (c) failure to apply the revenues of the Project in the manner and for the purposes provided in the Bond Documents, whether before or after an Event of Default; or (d) violation of any environmental laws. Nothing herein shall be deemed to prohibit the naming of the Borrower in an action to realize upon the remedies provided herein either at law or in equity, subject to the foregoing limitation against a personal money judgment or deficiency decree against the Borrower or its heirs, personal representatives, successors and assigns, or to prohibit the naming of any person in any action to realize upon the remedies provided in any guaranty given in favor of the Issuer, the Purchaser or the Servicer. In addition to the next preceding sentence, the Issuer, the Trustee and the Purchaser shall have recourse against the Borrower for its obligations under Section 5.19 hereof.

Section 8.13 PATRIOT Act Notice. Issuer and Trustee hereby notify Borrower and Guarantors that, pursuant to the requirements of the PATRIOT Act, they are required to obtain, verify and record information that identifies Borrower and Guarantors, which information includes the names and addresses of Borrower and Guarantors and other information that will allow Issuer and Trustee to identify Borrower and Guarantors in accordance with the PATRIOT Act.

Section 8.14 Waiver of Special Damages. Except to the extent prohibited by applicable law, the Borrower shall not assert, and hereby waives, any claim against the Issuer, the Trustee, the Servicer and their respective officers, directors, members, employees and agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Financing Agreement or any agreement or instrument contemplated hereby, the transactions, the Bonds, the Notes or the use of the proceeds thereof.

Section 8.15 WAIVER OF JURY TRIAL. THE PARTIES WAIVE, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATING TO THIS FINANCING AGREEMENT OR THE TRANSACTIONS

CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANOTHER PARTY HAS REPRESENTED, EXPRESS OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS FINANCING AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[The remainder of this page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the Issuer, the Trustee and the Borrower have caused this Financing Agreement to be executed in their respective names, all as of the date first above written.

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

(SEAL)

By: _____
Chairperson

ATTEST:

By: _____
[Assistant] Secretary

[Signature Page to Financing Agreement – Heron Estates Senior Apartments]

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Amanda Kumar, Assistant Vice President

[Signature Page to Financing Agreement – Heron Estates Senior Apartments]

HTG HERON ESTATES SENIOR, LLC, a
Florida limited liability company

By: HTG Heron Estates Senior Manager, LLC, a
Florida limited liability company, its
Managing Member

By: _____
Name: Matthew Rieger
Title: Manager

[Signature Page to Financing Agreement – Heron Estates Senior Apartments]

EXHIBIT A
LEGAL DESCRIPTION OF REAL ESTATE
[TO COME]

EXHIBIT B

FORM OF SERIES 2018A NOTE

EXHIBIT C

FORM OF SERIES 2018B NOTE

EXHIBIT D

FORM OF REQUISITION

REQUEST FOR ADVANCE

Draw #: _____

Project Name: **Heron Estates Senior
Apartments**

JPMorgan Chase Bank, N.A. (the “Purchaser”)
Disbursement & Loan Servicing
700 N. Pearl Street, 13th Floor East
Mail Code: TX1-2625
Dallas, Texas 75201
Attention: Kimberly Brand
e-mail: kimberly.v.brand@chase.com

Housing Finance Authority of Palm Beach
County, Florida,
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406
Attention: Executive Director

JPMorgan Chase Bank, N.A.
Construction Administration
700 N. Pearl Street, 13th Floor East
Mail Code: TX1-2625
Dallas, Texas 75201
Attention: Mario Marruffo
e-mail: mario.marruffo@jpmorganchase.com

U.S. Bank National Association
550 N. Cypress Creek Road, Suite 380
Fort Lauderdale, Florida 33309
Attn: Corporate Trust

CREA Heron Estates, LLC
c/o CREA LLC
30 South Meridian Street, Suite 400
Indianapolis, IN 46204

RE: Request for Advance pursuant to the terms of the Financing Agreement dated as of March 1, 2018 Among the Issuer, the Trustee and HTG Heron Estates Senior, LLC (the “Borrower”), the Bond Purchase Agreement dated as of March ____, 2018 among the Issuer, the Borrower and JPMorgan Chase Bank, N.A. (the “Purchaser”), the Amended and Restated Operating Agreement dated as of March 1, 2018, and the Financing Agreement dated as of March 1, 2018, between the Borrower and Palm Beach County, Florida (the “County” and, collectively with the Issuer, the Trustee, the Purchaser and the Equity Investor, the “Advancing Parties”).

1. Borrower requests an advance in the amount of \$_____. Borrower acknowledges that this amount is subject to inspection, verification and available funds. The Request for Advance is from the following sources:

Capital Contribution	\$ _____
Series 2018A Note	\$ _____
Series 2018B Note	\$ _____
Name of Subordinate Loan	\$ _____

2. Attached hereto is a listing of all vendors showing the name and the amount currently due each party to whom the Borrower is obligated for labor, material and/or services supplied and a copy of the respective invoice. This information is provided in support of the disbursements requested in this Request for Advance.

3. Borrower represents and warrants that:
 - (i) It has complied with all of its duties and obligations under the terms of the loan documents and the Operating Agreement;
 - (ii) No event of default has occurred and is continuing under the loan documents or the Operating Agreement;
 - (iii) All change orders or changes to the project budget have been submitted to and approved by the Advancing Parties to the extent required under the respective documents;
 - (iv) All previous advances have been used solely for the Project;
 - (v) All outstanding claims for labor, materials and/or services furnished prior to this draw period have been paid;
 - (vi) All construction prior to the date hereof has been substantially in accordance with the plans and specifications;
 - (vii) All of the requested advance will be used solely to pay obligations set forth on the attachment hereto from the Advancing Parties as allocated above;
 - (viii) There are no liens outstanding against the project, except for Permitted Encumbrances;
 - (ix) The amount of undisbursed proceeds is sufficient to pay the cost of completing the Project in accordance with the plans and specifications originally submitted to the Advancing Parties or as modified through change orders which have been approved, as required;
 - (x) Borrower understands this Request for Advance is made for the purpose of inducing the Advancing Parties to make an advance of its funds and that, in making such advance, the Advancing Parties will rely upon the accuracy of the matters stated herein.
 - (xi) not less than 95% of the sum of: (a) the amounts requisitioned by this Requisition to be funded from the Project Fund plus (b) all amounts previously disbursed from the

Project Fund have been or will be applied by the Borrower to pay Qualified Project Costs;

- (xii) the Borrower acknowledges that fees, charges or profits (including, without limitation, developer fees) payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code) are not deemed to be Qualified Project Costs; and
- 4. Disbursement of the requested advance may be subject to the receipt of a certificate from a title company stating that no claims have been filed of record which adversely affect the title of Borrower to the property subsequent to the filing of the mortgages.
- 5. Undefined terms used herein shall have the same meaning as in the Bond Purchase Agreement.
- 6. Borrower certifies that the statements made herein and in any documents submitted herewith are true and has duly caused this Request for Advance to be signed on its behalf by the undersigned, thereto duly authorized.
- 7. Borrower requests that this draw be funded and that the disbursement funds be wired or deposited into the Borrower’s account as follows:

Bank Name:	U.S. Bank National Association
ABA Routing No.	_____
CAS Account No.	_____
Account Name:	_____
Re:	Palm Beach HFA Heron Estates Senior Apartments
Attn:	

8. Borrower has attached to this Request for Advance all supporting documentation required by each Advancing Party pursuant to its respective agreement.

Date: _____

HTG HERON ESTATES SENIOR, LLC,
a Florida limited liability company

By: HTG Heron Estates Senior Manager, LLC, a
Florida limited liability company, its
Managing Member

By: _____
Name: Matthew Rieger
Title: Manager

APPROVED:

JPMORGAN CHASE BANK, N.A.

By: _____
Name: _____
Title: _____

If applicable, approved with respect to Subordinate
Loan Account:

[NAME OF SUBORDINATE LENDER]

By: _____
Name: _____
Title: _____

WPB/384034093v11/007132.102600

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA,
as Issuer

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

TRUST INDENTURE

Dated as of March 1, 2018

Relating to

\$6,700,000
Housing Finance Authority of Palm Beach County, Florida
Multifamily Mortgage Revenue Bonds, Series 2018A
(Heron Estates Senior Project)

and

\$5,300,000
Housing Finance Authority of Palm Beach County, Florida
Multifamily Mortgage Revenue Bonds, Series 2018B
(Heron Estates Senior Project)

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TRUST INDENTURE

This TRUST INDENTURE dated as of March 1, 2018 (this “**Indenture**”), by and between the Housing Finance Authority of Palm Beach County, Florida, a public body corporate and politic created, organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the “**Issuer**”), and U.S. Bank National Association, a national banking association organized under the laws of the United States and being duly qualified to accept and administer the trusts created hereby, as trustee (together with its permitted successors and assigns, the “**Trustee**”).

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered under the Housing Finance Authority Law, Chapter 159, Part IV, of the Florida Statutes, as amended and supplemented, Sections 2-181 through 2-191 Code of Ordinances of Palm Beach County, Florida and other applicable provisions of Florida law (collectively, the “**Act**”), to finance multifamily rental housing within Palm Beach County, Florida (the “**County**”) by issuing its revenue bonds to provide funds for the cost of the construction financing thereof; and

WHEREAS, HTG Heron Estates Senior, LLC, a Florida limited liability company (the “**Borrower**”), has applied to the Issuer for financial assistance for the purpose of providing a part of the funds with which to pay the cost of the construction, installation and equipping of an approximately 101-unit multifamily rental housing project for seniors and persons with disabilities in the City of Riviera Beach in the County, to be known as Heron Estates Senior Apartments (the “**Project**”); and

WHEREAS, the provision of the Loan (as hereinafter defined) is authorized by the Act and will accomplish a valid public purpose of the Issuer, and the Issuer has determined that it is in the public interest to issue its Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) in the aggregate principal amount of \$6,700,000 (the “**Series 2018A Bonds**”) and its Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) in the aggregate principal amount of \$5,300,000 (the “**Series 2018B Bonds**,” and together with the Series 2018A Bonds, the “**Bonds**”) for the purpose of providing funding necessary for the construction and equipping of the Improvements (herein defined); and

WHEREAS, the Bonds will be issued as draw-down obligations; and

WHEREAS, pursuant to a Financing Agreement dated as of even date herewith (the “**Financing Agreement**”) among the Issuer, the Trustee and the Borrower, the Issuer has agreed to issue the Bonds and lend the proceeds thereof to the Borrower (the “**Loan**”) and the Borrower has agreed to (i) apply the proceeds of the Loan to pay a portion of the costs of construction and equipping of the Project, (ii) make payments sufficient to pay the principal of and interest on the Bonds when due (whether at maturity, by redemption, acceleration or otherwise), and (iii) observe the other covenants and agreements and make the other payments set forth therein; and

WHEREAS, the Borrower has delivered to the Issuer, its promissory note dated the date of issuance of the Series 2018A Bonds in an original principal amount equal to the aggregate original principal amount of the Series 2018A Bonds (as amended, modified or supplemented

from time to time, the “**Series 2018A Note**”) and its promissory note dated the date of issuance of the Series 2018B Bonds in an original principal amount equal to the aggregate original principal amount of the Series 2018B Bonds (as amended, modified or supplemented from time to time, the “**Series 2018B Note**,” and together with the Series 2018A Note, the “Notes”) evidencing its obligation to repay the Loan, and the Issuer has made the Loan to the Borrower, subject to the terms and conditions of the Financing Agreement and this Indenture; and

WHEREAS, to secure its obligations under the Financing Agreement and the Notes, the Borrower has executed, among other things, a Mortgage, Security Agreement and Assignment of Rents, Leases, and Profits (Leasehold) in favor of the Issuer (as assigned to the Trustee pursuant to the Assignment of Mortgage and Security Documents and as amended, modified or supplemented from time to time, the “**Security Instrument**”);

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

GRANTING CLAUSES

The Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby transfer, pledge and assign, without recourse, to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors and assigns in trust, in and to all and singular the property described in paragraphs (a), (b), (c) and (d) below (said property being herein referred to as the “**Trust Estate**”), to wit:

(a) All right, title and interest of the Issuer in and to the Notes, the Security Instrument, and the other Loan Documents (as that term is defined below), and all moneys from time to time paid by the Borrower pursuant to the terms of the Loan Documents and all right, title and interest of the Issuer (including, but not limited to, the right to enforce any of the terms thereof) under and pursuant to and subject to the provisions of the Financing Agreement (but excluding the Reserved Rights as defined in the Financing Agreement); and

(b) All other moneys and securities from time to time held by the Trustee under the terms of this Indenture, excluding amounts required to be rebated to the United States Treasury under Section 148(f) of the Code, whether or not held in the Rebate Fund, amounts on deposit in the Costs of Issuance Fund and the Fee and Expense Account within the Revenue Fund; and

(c) Any and all property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder to the Trustee, which the Trustee is hereby authorized to

receive at any and all times and to hold and apply the same subject to the terms of this Indenture; and

(d) The proceeds from any of the foregoing.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds Outstanding, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of one Bond over or from the others, except as herein otherwise expressly provided;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition, that if the Issuer or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds, or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions of Article IX (it being understood that any payment with respect to the principal of or interest on Bonds made by the Borrower shall not be deemed payment or provision for the payment of the principal of or interest on Bonds, except Bonds purchased and canceled by the Trustee, all such uncanceled Bonds to remain Outstanding and the principal of and interest thereon payable to the Owners thereof), and shall also pay or cause to be paid all other sums payable hereunder by the Issuer, then these presents and the estate and rights hereby granted shall cease, terminate and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Issuer and upon the payment by the Issuer or the Borrower of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Issuer and the Borrower such instruments of satisfaction or release prepared by or at the direction of the Issuer or the Borrower as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Issuer or the Borrower, as applicable, all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force;

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant with the Trustee, for the benefit of the respective Owners from time to time of the Bonds as follows:

ARTICLE I
DEFINITIONS AND CONSTRUCTION

Section 1.01 Definitions. The following capitalized terms, as used in this Indenture, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms which are defined in the Financing Agreement and not defined herein shall have the respective meanings ascribed to them in the Financing Agreement.

“**Accounts**” means the accounts established pursuant to Section 5.01 hereof.

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

“**Adjusted LIBO Rate**” means with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next one-sixteenth of one percent) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“**Adjusted One Month LIBO Rate**” means an interest rate per annum equal to the sum of (a) 2.5% per annum plus (b) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided, that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 a.m. London time on such day; provided further, that, if the LIBO Screen Rate at such time shall be less than zero, such rate shall be deemed to be zero.

“**Affiliates**” or “**Affiliate**” means with respect to a specified Person, another Person that directly, or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with, the Person specified.

“**Amortization Schedule**” means the amortization schedule attached as Exhibit D hereto, as revised pursuant to Section 4.01(f).

“**Applicable Rate**” means the Tax Exempt Rate or the Taxable Rate in effect from time to time with respect to the Bonds.

“**Appraisal**” means the written statement setting forth an opinion of the market value of the Project that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by the Purchaser or its agent, (b) complies with all applicable and state laws and regulations dealing with appraisals or valuations of real property and (c) has been reviewed as to form and content and approved by the Purchaser.

“**Architect**” means the architect or the firm of architects selected by the Borrower with respect to the Project and acceptable to the Purchaser.

“**Assignment of Mortgage**” means the Assignment of Mortgage and Security Documents given by the Issuer in favor of the Trustee dated as of even date herewith.

“Authorized Denomination” means the Outstanding principal amount of the Series 2018A Bonds and the Outstanding principal amount of the Series 2018B Bonds; provided further that for purposes of redeeming Bonds, Authorized Denomination shall mean \$1.00.

“Authorized Member” means HTG Heron Estates Senior Manager, LLC, a Florida limited liability company, and manager of the Borrower.

“Authorized Representative” means the Person or Persons at the time designated to act on behalf of the Issuer or the Borrower, as the case may be, by written certificate furnished to the Purchaser, the Issuer, the Trustee and the Borrower containing the specimen signature of each such Person and signed on behalf of (a) the Issuer by its Chairperson or Vice-Chairperson, or such other person as may be authorized by resolution of the Issuer to act on behalf of the Issuer, and (b) the Borrower by its Authorized Member or such other person as may be authorized by the Authorized Member of the Borrower to act on behalf of the Borrower.

“Bond” or **“Bonds”** has the meaning set forth for that term in the Recitals above.

“Bond Counsel” means, Greenberg Traurig, P.A., or any other independent Counsel or such other attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Issuer and the Purchaser.

“Bond Prepayment Date” has the meaning ascribed to such term in Section 4.01(b)(i) hereof.

“Bond Purchase Agreement” means the Bond Purchase Agreement by and among the Issuer, the Purchaser and the Borrower, dated as of March __, 2018, as the same may be amended, modified or supplemented from time to time.

“Borrower” has the meaning set forth for that term in the Recitals above.

“Borrower Equity Account” means the account of that name established within the Construction Fund pursuant to Section 5.05 of this Indenture.

“Borrower Legal Requirements” means any and all judicial decisions, statutes, rulings, directives, rules, regulations, permits, certificates, or ordinances of any Governmental Authority, in any way applicable to the Borrower or the Project, including without limitation, the ownership, division, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof.

“Borrower’s Tax Certificate” means the Borrower’s Proceeds Certificate and Arbitrage Rebate Agreement executed by the Borrower on the Closing Date in which the Borrower certifies various facts relating to the Project which bear on the exclusion of interest on the Bonds from gross income for purposes of federal income taxation and agrees to comply with the applicable provision of Section 148 of the Internal Revenue Code of 1986, as amended.

“**Borrowing**” means a portion or portions of the Loan, of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

“**Break Funding Premium**” has the meaning specified in Section 4.01(d)(ii) hereof.

“**Business Day**” or “business day” means any day which is not (a) a Saturday, Sunday or legal holiday in the State, (b) a day on which banking institutions are authorized or obligated by law or executive order to be closed in the State, or in the state in which the principal corporate office of the Trustee for registration and payment functions is located (initially the State of Florida), (c) a day on which the New York Stock Exchange is closed, and (d) when used in connection with the LIBO Rate, the term “Business Day” shall also exclude any day on which banks are not open for dealings in U.S. dollar deposits in the London interbank market.

“**Capital Contributions**” mean the cash contributions to be made by the Equity Investor (or its designee) to the Borrower over time pursuant to the Operating Agreement and as set forth in Exhibit B of the Bond Purchase Agreement.

“**CB Floating Rate**” means a per annum rate equal to the Prime Rate; provided, that the CB Floating Rate shall never be less than the Adjusted One Month LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBO Rate, respectively.

“**CBFR**” when used in reference to the Bonds or Borrowing, refers to whether such Bonds comprising such Borrowing, are bearing interest at a rate determined by reference to the CB Floating Rate.

“**Change in Law**” means the occurrence after the date of this Indenture (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority, or (c) compliance by the Purchaser (or for purposes of Section 3.04(H) of the Bond Purchase Agreement, by any lending office of the Purchaser or the Purchaser’s holding company) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of the Bond Purchase Agreement; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder issued in connection therewith or implementation thereof and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Purchaser for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Change in Law,” regardless of the date enacted, adopted, issued or implemented.

“**City**” means City of Riviera Beach, Florida.

“**Closing Date**” means the date of issuance of the Bonds.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department promulgated thereunder.

“**Completion Date**” has the meaning ascribed to such term in the Financing Agreement.

“**Condemnation Award**” means the total condemnation proceeds actually paid by the condemnor as a result of the condemnation of all or any part of the property subject to the Security Instrument less the actual costs incurred, including attorneys’ fees, in obtaining such award.

“**Conditions to Conversion**” means the satisfaction of each of the following conditions prior to the Outside Conversion Date (unless waived by Purchaser): (a) there shall exist no Event of Default or any event or state of facts which, after notice or the passage of time, or both, could give rise to an Event of Default; (b) the Improvements are Substantially Complete, there has been no deterioration in or damage to the Project that would materially and adversely affect its value as security for the Loan, and all heating, air conditioning, ventilating and other building systems in the Improvements are in good working order; (c) the physical condition of the Project is satisfactory to the Purchaser in its reasonable discretion and there has been no material adverse change to the Project since the date of Substantial Completion; (d) the Borrower has provided the Purchaser with a Request for Conversion from the Borrower in the form attached hereto as **Exhibit F**; (e) the Borrower has paid any required Pre-Conversion Equalization Payment; (f) the Project has met the Occupancy Requirement under legally valid, binding and enforceable lease agreements with bona fide tenants (excluding employees of the Borrower or any Affiliate of the Borrower) who meet the qualifications required for the Tax Credits and providing for initial lease terms of not less than twelve (12) months, nor more than twenty-four (24) months for each of the three (3) months comprising the Three Month Period; (g) the Project has achieved a Debt Service Coverage Ratio of not less than 1.20 to 1.0 for the Three Month Period and a Total Debt Service Coverage Ratio of not less 1.15 to 1.0 for the Three Month Period; (h) the Project (i) meets the requirements of a “qualified low income housing project” within the meaning of Section 42(g) of the Code and (ii) is in compliance with all federal, state and local low income housing and other requirements applicable to the Project and any applicable requirements of the Code; (i) the Project is eligible for Tax Credits in the amounts consistent with the requirements of Section 3.02(B)(16) of the Bond Purchase Agreement and the Tax Credits have been reserved for and allocated to, the Project in the required amount as evidenced by the Purchaser’s receipt of a copy of Treasury Form 8609 (or in the event Treasury Form 8609 is not obtainable prior to the proposed Conversion Date, the Purchaser will waive the requirement as a Condition to Conversion subject to the Purchaser receiving a copy of the final cost certification by Borrower’s accounting firm and copies of all other documents filed by the Borrower for purposes of obtaining Treasury Form 8609); (j) the identity of the Borrower has not changed and there has been no material adverse change in the condition, financial or otherwise, of the Borrower or the Managing Member, except for Permitted Transfers; (k) the identity of the Guarantors and the Key Principals has not changed, there is no reduction in the Guarantors’ or Key Principals’ direct or indirect ownership interests in Control of the Borrower, except to the extent permitted under the Loan Documents, and there has been no material adverse change in the condition, financial or otherwise, of any Guarantors or Key Principals; (l) the Purchaser has received an as-completed ALTA/NSPS survey of the Project showing the location of the Improvements and showing no encroachments by any of the Improvements upon any boundary line, easement,

wetlands, building set-back lines or other restricted area; (m) the Purchaser has received a date down title endorsement showing no Transfer of the Borrower's title in and to the Project other than a Permitted Transfer and transfers permitted under the Regulatory Agreement and no liens or encumbrances other than Permitted Encumbrances; (n) the Borrower shall provide satisfactory evidence of continuing insurance coverage in accordance with the requirements of the Bond Purchase Agreement; (o) evidence satisfactory to the Purchaser that all conditions necessary for the funding of the Operating Reserve have been met; (p) evidence satisfactory to the Purchaser that all conditions necessary for the funding of the Replacement Reserve and required escrows have been met; (q) evidence satisfactory to the Purchaser that all conditions necessary for the funding of not less than 90% of the Capital Contributions from its Equity Investor payable under the terms of its Operating Agreement have been met; (r) the Project is in compliance with all environmental laws and any required remediation of asbestos containing materials, lead based paint or other Hazardous Materials to be completed during the Construction Term shall have been completed to the satisfaction of the Purchaser; (s) the Subordinate Loans shall have fully funded and the Loan shall have been paid down to the Target Permanent Loan Amount or such lower amount as a result of a Pre-Conversion Equalization Payment; (t) there must not have been any advance of the Loan during the two (2) Business Days immediately preceding the Conversion Date; (u) all fees payable by the Borrower under the Bond Purchase Agreement or any other Loan Document on or before the Conversion Date shall have been paid; (v) the Borrower shall have entered into the HAP Contract with evidence that at least three (3) months of payments under the HAP Contract have been received by Borrower; (w) a ten (10) year pro-forma forecast of a Debt Service Coverage Ratio of not less than 1.00% based on annual revenue growth of 2.00% and an annual expense growth of 3.00% and (x) the Borrower shall have executed and delivered to the Purchaser such other information, documentation, and certifications as the Purchaser may reasonably request.

“Conditions to Extension” means: (a) the Improvements are substantially complete as evidenced by a temporary certificate of occupancy, receipt of a certificate of substantial completion from the Architect, and concurrence by the Construction Consultant, (b) no Event of Default or event that with notice or passage of time, or both, would constitute an Event of Default thereunder exists under any of the Loan Documents, (c) no default exists beyond any applicable notice and/or cure period under the Operating Agreement, (d) the Subordinate Loan Documents shall be in full force and effect (except to the extent the related Subordinate Loans have been paid in full), no default shall exist beyond any applicable notice and/or cure period under any Subordinate Loan Documents and all funding to date has been made thereunder, (e) the remaining Interest Reserve, the Net Operating Income for the Project calculated for the most recent three (3) months, and/or funds deposited with the Trustee on or before the commencement of the extension period are sufficient to pay estimated interest and fees during the entire extension period, (f) that portion of the Capital Contributions due and payable pursuant to the terms of the Operating Agreement as of the date of the extension have been funded, and (g) the Purchaser has received at least thirty (30) but not more than ninety (90) days prior written notice and an extension fee of .25% of the face amount of the Bonds (less any redemptions) is paid by the Borrower to the Purchaser.

“Construction Consultant” means an engineer or architect or firm of engineers or architects selected by the Purchaser to review on behalf of the Purchaser the construction plan and costs and to provide on behalf of the Purchaser inspections during construction.

“**Construction Fund**” means the account of that name established pursuant to Section 5.05 of this Indenture.

“**Construction Term**” means the period beginning on the Closing Date and ending on (a) if the Conditions to Conversion have been satisfied, the date specified as the Conversion Date in the Purchaser’s Notice of Conversion, or (b) if the Conditions to Conversion have not been satisfied, the Outside Conversion Date.

“**Contractor**” means Gulf Building, LLC, a Florida limited liability company, as general contractor with respect to the construction, installation and equipping of the Improvements.

“**Control**,” “**Controlled**” and “**Controlling**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through the ability to exercise voting power, by contract or otherwise.

“**Conversion Date**” means the date on which the Permanent Term commences as specified by the Purchaser in its Notice of Conversion, as provided in Section 4.02.

“**Costs of Issuance**” means “issuance costs” with respect to the Bonds within the meaning of Section 147(g) of the Code.

“**Costs of Issuance Fund**” means the fund of that name established pursuant to Section 5.04 of this Indenture.

“**Counsel**” means an attorney or firm of attorneys acceptable to the Trustee and the Servicer, and may, but need not, be Bond Counsel, counsel to the Issuer, the Servicer or the Borrower.

“**Credit Underwriting Report**” means that certain Credit Underwriting Report dated January 8, 2018 prepared by Seltzer Management Group, Inc., on behalf of the Issuer and the initial Purchaser of the Bonds.

“**County**” means Palm Beach County, Florida.

“**County SHIP Loan**” means the loan made by the County, which loan is funded through the State Housing Initiative Partnership Program (SHIP) in the principal amount of \$115,000.

“**Debt Service Coverage Ratio**” means the ratio of Net Operating Income to the aggregate debt service (principal and interest) for the unpaid principal balance of the Series 2018A Bonds during the Permanent Term.

“**Default**” or “**Event of Default**” means any of those events defined as Events of Default by Section 6.01 of this Indenture after expiration of any applicable cure periods set forth therein.

“**Default Rate**” means (i) when used in connection with the Note or Bonds, a rate which is 4.0% above the Applicable Rate, and (ii) when used with respect to any other Loan Document, the rate per annum equal to the CB Floating Rate plus 4.0%, provided, however, such interest rate shall in no event exceed the maximum interest rate which may be paid by law.

“Determination of Taxability” means, with respect to the Bonds, (a) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exclusion, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under the Bonds, or (b) a “final determination by decision or ruling by a duly constituted administrative authority” to the effect that such exclusion from gross income for federal income tax purposes for interest payable under the Bonds is not available, is no longer available or is contrary to law, and the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under the Bonds is not available, is no longer available or is contrary to law, or (c) receipt by and at the request of the Owner of a written opinion of tax counsel that there is no longer a basis for the Holders of the Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project or a Related Person thereto) to claim that any interest paid and payable on the Bonds is excludable from gross income for federal income tax purposes. For the purposes of clause (b) above, a “final determination by decision or ruling by a duly constituted administrative authority” shall mean (i) the issuance of a ruling (including, but not limited to, a revenue ruling or a letter ruling) by the IRS or any successor thereto, or (ii) the issuance of a preliminary notice of proposed deficiency (“**30-Day Letter**”), a statutory notice of deficiency (“**90-Day Letter**”), or other written order or directive of similar force and effect by the IRS, or any other United States Governmental Authority having jurisdiction therein; provided, however, that no such Determination of Taxability under clause (b) above shall be deemed to have occurred if the Issuer (at the sole expense of the Borrower) or the Borrower is contesting such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of a final determination from which no appeal may be taken with respect to such determination, abandonment of such appeal by the Issuer or the Borrower, as the case may be, or one year from the date of the initial determination. Notwithstanding the foregoing, nothing in this definition of “Determination of Taxability” shall be construed (x) to mean or include consideration of the interest payable on the Bonds for purposes of calculating the interest expense which may be deducted by a bank or other financial institution, or (y) to mean that the Owner or any other Holder of the Bonds shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Bonds is subject to taxation, or (z) to mean or include the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on the Owner or any other Holder of the Bonds, in the calculation of which is included the interest paid under the Bonds. A Determination of Taxability shall not constitute an Event of Default.

“Developer” means HTG Heron Estates Senior Developer, LLC, a Florida limited liability company.

“Effective Gross Income” means gross potential rent (including proceeds of rent loss insurance) and other income collected from the residential units at the Project, less a vacancy rate. For restricted units, the Purchaser will underwrite gross potential rent at the lower restricted, actual market rent levels. Unrestricted units will be underwritten at the lower of market or actual rent levels. Gross potential rent exclude rental income which exceeds market rent for the public housing units and which exceeds eighty-five percent (85%) of market rent for the non-public housing units and rental income from retail or office tenants. A vacancy and collection loss shall be the greater of 7.0% or actual. Other income shall be on a reoccurring or stabilized basis including income collected from garage, parking, laundry, clubhouse revenues,

pet and late fees as determined by the Purchaser in its discretion. Other income shall not include interest income, commercial income, tenant deposits and other non-residential related income.

“**Electronic Means**” means facsimile transmission, e-mail transmission or other similar means of communication capable of being evidenced by a paper copy.

“**ELI Loan**” means the Extremely Low Income Loan made to the Borrower by Florida Housing.

“**Entity Guarantors**” means, collectively, the Borrower, the Authorized Member, Balogh Family Partnership, LLC, HTG Affordable, LLC, and Heron Estates Elderly, LLC.

“**Equipment**” means all equipment, machinery, furnishings and other personal property located on the Premises and all replacements, substitutions and additions thereto.

“**Equity Investor**” means, CREA Heron Estates, LLC, a Delaware limited liability company, and its permitted successors and assigns.

“**Eurodollar**” when used in reference to any Borrowing, refers to whether such Borrowing is bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“**Fee Guaranty and Environmental Indemnity Agreement**” means the Fee Guaranty and Environmental Indemnity Agreement dated the date of delivery of the Bonds in favor of the Issuer and the Trustee from the Borrower, the Individual Guarantor and the Entity Guarantors, as may be amended, supplemented or modified from time to time.

“**Final Reference Swap Rate**” has the meaning specified in Section 4.01(d)(i) hereof.

“**Financing Agreement**” means the Financing Agreement dated as of even date herewith, among the Issuer, the Trustee and the Borrower, as the same may be supplemented, amended or modified.

“**Fixed Rate**” means ____% per annum.

“**Florida Housing**” means Florida Housing Finance Corporation.

“**Funds**” means the funds established pursuant to Article V hereof.

“**Government Obligations**” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America, which obligations are held in a custody account by a custodian pursuant to the terms of a custody agreement.

“**Governmental Authority**” means the United States of America, any other nation or political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Ground Lease” means that certain Third Amended and Restated Ground Lease, effective as of November 15, 2017 by and between the Borrower and the Riviera Beach Housing Authority, as further amended and supplemented from time to time solely with the consent of the Purchaser, which consent shall not be unreasonably withheld or delayed.

“Guarantors” means, collectively, the Entity Guarantors and the Individual Guarantor.

“HAP Contract” means the Housing Assistance Payments Contract between HUD and the Borrower covering fifty (50) units at the Project for a term of fifteen (15) years with current rents of not less than \$1,080 per month for a one (1) bedroom unit.

“Hazardous Materials” means all hazardous materials including, without limitation, any flammable explosives, radioactive materials, radon, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), or in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, State or local environmental law, ordinance, rule or regulation.

“Housing Authority Loan” means the subordinate loan from the Riviera Beach Housing Authority to the Borrower in the principal amount of \$1,000,000.

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

“Improvements” means the construction, furnishing and equipping of an approximately one hundred one (101) unit residential apartment complex, together with related site improvements located at the Premises.

“Indebtedness” means, with respect to the Borrower and the Project, (a) all indebtedness, whether or not represented by bonds, debentures, notes, or other securities, for the repayment of money borrowed, (b) all deferred indebtedness for the payment of the purchase price of properties or assets purchased relating to the Project, (c) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others, (d) all indebtedness secured by a mortgage, pledge, security interest, or lien existing on property owned which is subject to such mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby has been assumed, (e) all capitalized lease obligations, (f) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, (g) all amounts required to be paid by the Borrower as a guaranteed payment to partners or members or a preferred or special dividend, including any mandatory redemption of shares or interests, (h) all unfunded pension funds, or welfare or pension benefit plans or liabilities, and (i) all obligations (calculated on a net basis) of the Borrower under derivatives in the form of interest rate swaps, credit default swaps, total rate of return swaps, caps, floors, collars and other interest hedge

agreements, in each case whether the Borrower is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations the Borrower otherwise assures a creditor against loss; provided, however, that for the purpose of computing Indebtedness, there will be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there has been deposited with the proper depository in trust the necessary funds (or Government Obligations not callable or pre-payable by the issuer thereof) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such funds and such Government Obligations so deposited will not be included in any computation of the assets of the Borrower and the income derived from such funds and Government Obligations so deposited will not be included in any computation of the income of the Borrower.

“**Indenture**” shall mean the Trust Indenture by and between the Issuer and the Trustee dated as of March 1, 2018, as may be amended, supplemented or modified from time to time.

“**Individual Guarantors**” means Randy E. Rieger and Matthew Rieger.

“**Initial Advance**” means the first advance made by the Purchaser under the Bond Purchase Agreement for the purchase of the Bonds.

“**Initial Reference Swap Rate**” has the meaning specified in Section 4.01(d)(i) hereof.

“**Insurance and Condemnation Proceeds Account**” means the account of that name established within the Construction Fund pursuant to Section 5.05 of this Indenture.

“**Insurance Proceeds**” means the total proceeds of insurance actually paid or payable by an insurance company in respect of the required insurance on the Project, less the actual costs incurred, including attorneys’ fees, in the collection of such proceeds.

“**Interest Period**” means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month which is one month thereafter, provided (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the next succeeding Business Day would fall on the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (c) no Interest Period shall extend beyond the Maturity Date, and (d) there may not be more than one Interest Period in effect at any one time. For purposes hereof, the date an advance of the Bond Proceeds is initially made and, thereafter, shall be the effective date of the most recent conversion or continuation of such advance.

“**Interest Reserve**” has the meaning set forth in Section 3.02(D) of the Bond Purchase Agreement.

“**Interpolated Rate**” means, at any time, for any interest period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Lender (which determination shall be conclusive and binding absent manifest error) to be equal

to the rate that results from interpolating on a linear basis between: (i) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period and (ii) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

“**Investment Securities**” means any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State for moneys proposed to be invested therein:

(a) Bonds or other obligations of the State or bonds or other obligations, the principal of and interest on which are guaranteed by the full faith and credit of the State;

(b) Bonds or other obligations of the United States or of subsidiary corporations of the United States Government which are fully guaranteed by such government;

(c) Obligations of agencies of the United States Government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;

(d) Bonds or other obligations issued by any public housing agency or municipality in the United States, which bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipality in the United States and fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(e) Certificates of deposit of national or state banks which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan associations which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds;

(f) Interest-bearing and time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank (including U.S. Bank National Association) or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956 and whose unsecured or uncollateralized long-term deposits of which are rated in the one of the two highest letter rating categories of S&P or Moody’s or whose unsecured and uncollateralized short-term deposits are rated in one of the two highest letter rating categories of S&P or Moody’s at the time of purchase, provided that each such interest-bearing deposit, repurchase agreement, reverse repurchase agreement, guarantee

agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys;

(g) Any and all other obligations of investment grade and having a nationally recognized market, including, but not limited to, rate guarantee agreements, guaranteed investment contracts, or other similar arrangements offered by any firm, agency, business, governmental unit, bank (including U.S. Bank National Association), insurance company or other entity; provided, that each such obligation shall permit moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys;

(h) Shares of a money market mutual fund or other collective investment fund registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, having assets of at least \$100,000,000 and rated in the one of the two highest letter rating categories of S&P or Moody's; and

(i) Any other investment approved in writing by the Servicer.

“**Issuer**” has the meaning set forth for that term in the Recitals above.

“**Issuer Documents**” means, collectively, this Indenture, the Financing Agreement, the Regulatory Agreement, the Arbitrage Rebate Agreement and the Fee Guaranty and Environmental Indemnity Agreement.

“**Issuer Fee**” shall mean, collectively, the Issuer's (i) one (1) time initial issuance fee of 20 basis points (0.20%) of the original principal amount of the Bonds payable by the Trustee to the Issuer on the Closing Date from amounts in the Closing Costs Fund in the amount of \$24,000 and (ii) the Issuer Annual Fee.

“**Issuer Legal Requirements**” means any and all judicial decisions, statutes, rulings, directives, rules, regulations, permits, certificates, or ordinances of any Governmental Authority, in any way applicable to the Issuer.

“**Key Principals**” means, collectively, Randy E. Rieger, Matthew Rieger and the Balogh Family Partnership, LLC.

“**LIBO Rate**” means the London interbank offered rate administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars) for a one month period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Purchaser from time to time in its reasonable discretion (in each case, the “**LIBO Screen Rate**” at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such interest period; provided, that, if any LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of the Bonds and provided, further, if the LIBO Screen Rate shall not be available at such time for such interest period (an “**Impacted Interest Period**”), then the LIBO Rate shall be the

Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of the Bonds and this Indenture.

“**Lien**” means any interest in the Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s and carriers’ liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any of the Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“**Loan**” or “**Loans**” means the loans in the aggregate principal sum of up to, but not in excess of, Twelve Million Dollars (\$12,000,000) to be advanced to the Borrower on a draw down basis in accordance with the provisions of the Financing Agreement, which loan(s) shall be evidenced by the Notes and secured by the Security Instrument and the other Loan Documents.

“**Loan Documents**” means, collectively, the Financing Agreement, the Notes, the Regulatory Agreement, the Security Instrument, the Fee Guaranty and Indemnity Agreement, the Subordinate Loan Documents, the Ground Lease, the Tax Agreement, the Borrower’s Tax Certificate and, upon delivery thereof, the Servicing Agreement, together with all other documents or instruments executed by the Borrower which evidence or secure the Borrower’s indebtedness under such documents and all other documents and instruments delivered simultaneously herewith or required under the Loan Documents to be delivered during the term of the Loan.

“**Loan Fee**” means the loan fees of the Purchaser in the aggregate amount of One Hundred Forty-seven Thousand Seven Hundred Fifty Dollars (\$147,750) as set forth in the Bond Purchase Agreement.

“**Majority Owner**” means the Person who owns at least fifty-one percent (51%) in aggregate principal amount of Outstanding Bonds, or, if no single Person owns at least fifty-one percent (51%) in aggregate principal amount of Outstanding Bonds, the Person who is designated in writing to exercise the powers of “Majority Owner” hereunder by Persons who collectively own at least fifty-one percent (51%) in aggregate principal amount of Outstanding Bonds. JPMorgan Chase Bank, N.A. is the initial Majority Owner.

“**Managing Member**” means HTG Heron Estates Senior Manager, LLC, a Florida limited liability company.

“**Maturity Date**” means, with respect to the Series 2018A Bonds, September ___, 2035, and with respect to the Series 2018B Bonds, September ___, 2020.

“**Moody’s**” means Moody’s Investors Service, Inc., a Delaware corporation, 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, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer, with the consent of the Borrower and the Servicer.

“**Net Operating Income**” means Effective Gross Income less Operating Expenses.

“**Notes**” has the meaning set forth for that term in the Recitals above.

“**Notice Address**” means as follows:

Issuer: Housing Finance Authority of Palm Beach County, Florida,
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406
Attention: Executive Director

With a copy to: Greenspoon Marder, LLC
CityPlace Tower
525 Okeechobee Blvd., Suite 900
West Palm Beach, FL 33401
Attention: Morris G. “Skip” Miller

Borrower: HTG Heron Estates Senior, LLC
c/o Housing Trust Group
3225 Aviation Avenue, Suite 607
Coconut Grove, Florida 33131
Attention: Randy E. Rieger

with a copy to: Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, Florida 33130
Attention: Brian J. McDonough, Esq.

and

Saxon Gilmore & Carraway, P.A.
201 E. Kennedy Blvd., Suite 600
Tampa, Florida 33602
Attention: Bernice S. Saxon, Esq.

Equity Investor: CREA Heron Estates, LLC
c/o CREA, LLC
30 South Meridian Street, Suite 400
Indianapolis, IN 46204

with a copy to: Jones Day
100 High Street
Boston, Massachusetts 02110
Attention: John D. Kelley, Esq.

Trustee: U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Fort Lauderdale, Florida 33309
Attn: Global Corporate Trust Services

Initial Servicer and
Majority Owner: JPMorgan Chase Bank, N.A.
Community Development Banking
100 North Tampa Street, 33rd Floor
Mail Code: FL FL2-6001
Tampa, Florida 33602-5854
Attention: Tammy Haylock-Moore, Executive Director

with a copy to: JPMorgan Chase Bank, N.A.
Legal Department
4 New York Plaza, 21st Floor
Mail Code NY1-E089
New York, New York 10004-2413
Attention: Michael R. Zients, Executive Director and Assistant
General Counsel

With respect to any future Servicer or Majority Owner, such address as may be shown in the records of the Trustee.

“Notice of Conversion” means the notice from the Purchaser to the Borrower, with copies to the Issuer, the Trustee and the Equity Investor confirming that the Conditions to Conversion have been satisfied (or if applicable, waived) and the amount of any Pre-Conversion Equalization Payment required on the Conversion Date (which date will not be more than forty-five (45) days after the date of the Notice of Conversion).

“Occupancy Requirement” means not less than ninety percent (90%) of the units at the Project have been physically and economically occupied. Physically occupied is measured as the number of units occupied compared to the total units available and economically occupied includes the combined effects on the Effective Gross Income of physical vacancy of residential units and credit loss associated with rental concessions, bad debt, and discounted units.

“Operating Agreement” means the Second Amended and Restated Operating Agreement of the Borrower, dated as of March ___, 2018.

“Operating Expenses” means all recurring line item expenses based on the higher of the following: originally underwritten, historical annualized expenses at the Project, Borrower budget. However, real estate taxes will be adjusted for fully assessed actual taxes based on 100% completion. If abatement applies, taxes will be adjusted to any payment in lieu of taxes that are assessed against the Project. Management fee shall be defined as the greater of the management fee of the existing contract in place or market. A replacement reserve of \$300.00

per unit will be included in the Operating Expenses estimate. A three (3) month deposit of the replacement reserve will be required on the Conversion Date.

“**Operating Reserve**” has the meaning assigned in the Financing Agreement.

“**Outside Conversion Date**” means _____, 2020.

“**Outstanding**” means, when used with respect to Bonds, as of any date, all Bonds theretofore authenticated and delivered under this Indenture except:

(a) any Bond canceled or delivered to the registrar for cancellation on or before such date;

(b) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Article III of this Indenture;

(c) any Bond deemed to have been paid as provided in Article IX of this Indenture;

(d) any Bond owned or held by or for the account of the Issuer or the Borrower, as provided in Section 10.11 of this Indenture, for the purpose of consent or other action or any calculation of outstanding Bonds provided for in this Indenture, and

(e) any undelivered Bond (except for purposes of receiving the purchase price thereof upon surrender in accordance with this Indenture).

“**Owner**” or “**Owners**” or “**Holder**” or “**Holder**s” means the registered owners of the Bonds.

“**Payment Date**” means (a) the tenth (10th) day of each and every calendar month commencing on November 10, 2018 and continuing until the Bonds have been paid in full, (b) any other date on which payment of principal (including any redemption) is made on the Bonds and (c) the Maturity Date for the Bonds, or, to the extent any of the foregoing dates do not fall on a Business Day, the first Business Day thereafter.

“**Permanent Term**” means the term commencing on the Conversion Date and ending 210 months from the Closing Date.

“**Permitted Encumbrances**” means (a) utility, access and other easements, rights of way and encroachments which benefit or do not materially impair the utility or value of the Project affected thereby for purposes for which it is intended, (b) Liens for taxes, assessments and utility charges (i) to the extent permitted by the Financing Agreement, or (ii) are not delinquent, (c) any Lien on the Project obtained through any Financing Document, (d) any Lien on the Project in favor of the Purchaser or Issuer, (e) subordinate Liens created under the Subordinate Loan Documents, (f) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase, (g) the Ground Lease, (h) any Subordinate Lien on the Project created with respect to any loan, the proceeds of which are for the refinancing of the Bonds, and (i) any Lien permitted by the Purchaser in writing.

“Permitted Transfer” has the meaning set forth in the Bond Purchase Agreement.

“Person” means an individual, partnership, limited liability company, corporation, trust, unincorporated organization or Governmental Authority.

“Plans and Specifications” has the meaning assigned in the Financing Agreement.

“Pre-Conversion Equalization Payment” means the payment of that portion of the Bonds required to be made by the Borrower on or before the Conversion Date in an amount which the outstanding principal balance of the Target Permanent Loan Amount exceeds the amount determined by the Purchaser required to meet (a) the Debt Service Coverage Ratio of 1.20 to 1.0 and a Total Debt Service Coverage Ratio at 1.15 to 1.0 for the Permanent Term, (b) a Total Debt Service Coverage Ratio of 1.0 to 1.0 under the Purchaser’s ten-year proforma forecast based on annual revenue growth of 2.0% and annual expense growth of 3.0% during the first ten (10) years of the Permanent Term, and (c) the loan to value ratio of not more than 80% of the rent restricted stabilized value of the Project as set forth in the Purchaser’s most recent Appraisal prior to the Conversion Date.

“Pre-Conversion Equalization Payment Date” means the date on which the Pre-Conversion Equalization Payment is made.

“Premises” means the parcel of land commonly known and described as Heron Estates Senior Apartments, W. 17th Court and Congress Avenue, Riviera Beach, Florida 33404-5002, as more particularly described in the Security Instrument and which land is ground leased to the Borrower by the Riviera Beach Housing Authority.

“Prepayment Premium” has the meaning specified in Section 4.01(d)(iii) hereof.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its office at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

“Principal Office” means, with respect to any party, the office designated as such in, or as designated by the respective party in writing pursuant to, this Indenture.

“Project” means collectively the Premises, the Improvements and the Equipment.

“Property” has the meaning assigned in the Security Instrument.

“Purchaser” or **“Purchasers”** means JPMorgan Chase Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as initial purchaser of the Bonds, and its successors and assigns.

“Qualified Costs of the Project” means the actual costs incurred to acquire, construct and equip the Project which (i) are incurred not more than sixty (60) days prior to June 10, 2016 being the date on which the Issuer first declared its “official intent” (within the meaning of

Treasury Regulations Section 1.150-2) with respect to the Project (other than preliminary expenditures with respect to the Project in an amount not exceeding twenty percent (20%) of the aggregate principal amount of the Bonds), (ii) are (A) chargeable to the Project's capital account or would be so chargeable either with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs, within the meaning of Treasury Regulation Section 1.103-8(a)(1), and if charged or chargeable to the Project's capital account are or would have been deducted only through an allowance for depreciation or (B) made for the acquisition of land, to the extent allowed in Section 147(c) of the Code and (iii) are made exclusively with respect to "qualified residential rental project" within the meaning of Section 142(d) of the Code; provided, however, that (A) Costs of Issuance shall not be deemed to be Qualified Costs of the Project; (B) fees, charges or profits payable to the Borrower or a "related person" (within the meaning of Section 147 of the Code) shall not be deemed to be Qualified Costs of the Project; (C) interest during the construction of the Project shall be allocated between Qualified Costs of the Project and other costs and expenses of the Project; (iv) interest following completion of construction of the Project shall not constitute Qualified Costs of the Project; (v) letter of credit fees and municipal bond insurance premiums which represent a transfer of credit risk shall be allocated between Qualified Costs of the Project and other costs and expenses to be paid from the proceeds of the Bonds; and (vi) letter of credit fees and municipal bond insurance premiums which do not represent a transfer of credit risk (including, without limitation, letter of credit fees payable to a "related person" to the Borrower) shall not constitute Qualified Costs of the Project. As used herein, the term "preliminary expenditures" includes architectural, engineering, surveying, soil testing and similar costs that were incurred prior to commencement of acquisition, construction or rehabilitation of the Project, but does not include land acquisition, site preparation or similar costs incident to commencement of construction or rehabilitation of the Project. The Trustee shall have no obligation to determine what constitutes Qualified Costs of the Project.

"Rate Conversion Date" means the earlier of (i) the Conversion Date and (ii) _____, 2020.

"Rebate Analyst" means any Person, chosen by the Borrower and at the expense of the Borrower, qualified and experienced in the calculation of rebate payments under Section 148 of the Code and compliance with the arbitrage rebate regulations promulgated under the Code, which is engaged for the purpose of determining the amount of required deposits to the Rebate Fund, if any, pursuant to the Tax Agreement. The initial Rebate Analyst shall be _____.

"Rebate Fund" means the fund of that name established pursuant to Section 5.13 of this Indenture.

"Record Date" means, with respect to each Payment Date, the close of business on the day preceding such Payment Date, whether or not such day is a Business Day.

"Reference Swap" has the meaning specified in Section 4.01(d)(i) hereof.

"Reference Swap Rate" has the meaning specified in Section 4.01(d)(i) hereof

“**Regulatory Agreement**” means the Land Use Restriction Agreement dated as of March 1, 2018, among the Borrower, the Issuer and the Trustee, as the same may be amended, modified or supplemented from time to time.

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

“**Replacement Reserve**” means the replacement reserve maintained by the Servicer pursuant to the Replacement Reserve Agreement.

“**Replacement Reserve Agreement**” means the Replacement Reserve Agreement between the Borrower and the Purchaser dated as of the date hereof, as may be amended, supplemented or modified from time to time.

“**Requisition**” means a requisition in the form attached to the Financing Agreement as Exhibit D, together with all invoices, bills of sale, schedules and other submissions required for the making of an advance from the Construction Fund.

“**Reserved Rights**” shall have the meaning ascribed to such term in Financing Agreement.

“**Resolution**” means the resolution of the Issuer adopted on February 9, 2018 authorizing, among other things, the execution and delivery by the Issuer of the Issuer Documents and the Bonds and the performance of its obligations thereunder.

“**Revenue Fund**” means the fund of that name established pursuant to Section 5.01 of this Indenture.

“**S&P**” means S&P Global Inc., a Standard & Poor’s Financial Services LLC business, 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 consent of the Borrower and the Servicer.

“**SAIL Loan**” means the State Apartments Incentive Loan Program administered by Florida Housing and under which a SAIL loan was made to the Borrower in initial principal amount of \$4,971,218.

“**Security Instrument**” means the Mortgage, Security Agreement and Assignment of Rents, Leases, and Profits (Leasehold), dated as of March 1, 2018 covering the Project from the Borrower to the Issuer, as assigned by the Issuer to the Trustee, as may be amended, supplemented or modified from time to time.

“**Series 2018A Bonds**” means the Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) in the principal amount not to exceed Six Million Seven Hundred Thousand Dollars (\$6,700,000.00).

“**Series 2018A Note**” means the Series 2018A Note dated as of the Closing Date made by the Borrower as maker to the Issuer as payee and assigned to the Trustee, in the principal amount of Six Million Seven Hundred Thousand Dollars (\$6,700,000.00), as may be amended, supplemented or modified from time to time.

“**Series 2018B Bonds**” means the Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) in the principal amount not to exceed Five Million Three Hundred Thousand Dollars (\$5,300,000.00).

“**Series 2018B Note**” means the Series 2018B Note dated as of the Closing Date made by the Borrower as maker to the Issuer as payee and assigned to the Trustee, in the principal amount of Five Million Three Hundred Thousand Dollars (\$5,300,000.00), as may be amended, supplemented or modified from time to time.

“**Servicer**” means the servicer of the Loan appointed pursuant to Section 7.11 hereof. Prior to the Conversion Date and during any other times as no servicer has been appointed pursuant to Section 7.11 hereof, all references herein and in the Loan Documents to the Servicer shall be deemed to refer to the Majority Owner. No Servicer has been appointed as of the Closing Date.

“**Servicing Agreement**” means any servicing agreement entered into among the Borrower and the Servicer, as the same may be amended, modified or supplemented from time to time.

“**Shortfall Amount**” means the amount, if a positive number, that _____ Million _____ Thousand Dollars (\$_____) will exceed the principal balance of the Series 2018A Bonds following the Pre-Conversion Equalization Payment.

“**Shortfall Fee**” has the meaning specified in Section 4.01(d)(i) hereof.

“**Sole Holder**” means (i) with respect to the Series 2018A Bonds, an Owner owning one hundred percent (100%) of the Series 2018A Bonds then Outstanding or (ii) with respect to the Series 2018B Bonds, an Owner owning one hundred percent (100%) of the Series 2018B Bonds then Outstanding.

“**Sophisticated Investor**” means a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities Act of 1933, as amended, or an “accredited investor” as that term is defined in Regulation D of the Securities and Exchange Commission.

“**State**” means the State of Florida.

“**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors of the Federal Reserve System to which the Purchaser is subject, with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the

Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Borrowings requiring reference to the Statutory Reserve Rate shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemption or offsets that may be available from time to time under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted on and as of the effective date of any change in any reserve percentage.

“**Subordinate Loans**” means, collectively, (a) the ELI Loan, (b) the Housing Authority Loan, (c) the SAIL Loan, and (d) the County SHIP Loan.

“**Subordinate Loan Documents**” means the documents and instruments evidencing and/or securing the Subordinate Loans, as may be amended, supplemented or modified from time to time.

“**Substantial Completion**” or “**Substantially Complete**” means the completion of the construction and equipping of the Improvements free and clear of all unbonded Liens other than Permitted Encumbrances substantially in accordance with the Plans and Specifications to the satisfaction of the Issuer, the Purchaser and the Construction Consultant, except for such defects or departures which do not, in the reasonable opinion of the Purchaser, adversely affect either the value of the work in place or the full utilization of the applicable portion of the Project for which it is intended, and the issuance and delivery to the Issuer and the Purchaser of a certificate of substantial completion by the Architect and copies of all permits and approvals of Governmental Authorities for the occupancy of all units contained in the Improvements, including, and not by way of limitation, a temporary, conditional or permanent certificate of occupancy.

“**Substantial User**” means any Person constituting a “substantial user” of the Project within the meaning ascribed to such term in Section 147(a) of the Code.

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

“**Subordinate Loan Account**” means the account of that name established within the Construction Fund pursuant to Section 5.05 of this Indenture.

“**Target Permanent Loan Amount**” means the principal amount of \$[6,700,000].

“**Tax and Insurance Account**” means the account of that name established pursuant to Section 5.01(b) of this Indenture.

“**Tax Agreement**” means, collectively, the Borrower’s Proceeds Certificate, the Issuer’s Certificate as to Arbitrage and Certain Other Tax Matters and the Arbitrage Rebate Agreement, by and among the Issuer, the Trustee and the Borrower, as may be supplemented, amended or modified.

“**Tax Credits**” means the low income housing tax credits under Section 42 of the Code available with respect to the Project.

“**Tax Exempt CB Floating Rate**” means the CB Floating Rate minus ____%.

“**Tax Exempt Eurodollar Rate**” means with respect to the relevant Interest Period, a per annum rate equal to the applicable Adjusted LIBO Rate plus 1.75%.

“**Tax Exempt Rate**” means the applicable Tax Exempt CB Floating Rate, Tax Exempt Eurodollar Rate or Fixed Rate determined in accordance with Section 3.04(B) of the Bond Purchase Agreement.

“**Taxable CB Floating Rate**” means the CB Floating Rate minus ____%.

“**Taxable Eurodollar Rate**” means with respect to relevant Interest Period, a per annum rate equal to the applicable Adjusted LIBO Rate plus ____%.

“**Taxable Fixed Rate**” means ____%.

“**Taxable Rate**” means (a) for the Series 2018A Bonds, (i) initially with respect to the relevant Interest Period, a rate equal to the Taxable CB Floating Rate or the Taxable Eurodollar Rate as applicable, and (ii) from and after the Rate Conversion Date, the Taxable Fixed Rate and (b) for the Series 2018B Bonds, with respect to the relevant Interest Period, a rate equal to the Taxable CB Floating Rate or the Taxable Eurodollar Rate, as applicable.

“**Three Month Period**” means three (3) consecutive full calendar months prior to the Conversion Date, the last month of which shall not be more than two (2) months prior to the month in which the Conversion Date will occur.

“**Total Debt Service Coverage Ratio**” means the ratio of Net Operating Income to the aggregate debt service for the unpaid principal balance of the Series 2018A Note and all other indebtedness requiring mandatory payments of principal and/or interest and which is secured by a Lien on the Project during the Permanent Term.

“**Transfer**” means, (a) a sale, assignment, transfer or other disposition (whether voluntary, involuntary, or by operation of law), (b) the grant, creation, or attachment of a Lien, encumbrance or security interest (whether voluntary, involuntary, or by operation of law), (c) the issuance or other creation of a direct or indirect ownership interest, (d) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity, or (e) the merger, dissolution, liquidation or consolidation of a legal entity. The term “Transfer” shall not mean or include (i) the conveyance of the Project at a judicial or non-judicial foreclosure sale under the Security Instrument or (ii) the Project becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code.

“**Treasury Rate**” has the meaning specified in Section 4.01(d)(iii).

“**Trust Estate**” means the trust estate pledged by the Issuer and described in the Granting Clauses of this Indenture.

“**Trustee**” has the meaning assigned in the recitals hereto, and includes any successor trustee appointed pursuant to Section 7.08.

“**Trustee Fee**” shall mean the Trustee’s initial acceptance fee of \$1,750.00 plus reasonable fees and expenses of its counsel in conjunction with the issuance of the Bonds and the ongoing compensation and expenses payable to the Trustee as follows:

(a) the annual administration fees of the Trustee, for the ordinary services of the Trustee rendered under this Trust Indenture during each twelve-month period shall be \$3,000.00 per annum, payable in \$1,500.00 semiannual installments in advance on the Closing Date and each April 1 and October 1 thereafter (the “Trustee Annual Fee”);

(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 Trust Indenture as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including fees prior to litigation, at trial or for appellate proceedings); provided, however, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and

(c) for purposes of the Financing Agreement, indemnification of the Trustee by the Borrower.

“**Trustee Expenses**” means the expenses of the Trustee set forth in Section 7.04 of this Indenture.

“**Type**” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Tax Exempt Rate, the Taxable Rate or the CB Floating Rate.

“**Yield Maintenance Period**” means the period of time commencing on the Closing Date and ending on September ____, 2032.

Section 1.02 Construction. In this Indenture, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Indenture.

(b) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Indenture.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(d) Words importing the redemption of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

(e) References in this Indenture to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignation for codification purposes.

(f) The terms “receipt,” “received,” “recovery,” “recovered” and any similar terms, when used in this Indenture with respect to moneys or payments due the Issuer, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Issuer, the Purchaser of the Bonds or the Trustee on its behalf.

ARTICLE II REPRESENTATIONS AND COVENANTS OF THE ISSUER

Section 2.01 Representations by the Issuer. The Issuer represents and warrants to the Trustee and the Owners of the Bonds that:

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

(b) The Issuer has power and lawful authority to adopt the Resolution, to execute and deliver the Issuer Documents, to issue the Bonds and receive the proceeds of the Bonds, to apply the proceeds of the Bonds to make the Loan, to assign the revenues derived and to be derived by the Issuer from the Loan to the Trustee, and to perform and observe the provisions of the Issuer Documents and the Bonds on its part to be performed and observed.

(c) The Issuer has duly authorized the execution and delivery of each of the Issuer Documents, the issuance, execution, sale and delivery of the Bonds, and the performance of the obligations of the Issuer thereunder.

(d) The Issuer makes no representation or warranty, express or implied, that the proceeds of the Bonds will be sufficient to finance the construction and equipping of the Project or that the Project will be adequate or sufficient for the Borrower’s intended purposes.

(e) The Issuer is not in violation of any Issuer Legal Requirements which would affect its existence or its ability to issue, execute, sell or deliver the Bonds, to enter into any of the Issuer Documents or to perform any of its obligations thereunder.

Section 2.02 Covenants of the Issuer. The Issuer hereby agrees with the Owners from time to time of the Bonds that, so long as the Bonds remain unpaid:

(a) The Issuer will pay or cause to be paid the principal of and the interest on the Bonds as the same become due, but solely from funds provided by the Borrower under the Financing Agreement and the Notes and solely to the extent provided in Section 10.02 hereof.

(b) The Issuer will do, execute, acknowledge, when appropriate, and deliver from time to time at the request of the Owners of the Bonds or the Trustee such further acts, instruments, financing statements and other documents as are necessary or desirable to better assure, transfer, pledge or assign to the Trustee, and grant a security interest unto the Trustee in

and to the Trust Estate and the other properties and revenues herein described and otherwise to carry out the intent and purpose of the Issuer Documents and the Bonds.

(c) The Issuer will not use or knowingly permit the use of any proceeds of the Bonds or other funds of the Issuer, directly or indirectly, in any manner, and will not take or permit to be taken any other action or actions, which would result in any of the Bonds being treated as an obligation not described in Section 142(a)(7) of the Code by reason of such Bond not meeting the requirements of Section 142(d) of the Code.

(d) The Issuer will at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure, and will not knowingly take any action which will adversely affect, the excludability of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE III AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.01 Authorization of Bonds

(a) There is hereby authorized, established and created an issue of Bonds of the Issuer to be known and designated as (i) the “Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project)” in the original aggregate principal amount of \$6,700,000 and (ii) the “Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project)” in the original aggregate principal amount of \$5,300,000. No additional bonds shall be authorized or issued under this Indenture. The Bonds shall be issued for the purpose of making the Loan by depositing such amounts in the various accounts of the Construction Fund established hereunder.

(b) The Bonds are hereby authorized to be issued as drawdown Bonds. The Owners of the Bonds shall fund the purchase price of the Bonds in installments. The initial installment for the purchase of the Series 2018A Bonds shall be in the amount of \$_____ to be advanced by the Owner of such Series 2018A Bonds and received by the Trustee on the Closing Date, which purchase price shall be deposited in the Bond Proceeds Account of the Construction Fund for application as provided in Section 5.02 hereof. The initial installment for the purchase of the Series 2018B Bonds shall be in the amount of \$_____ to be advanced by the Owner of such Series 2018B Bonds and received by the Trustee on the Closing Date, which purchase price shall be deposited in the Bond Proceeds Account of the Construction Fund for application as provided in Section 5.02 hereof. Upon the advancement of a portion of the purchase price of each series of the Bonds in accordance with the terms hereof and the Bond Purchase Agreement, the Bonds in a principal amount equal to the amount so advanced shall be deemed to be issued to the Holder of the Bonds automatically and without further acts on the part of the Issuer or the Trustee. The balance of the purchase price of each series of the Bonds shall be advanced by the Holder or Holders of the Bonds as requests for draws to be funded first from proceeds of the Series 2018A Bonds until fully advanced and then from the proceeds of the Series 2018B Bonds, as such requests are submitted and approved in accordance with Section 4.1 of the Financing Agreement. The Trustee shall maintain in its books a log which shall reflect the

portion of the purchase price of the Series 2018A Bonds and Series 2018B Bonds advanced by the Holders from time to time in accordance with the provisions of this Section 3.01(b) (the “Schedule of Advances”). The principal amount due on each series of the Bonds shall be only such amount as has been advanced by the Holders as reflected in the Schedule of Advances and not otherwise redeemed pursuant to the terms of this Indenture. The records maintained by the Trustee in such regard will be conclusive evidence of the principal amount of the Bonds which have been purchased and are outstanding absent manifest error. If presented to the Trustee by any Holder of the Bonds, amounts listed on the Schedule of Advances shall be noted on Schedule C attached to the applicable Bond so presented to the Trustee. The Bonds shall bear interest as provided in Section 3.06 upon the deposit with the Trustee by the Holders of the purchase price of the Bonds so advanced in accordance with the provisions of this Section 3.01(b). The Trustee shall notify the Issuer if any advance of the purchase price of the Bonds is not made by the Holder of such Bonds when due hereunder.

Section 3.02 Conditions Precedent to Authentication and Delivery of Bonds. Prior to the initial authentication and delivery of the Bonds, the Trustee shall have received each of the following:

- (a) the original executed Bonds, and executed original counterparts of the Bond Purchase Agreement, the Issuer Documents and the other Loan Documents;
- (b) a certified copy of the Resolution;
- (c) Internal Revenue Service Form 8038 completed by the Issuer with respect to the Bonds;
- (d) evidence of the payment of the initial installment of the purchase price of the Bonds and deposit of the Borrower funds required pursuant to Section 5.03 of this Indenture;
- (e) an opinion of Bond Counsel substantially to the effect that the Bonds constitute legal, valid and binding obligations of the Issuer and that under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excludable from gross income of the Owners (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) for federal income tax purposes;
- (f) an original purchaser letter executed by the initial purchaser(s) of the Bonds, in substantially the applicable form set forth in **Exhibit C** hereto; and
- (g) a letter of Seltzer Management Group, Inc., as credit underwriter for the Issuer, acknowledging that all contingencies listed in its final Credit Underwriting Report have been satisfied or waived.

Section 3.03 Registered Bonds. The Bonds shall be in fully registered form and shall be payable in accordance with the provisions hereof and of the Bonds to the Owner thereof as shown on the records maintained by the Trustee.

Section 3.04 Loss, Theft, Destruction or Mutilation of Bonds. In the event a Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Bond bearing a notation indicating the principal amount outstanding, in exchange for the mutilated Bond, or in substitution for a Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and the Trustee (i) such security or indemnity as may be required by them to save them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of a Bond and of the ownership thereof. Upon the issuance of a Bond upon such exchange or substitution, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including reasonable counsel fees, of the Issuer and the Trustee. In case a Bond shall become mutilated or be destroyed, lost or stolen, the Trustee may, instead of authenticating a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and the Trustee such security or indemnity as they may require to save them harmless and evidence satisfactory to them of the mutilation, destruction, loss or theft of the Bond and of the ownership thereof.

Section 3.05 Terms of Bonds - General

(a) Registration; Denomination. The Bonds shall be issuable initially in Authorized Denominations as specified by the initial Owner. Thereafter, the Bonds shall be issuable in any Authorized Denomination required to effect transfers, exchanges or redemptions permitted or required by this Indenture. The Series 2018A Bonds shall be substantially in the form of **Exhibit A** hereto, with such amendments and changes as the officer executing the same shall deem appropriate. The Series 2018B Bonds shall be substantially in the form of **Exhibit B** hereto, with such amendments and changes as the officer executing the same shall deem appropriate. In the event of any change to the Applicable Rate of the Series 2018A Bonds, the Servicer shall provide to the Trustee, the Issuer and the Borrower a revised amortization schedule which shall provide for the monthly payments of combined principal and interest on the remaining principal amount of the Series 2018A Bonds at the Applicable Rate over the remainder of the original thirty (30) year term, in which event the payment obligations of the Issuer under clause (b) of Section 3.07 and under the Series 2018A Bonds and the corresponding payment obligations of the Borrower under the Series 2018A Note and the Financing Agreement shall be modified without further action on the part of the Issuer, the Trustee or the Borrower.

(b) Date and Maturity. All Bonds shall be dated the Closing Date. The Bonds shall bear interest from the Closing Date (or later date of advance with respect to advances made after the Closing Date) until paid in full, payable for the periods, in the amounts, at the rates, and as provided in Section 3.06 hereof. The Bonds shall mature on the Maturity Date, unless sooner redeemed or accelerated.

Section 3.06 Interest on the Bonds

(a) The Bonds shall bear interest at the Tax Exempt Rate; provided, however, that (i) following a Determination of Taxability, the Bonds shall bear interest at the Taxable Rate, (ii) during the occurrence of any Event of Default, the Bonds shall bear interest at the

Default Rate; and (iii) if any scheduled payment of interest, principal or premium on the Bonds (excluding any principal amount due to acceleration) is not made within 10 days of the date when due and payable, the Borrower shall pay a late charge equal to 5% of the amount of such late payment. Interest on the Bonds shall be calculated on the basis of a 360-day year for the number of days actually elapsed. The Servicer shall provide the Trustee with written notice of any change in the interest rate on the Bonds pursuant to this Section 3.06(a).

(b) If prior to the commencement of any Interest Period prior to the Rate Conversion Date, the Servicer determines (which determination shall be conclusive absent manifest error) that (i) adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or (ii) the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost of making or maintaining the Bonds for such Interest Period; then the Servicer shall give notice thereof to the Issuer, the Trustee and the Borrower by Electronic Means as promptly as practical thereafter and, until the Servicer notifies the Issuer, the Trustee and the Borrower that the circumstances giving rise to such notice no longer exist (1) any interest election request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (2) any request for a new Eurodollar Borrowing shall be made as a CB Floating Rate Borrowing with interest calculated at the Tax Exempt CB Floating Rate or the Taxable CB Floating Rate, as applicable. As a condition of determining the Adjusted LIBO Rate or the CB Floating Rate Borrowing, the Servicer shall cause Bond Counsel to deliver an opinion of Bond Counsel at the expense of the Borrower to the Issuer and the Purchaser that such change in interest rate on the Bonds will not in and of itself adversely affect the tax-exempt status of the Bonds.

(c) If any Change in Law shall: (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Servicer (except any such reserve requirement reflected in the Adjusted LIBO Rate); or (ii) impose on the Servicer or the London interbank market any other condition affecting the Bonds made by the Servicer; and the result of any of the foregoing shall be to increase the cost to the Servicer of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost or to reduce the amount of any sum received or receivable by the Servicer (whether of principal, interest or otherwise), then the Borrower will pay to the Servicer such additional amount or amounts as will compensate the Servicer for such additional costs incurred or reduction suffered.

(d) If the Servicer determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on the Servicer's capital or on the capital of the Servicer's holding company, if any, as a consequence of the Bond Purchase Agreement or the purchase of the Bonds made by the Servicer to a level below that which the Servicer or the Servicer's holding company could have achieved but for such Change in Law (taking into consideration the Servicer's policies with respect to capital adequacy), then from time to time the Borrower will pay to the Servicer, such additional amount or amounts as will compensate the Servicer or the Servicer's holding company for any such reduction suffered.

(e) A certificate of the Servicer setting forth the amount or amounts necessary to compensate the Servicer or its holding company, as the case may be, as specified in paragraph (c) or (d) of this Section shall be delivered to the Issuer, the Trustee and the Borrower and shall

be conclusive absent manifest error. The Borrower shall pay the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(f) Usury. Notwithstanding any provision of this Indenture to the contrary, in no event shall the interest contracted for, charged or received in connection with the Bonds (including any other costs or considerations that constitute interest under the laws of the State which are contracted for, charged or received pursuant to this Indenture) exceed the maximum rate of nonusurious interest allowed under the laws of the State as presently in effect and to the extent of any increase allowable by such laws. To the extent permitted by law, interest contracted for, charged or received on the Bonds shall be allocated over the entire term of the Bonds, to the end that interest paid on the Bonds does not exceed the maximum amount permitted to be paid thereon by law. Excess interest, if any, provided for in this Indenture, or otherwise, shall be canceled automatically as of the date of any permitted acceleration or, if theretofore paid, shall be credited as principal paid on the Bonds.

Section 3.07 Payment on the Bonds

(a) Principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States which is legal tender for the payment of all debts and dues, public and private, at the time of payment. The principal of and premium, if any, on the Bonds shall be payable, without exchange or collection charges, in lawful money of the United States of America (a) on each Payment Date or other date of payment, with respect to regularly scheduled payments of principal and partial redemptions made in accordance with the terms of this Bond and the Indenture or at maturity, by check mailed to the Holder at its address as shown on the Record Date on the registration books of the Issuer kept by the Trustee, without the need to present or surrender the Bond, and (b) upon its presentation and surrender as it becomes due and payable in full, whether at maturity or by prior redemption, at the Principal Corporate Trust Office of the Trustee. Interest due and payable on this Bond shall be payable on each Payment Date by check mailed to the Holder hereof at its address shown on the Record Date on the registration books of the Issuer kept by the Trustee. Notwithstanding the foregoing, at the option of the Sole Holder or any Holder of \$1,000,000 or more in aggregate principal amount of the Bonds, upon written request, payment of principal, premium (if any) and interest on each Bond may be transmitted by wire transfer to such Holder to the account on file with the Trustee as of the Record Date, so long as such account is governed under the banking laws of the United States or any state therein.

(b) Payments on the Series 2018A Bonds shall be made in the following manner: (i) commencing on April 10, 2018 and continuing on each Payment Date through and including the Maturity Date, payments of interest in arrears on the Outstanding principal balance of the Series 2018A Bonds (less any amounts that have not been drawn down as of the date thereof) at the Applicable Rate shall be due and payable and payments of principal shall be due and payable in the amounts set forth in the Amortization Schedule attached hereto as **Exhibit D** (which schedule shall be subject to subsequent modification as set forth in Section 4.01(f) hereof); and (ii) on the Maturity Date, the entire unpaid principal balance thereof, and all accrued and unpaid interest thereon shall be due and payable in full, if not paid earlier. Notwithstanding the foregoing, unless and until otherwise agreed to by the Issuer and the Sole Holder (with notice to the Trustee and the Borrower), the Borrower shall pay to the Sole Holder, all amounts required

to be paid by the Trustee to the Sole Holder as principal of, premium, if any, and interest on the Series 2018A Bonds on or before one Business Day prior to each Payment Date unless payment is by wire transfer, in which case, such payment may be sent on the Payment Date that it is due, and the amount so paid shall be applied against the Borrower's obligations under the Series 2018A Note.

(c) Payments on the Series 2018B Bonds shall be made in the following manner: (i) commencing on April 10, 2018 and continuing on each Payment Date through the Maturity Date, payments of interest in arrears on the Outstanding principal balance of the Series 2018B Bonds (less any amounts that have not been drawn down as of the date thereof) at the Applicable Rate shall be due and payable and (ii) on the Maturity Date, the entire unpaid principal balance thereof, and all accrued and unpaid interest thereon shall be due and payable in full. Notwithstanding the foregoing, unless and until otherwise agreed to by the Issuer and the Sole Holder (with notice to the Trustee and the Borrower), the Borrower shall pay to the Sole Holder, all amounts required to be paid by the Trustee to the Sole Holder as principal of, premium, if any, and interest on the Series 2018B Bonds on or before one Business Day prior to each Payment Date, unless payment is by wire transfer, in which case, such payment may be sent on the Payment Date that it is due, and the amount so paid shall be applied against the Borrower's obligations under the Series 2018B Note.

To the extent more than one Bond is issued and Outstanding at any one time under the terms of this Indenture, payments of principal, interest and premium (if any) on the Series 2018A Bonds shall be made in a pro rata manner based on the Outstanding principal amount of the Series 2018A Bonds and Series 2018B Bonds shall be made in a pro rata manner based on the Outstanding principal amount of the Series 2018B Bonds. The provisions regarding the timing of payments on the Series 2018A Bonds or Series 2018B Bonds if there is a Sole Holder described in subparagraphs (a) and (b) above shall not apply if there are more than one Holder of either or both series.

Section 3.08 Execution and Authentication of Bonds

(a) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chairperson or Vice-Chairperson of the Issuer, and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Issuer.

(b) In case any officer of the Issuer whose signature or facsimile signature shall appear on any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond may be signed and sealed on behalf of the Issuer by such persons as, at the actual time of the execution of such Bond, shall be duly authorized or hold the proper office in or employment by the Issuer, although at the date of the Bonds such persons may not have been so authorized nor have held such office or employment.

(c) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit under this Indenture unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in such Bond duly executed by the Trustee, by the manual signature of an authorized signatory thereof, and such certificate of the Trustee upon any Bond executed on behalf of the Issuer shall be conclusive evidence that the Bond so authenticated has been duly issued under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 3.09 Negotiability, Transfer and Registry of Bonds

(a) All 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 this Indenture remains in force, the Trustee, as registrar, shall maintain and keep books for the recordation of the taxpayer identification number of each of the Owners of the Bonds and the registration, transfer and exchange of Bonds. Each Bond shall be transferable only upon the books of registration. The Trustee is hereby appointed registrar, to act as agent of the Issuer for the registration and transfer of Bonds and the maintenance of the books of registration. The Issuer may appoint a successor registrar upon notice by mail to the Trustee and the Owners of the Bonds.

(b) Upon a partial redemption of the Bonds, the Issuer shall execute and the Trustee shall authenticate and deliver new certificates representing the unredeemed portion of the Bonds to be so tendered or redeemed in part, in exchange for the certificates representing the Bonds to be so tendered or redeemed in part. Surrender of Bonds for execution, authentication and delivery of new certificates shall not be a precondition to the redemption of Bonds pursuant to Section 4.01 hereof. If a Bond shall be transferred in part, such Bond shall be delivered to the registrar, and the Trustee shall, on behalf of the Issuer, deliver two Bonds in replacement therefor, having the same maturity and interest provisions and in the same aggregate principal amount as the Bond so delivered.

(c) Upon surrender of the Bonds at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or his attorney duly authorized in writing, such Bonds may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds in Authorized Denominations.

(d) The Borrower shall pay reasonable fees and expenses of the Issuer, Bond Counsel and the Trustee and of any required indemnity for the Issuer and the Trustee in connection with any transfer or exchange of Bonds; provided that the costs of any tax or other governmental charge imposed upon such transfer or exchange and the cost of any legal opinions shall be borne by the Owner of the Bond.

(e) Bonds shall be transferred upon presentation and surrender thereof at the Principal Office of the Trustee by the Owner thereof or his attorney duly authorized in writing with due endorsement for transfer or accompanied by a written instrument of transfer in form satisfactory to the Trustee. All Bonds surrendered in any exchanges or transfers shall forthwith be canceled. For every such exchange or transfer of Bonds, there shall be made a charge sufficient to pay 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 Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be obligated to (i) authenticate, exchange or transfer any Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the next succeeding Payment Date, (ii) authenticate, exchange or transfer any Bond during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the first giving of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

(f) The Bonds may be transferred in whole or in part by any Owner only as follows:

(i) to the Borrower, any subsidiary of the initial Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(ii) to any Sophisticated Investor;

(iii) to any trust or custodial arrangement each of the beneficial owners of which is required to be a Sophisticated Investor.

Any transfer of Bonds described in clauses (ii) or (iii) of this Section 3.09(f) shall be conditioned upon delivery by the proposed transferee to the Trustee of a purchaser letter in substantially the form set forth in **Exhibit C** hereto.

(g) In addition to any transfer permitted by Section 3.09(f), the Bonds may be transferred, in whole or in part:

(i) to one or more Owners upon receipt by the Issuer, each Owner making such transfer, and the Trustee of (i) any disclosure document which is prepared in connection with such transfer of any Bond, (ii) evidence that each such Bond is rated “A” or better by one of S&P or Moody’s, and (iii) an opinion of Bond Counsel to the effect that (A) the exemption of the Bonds or any securities evidenced thereby from the registration requirements of the Securities Act of 1933, as amended, and the exemption of this Indenture from qualification under the Trust Indenture Act of 1939, as amended, will not be impaired as a result of such transfer, and (B) such transfer will not adversely affect the exclusion of interest accrued on the Bonds from gross income of the Owners thereof (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) for federal income tax purposes; or

(ii) to any trust, custodial or similar arrangement the ownership interests in which are to be distributed through the issuance of (A) securities that are registered under the Securities Act of 1933, as amended, and/or are exempt from the registration requirements of the Securities Act of 1933, as amended, and are rated “A” by S&P or Moody’s (or an equivalent rating by another nationally recognized rating agency) or better, without respect to modifier, or securities the pass-through payments on which are guaranteed by an insurer or guarantor, the unsecured long-term obligations of which are rated “A” by S&P or Moody’s (or

an equivalent rating by another nationally recognized rating agency) or better, without respect to modifier, or (B) non-investment-grade securities representing a residual interest in such trust, custodial or similar arrangement that may only be transferred in transactions that are exempt from the registration requirements of the Securities Act of 1933, as amended; all as certified to the Trustee by the transferee.

Section 3.10 Ownership of Bonds. The Issuer, the Trustee and any other Person shall treat the Owner of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price of and interest on such Bond and for all other purposes whatsoever, and payment of the principal or redemption price, if any, of and interest on any such Bond shall be made only to, or upon the order of, such registered owner. All such payments to such registered owner shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor any Trustee shall be affected by any notice to the contrary.

Section 3.11 Payments on Bonds Due on Non-Business Days. In any case where any Payment Date shall be a day other than a Business Day, then payment of the Bonds 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 Payment Date, and no interest shall accrue for the period after such date.

Section 3.12 Registration of Bonds in the Certificated Form. The Bonds shall not be held in book-entry form, nor shall they be registered in the name of Cede & Co. The Bonds shall be issued in certificated form only, and registered in the name of the Owner or Owners thereof. CUSIP numbers on the Bonds shall not be required.

ARTICLE IV REDEMPTION OF BONDS

Section 4.01 Redemption of Bonds. The Bonds shall be subject to redemption and as follows:

(a) *Optional Redemption at Direction of Borrower.*

(i) The Bonds shall be subject to optional redemption in full or in part on any Payment Date upon not less than thirty (30) days prior written notice from the Borrower to the Purchaser, Issuer and Trustee at a redemption price equal to the principal amount thereof to be prepaid, any premium with respect thereto, and interest accrued thereon to the date established for redemption.

(b) *Optional Redemption at Direction of Sole Holder.*

(i) Each series of Bonds are subject to redemption (or purchase in lieu thereof pursuant to Section 4.07), at the written direction of the Sole Holder during the Construction Term, in whole or in part, at par, on or after _____, 2020, upon not less than five (5) days' notice to the Issuer, the Trustee and the Borrower specifying the date of redemption, which date may be any Business Day at least five (5) days next following the date of

the notice (the “**Bond Prepayment Date**”); provided, the Sole Holder shall extend its right to require mandatory redemption on the Bond Prepayment Date to the Outside Conversion Date, provided all Conditions to Extension have been satisfied.

(ii) Each series of the Bonds is subject to redemption (or, with respect to the Series 2018A Bonds, purchase in lieu thereof pursuant to Section 4.07), in whole, at the written direction of the Sole Holder thereof (which direction shall be provided in writing to the Trustee, the Issuer and the Borrower), in the event the Permanent Term has not commenced by the Outside Conversion Date pursuant to Section 4.02(c), at a redemption price equal to 100% of the principal amount of the Bonds then Outstanding, together with any premium with respect thereto, plus interest accrued to the date of redemption.

(iii) On or after _____, 2021, the Series 2018B Bonds and, if the Permanent Term has not commenced by such date, the Series 2018A Bonds, are subject to redemption (or, with respect to the Series 2018A Bonds, purchase in lieu of redemption), in whole, at the written direction of the Sole Holder of each such series of Bonds (which direction shall be provided in writing to the Trustee, the Issuer and the Borrower), upon not less than five (5) days’ notice to the Issuer, the Trustee and the Borrower specifying the date of redemption, which date shall be any Business Day at least five (5) days next following the date of the notice.

(iv) Each series of the Bonds is subject to redemption, in whole, at the direction of the Sole Holder thereof for which notice can be given in the event of a Transfer other than a Permitted Transfer, at a redemption price equal to 100% of the principal amount of the related series of Bonds then Outstanding, together with any premium with respect thereto, plus interest accrued to the date of redemption.

(v) Each series of the Bonds is subject to redemption at the option of the Sole Holder, in whole or in part on receipt of notice of the occurrence of a Determination of Taxability upon not less than five (5) days’ notice from the Sole Holder to the Issuer, the Trustee and the Borrower specifying the date of redemption, which date may be any Business Day at least five (5) days next following the date of the notice at a redemption price equal to the principal amount thereof, plus any premium with respect thereto, and interest accrued thereon to the date established for redemption.

(vi) The Series 2018A Bonds are subject to redemption at the option of the Sole Holder, in whole or in part, on the date which is six (6) months prior to any scheduled maturity date of any Subordinate Loans, upon not less than five (5) days’ notice from the Sole Holder to the Issuer, the Trustee and the Borrower specifying the date of redemption, which date may be any Business Day, at least five (5) days next following the date of the notice, at a prepayment price equal to the principal amount thereof to be prepaid, plus any premium with respect thereto and interest accrued thereon to the date established for redemption.

(c) *Mandatory Redemption.*

(i) The Series 2018A Bonds shall be subject to mandatory redemption in whole or in part, to the extent funds are required to be applied to the redemption of the Series 2018A Bonds pursuant to Article V hereof, in each case at a redemption price equal to 100% of

the principal amount of Series 2018A Bonds being redeemed, together with any premium with respect thereto, plus interest accrued to the redemption date.

(ii) The Series 2018A Bonds shall be subject to mandatory redemption at the direction of the Servicer, on the Conversion Date in an amount equal to any Pre-Conversion Equalization Payment made by the Borrower in accordance with the terms of Section 4.02 of this Indenture and Section 3.2 of the Financing Agreement, at a redemption price equal to 100% of the principal amount of Series 2018A Bonds being redeemed, together with redemption premium, if any, plus interest accrued to the redemption date.

(iii) The Bonds shall be subject to mandatory redemption, in whole, upon receipt by the Trustee of (A) Notice from the Servicer or the Sole Holder of the occurrence of an Event of Default under this Indenture or any Loan Document and (B) corresponding written direction from the Servicer or the Sole Holder to redeem the Bonds in whole at a redemption price equal to 100% the principal amount of the Bonds Outstanding, together with any premium with respect thereto, together with accrued interest to the date of redemption.

(iv) The Series 2018A Bonds shall be subject to mandatory redemption in whole or in part in an amount equal to any prepayment of the Series 2018A Note on the earliest Business Day for which notice can be given, together with any premium with respect thereto and interest accrued to the date established for redemption.

(v) The Series 2018A Bonds shall be subject to mandatory redemption in part on each Payment Date in the amounts and on the date set forth in the Amortization Schedule.

(vi) The Series 2018B Bonds shall be subject to mandatory redemption in whole or in part in an amount equal to any prepayment of the Series 2018B Note on the earliest Business Day for which notice can be given and interest accrued to the date established for redemption.

(vii) The Series 2018B Bonds shall be subject to mandatory redemption in whole on the Conversion Date plus interest accrued to the redemption date.

(d) *Bond Premium.* Any optional or mandatory redemption, purchase in lieu of redemption, or prepayment of the Bonds shall be subject to a prepayment premium as follows:

(i) Prior to the Conversion Date, in the case of a Pre-Conversion Equalization Payment, the Borrower shall pay the Owner a premium (as liquidated damages, not as a penalty) (the “**Shortfall Fee**”) equal to (A) the sum of the present values as of the Pre-Conversion Equalization Payment Date of (i) the differences between each Fixed Rate interest payment which would be on the Reference Swap at the Initial Reference Swap Rate, and the corresponding Fixed Rate interest payment which would be paid on the Reference Swap at the final Reference Swap Rate, and (ii) each present value of said differences using the final Reference Swap Rate at the applicable discount rate multiplied by (B) the ratio of the Shortfall Amount to the principal amount of the Series 2018A Bonds. The Term “**Reference Swap Rate**” shall mean as of the specified date the Fixed Rate on an interest rate swap (the “**Reference Swap**”) whose market value is zero, with a term corresponding to the term of the Series 2018A

Bonds, a notional principal schedule corresponding to the scheduled outstanding balances of the Series 2018A Bonds, and monthly payments wherein one party pays said Fixed Rate of interest and the other party pays a rate equal to the one-month LIBO Rate. The “**Initial Reference Swap Rate**” shall be the Reference Swap Rate as of the Closing Date. The “**Final Reference Swap Rate**” shall mean the Reference Swap Rate as of the date of the Pre-Conversion Equalization Payment. Notwithstanding the foregoing computation, the Shortfall Fee shall in no event be less than zero. The parties acknowledge that the Owners might not fund or hedge its Fixed Rate loan portfolio or any prepayment thereof, on a loan-by-loan basis at all times and agrees that the foregoing is a reasonable and appropriate method of calculating liquidated damages for any such Pre-Conversion Equalization Payment irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the Series 2018A Bonds. All calculations and determinations by the Servicer in the amount payable pursuant to the preceding provisions or any element shall be made by the Servicer and provided in writing to the Trustee. All such calculations and determinations thereof, if made in accordance with its then standard procedure for so calculating and determining such amounts, shall be conclusive absent manifest arithmetic error.

(ii) In the event that during the Construction Term the full amount of the Series 2018A Bonds are not advanced for any reason, the Permanent Term does not commence, or the Series 2018A Bonds are paid in whole or in part (except as to the amount of any Pre-Conversion Equalization Payment) during the Construction Term, the Owners shall receive (as liquidated damages, not as a penalty) (“**Break Funding Premium**”) an amount equal to the greater of (a) one percent (1.0%) of the principal amount of the Series 2018A Bonds, or (b) the loss (if any) incurred by the Owners calculated by multiplying (1) the principal amount of the Series 2018A Bonds times (2) the result, if positive, of (x) the Fixed Rate or Taxable Fixed Rate, as applicable minus (y) the Treasury Rate times (iii) the number of days from the date of calculation to the maturity date of the Series 2018A Bonds, divided by 360 and (iv) discounted to present value at the Treasury Rate, to be calculated by the Servicer. The Servicer’s determination of the Treasury Rate and the amount of any Break Funding Premium shall be conclusive, in the absence of manifest error. Notwithstanding the foregoing provisions of this Section 4.01(d)(ii), the Break Funding Premium shall not be applicable with respect to any Pre-Conversion Equalization Payment made on the Conversion Date.

(iii) Following the Conversion Date, if principal of the Series 2018A Bonds is prepaid during the Yield Maintenance Period for any reason, the Owners shall concurrently receive a prepayment charge (the “**Prepayment Premium**”) equal to the greater of (a) one percent (1.0%) of the total amount of principal being prepaid or (b) the loss (if any) incurred by the Owners calculated by multiplying (i) the principal amount prepaid; times (ii) the result, if positive, of (x) the per annum interest rate being charged on the Series 2018A Note at the time of termination minus (y) if interest is being paid at the Fixed Rate, the Owners’ tax exempt factor multiplied by the annual yield to maturity (reflecting both stated interest rate and discount) of the United States Treasury obligations purchased at the time of prepayment and maturing 210 months from the Closing Date, or as close thereto as possible (the “**Treasury Rate**”), or if interest is being paid at the Taxable Fixed Rate, the Treasury Rate; times (iii) the number of days from the date of prepayment to the date 210 months from the Closing Date, divided by 360; and (iv) discounted to present value at the Treasury Rate, to be calculated by the

Servicer. The Servicer's determination of the Treasury Rate in the amount of any prepayment charge will be conclusive, in the absence of manifest error.

(iv) Notwithstanding Section 4.01(d)(iii), if prepayment of the Series 2018A Bonds is made after the first day of the 150th month from the Closing Date, no Prepayment Premium shall be due.

(v) Except in the case of a Pre-Conversion Equalization Payment, any partial redemption or partial prepayment shall be applied to any principal installments due in inverse order of maturity, and except in the case of a Pre-Conversion Equalization Payment, no partial redemption or partial prepayment during the Permanent Term shall alter the amount of any periodic installments due during the Permanent Term.

(vi) If principal of the Series 2018B Bonds is prepaid for any reason, other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), the Owners shall receive a premium (as liquidated damages, not as a penalty) equal to the excess, if any, of (A) the amount of interest which would have accrued on the principal amount of the Series 2018B Bonds had such event not occurred, at the Adjusted LIBO Rate that would have been applicable thereto for the period from the date of such event to the last day of the then current Interest Period over (B) the amount of interest which would accrue on such principal amount for such period at the interest rate which the Owner would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period, and from banks in the Eurodollar market. A certificate of the Servicer setting forth any amount or amounts that the Owner is entitled to receive pursuant to this paragraph shall be delivered to the Borrower, the Issuer and the Trustee and shall be conclusive absent manifest error.

(e) Notice of Optional and Mandatory Redemption. Except as otherwise provided herein, the Borrower, the Servicer and/or the Owners shall give notice ("**Notice of Optional Redemption**") to the Trustee and the Issuer of its or their intention to cause the Series 2018A Bonds or the Series 2018B Bonds, as applicable, to be called for optional redemption pursuant to the provisions of subsections (a) or (b) of this Section 4.01. Such Notice of Optional Redemption shall be given at least ten (10) days prior to the date on which the Trustee is required to give notice of such redemption to the Owners (or such fewer number of days as shall be acceptable to the Trustee or otherwise provided in Section 4.01(b)(i), (iii), (v) and (vi) hereof), specifying the proposed redemption date (the "Redemption Date") and the principal amount of the Series 2018A Bonds and the Series 2018B Bonds to be redeemed. The Trustee shall cause notice ("**Owner Notice**") of any optional or mandatory redemption of Series 2018A Bonds or Series 2018B Bonds, as applicable, under subsections (a), (b) or (c) above to be given to all the Owners of the Bonds to be redeemed at the registered addresses appearing in the registration books kept for such purpose pursuant to Article III. Each Owner Notice shall (i) be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption date, except that with respect to a redemption pursuant to Sections 4.01(a), 4.01(b)(i), 4.01(b)(iii), 4.01(b)(v), 4.01(b)(vi), 4.01(c)(i), 4.01(c)(ii), 4.01(c)(iii), 4.01(c)(iv) or 4.01(c)(vi) above, such Owner Notice shall be required to be mailed at least five (5) days prior to the redemption date, (ii) identify the Bonds to be redeemed if less than all the Bonds of a series are to be redeemed, (iii) specify the redemption date and the redemption price, (iv) with respect to an optional redemption pursuant to Sections 4.01(a), 4.01(b)(i), 4.01(b)(ii) or 4.01(b)(iii), state that the Series 2018A

Bonds are subject to purchase in lieu of redemption on the date set for redemption, and (v) state that on the redemption date the Bonds called for redemption will be payable upon surrender of such Bonds at the Principal Corporate Trust Office of the Trustee and that from the date set for redemption interest will cease to accrue. If, at the time of mailing of the Owner Notice to the Owners there shall not have been deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such Owner Notice may state that it is conditional and such Owner Notice shall be of no effect unless such moneys are so deposited on or before the Redemption Date. Failure to give any required Owner Notice to any Owner as to particular Bonds will not affect the validity of the call for redemption of any Bonds for which no such failure has occurred. Unless otherwise provided in this Article IV, and unless otherwise waived in writing by the Owners of 100% of the outstanding principal amount of the Bonds to be redeemed, each optional redemption of the Bonds shall occur on the Business Day selected by the Person electing to cause such redemption, subject to the satisfaction of the notice requirements in this Section 4.01(e), and each mandatory redemption shall occur on the first Business Day after which proper notice has been provided in accordance with the terms of this paragraph.

(f) Revisions to Amortization Schedule. Upon any (i) partial redemption of the Series 2018A Bonds on or following the Pre-Conversion Equalization Payment Date or (ii) any adjustment of the Applicable Rate of the Series 2018A Bonds, the Servicer shall provide to the Trustee and the Borrower a revised amortization schedule which shall provide for monthly payments of combined principal and interest on the remaining principal amount of the Series 2018A Bonds at the Applicable Rate over the remainder of the Permanent Term (assuming a 35-year amortization), in which event the payment obligations of the Issuer under clause (b) of Section 3.07 and under the Series 2018A Bonds and the corresponding payment obligations of the Borrower under the Series 2018A Note and the Financing Agreement shall be so modified without further action on the part of the Issuer, the Trustee or the Borrower.

Section 4.02 Conversion; Commencement of Permanent Term

(a) Conversion. The Permanent Term shall commence upon the satisfaction of the Conditions to Conversion. Unless otherwise agreed in writing by the Servicer, the Conversion Date shall be the date selected by the Servicer, which is the first day of the first full month which is at least fifteen (15) days after the Servicer's receipt of the Request for Conversion from the Borrower in accordance with paragraph (b) below.

(b) Notice of Conversion. At such time as the Servicer shall have: (1) received a Request for Conversion from the Borrower in the form attached hereto as **Exhibit F**, (which shall be submitted to the Servicer no later than thirty (30) days prior to the Conversion Date, unless a shorter period shall be consented to by the Sole Holder of the Series 2018A Bonds), (2) determined that all of the Conditions to Conversion have occurred, (3) determined that the Series 2018B Bonds are or shall be paid in full, and (4) verified the Permanent Loan Amount and provided written notice of same to the Borrower and the Trustee, the Servicer shall deliver to the Borrower, the Issuer and the Trustee a Notice of Conversion in the form attached hereto as **Exhibit E**. Notwithstanding the foregoing, the Servicer, in its sole discretion, may waive any of the above requirements for Conversion which waiver shall not be unreasonably withheld.

(c) Failure of Conversion. If Conversion shall not occur by the Outside Conversion Date, then the Series 2018A Bonds shall be subject to optional redemption at the direction of the Sole Holder pursuant to Section 4.01(b)(iii).

Section 4.03 Partial Redemptions. The amount of any partial redemption of the Bonds and the date on which the same is actually made, shall be noted by the Trustee on its records maintained at the Principal Office of the Trustee and, if presented to the Trustee for notation (with due endorsement for transfer or accompanied by a written instrument of transfer in form satisfactory to the Trustee), on Schedule A attached to the Bond which is partially redeemed and made a part thereof; but the failure to so note any partial redemption shall not affect the validity of any payment actually received by the Owner of such Bond. If moneys on deposit with the Trustee and subject to this Indenture are insufficient to pay the principal of, premium, if any, and interest accrued on the Bonds called for optional redemption to the redemption date, the optional redemption shall be deemed canceled. If fewer than all of the Bonds shall be called for redemption, the portion of Bonds to be redeemed shall be selected by lot by the Trustee or in such other manner as the Trustee shall deem proper. In the case of a partial redemption due to a scheduled principal payment, the last sentence of Section 3.07 shall apply.

Section 4.04 Effect of Call for Redemption. The Bonds, or portions thereof redeemed (or called for redemption after provision has been made for the payment thereof), shall no longer be secured by the Trust Estate under this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture. Interest shall not continue to accrue on the Bonds (or portions thereof, in the case of the Series 2018A Bonds) after the date fixed for redemption of such Bonds (or portions thereof, in the case of the Series 2018A Bonds), so long as moneys are on deposit with the Trustee to pay all principal of, premium, if any, and interest accrued on the Bonds on such date. If sufficient moneys are not on deposit on the redemption date, no Bonds of a Series shall be redeemed on such redemption date and the Bonds called for redemption but not redeemed shall continue to bear interest until paid.

Section 4.05 [Reserved]

Section 4.06 [Reserved]

Section 4.07 Purchase in Lieu of Redemption. If the Series 2018A Bonds are called for redemption in whole or in part pursuant to the terms of Sections 4.01(a), 4.01(b)(ii) or 4.01(b)(iii) hereof, the Series 2018A Bonds called for redemption may, in accordance with this Section 4.07, be purchased and held by the Trustee (for the account of the Borrower or its designee, as directed by such party) on the date which otherwise would be the date of optional redemption, at the option and written direction of the Borrower.

(a) Purchase in lieu of redemption shall be available for all of the Series 2018A Bonds called for redemption in accordance with the foregoing paragraph or for such lesser portion of such Series 2018A Bonds as constitute Authorized Denominations. The Borrower may direct the Trustee to purchase all or such lesser portion of the Series 2018A Bonds so called for redemption. Any such direction to the Trustee must:

(i) be in writing;

(ii) state either that all of the Series 2018A Bonds called for redemption are to be purchased or, if less than all of the Series 2018A Bonds called for redemption are to be purchased, identify those Series 2018A Bonds to be purchased in Authorized Denominations; and

(iii) be received by the Trustee no later than 12:00 noon one Business Day prior to the redemption date.

If so directed, the Trustee shall purchase such Series 2018A Bonds on the date which otherwise would be the date of redemption of the Series 2018A Bonds. Any of the Series 2018A Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this Indenture on the date set for redemption.

(b) On or prior to the scheduled redemption date, any direction given to the Trustee pursuant to this Section 4.07 may be withdrawn by Notice to the Trustee.

(c) The purchase price of the Series 2018A Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, under Section 4.01(d), which would have been payable on such Series 2018A Bonds on the applicable redemption date for such redemption. The Trustee shall not purchase the Series 2018A Bonds pursuant to this Section 4.07 if by no later than the date set for redemption, sufficient moneys have not been deposited with the Trustee, or such moneys are deposited, but are not available. In such event, such Series 2018A Bonds shall be redeemed as otherwise required by this Indenture on the date set for redemption.

(d) No notice of the purchase in lieu of redemption shall be required to be given to the Owners (other than the notice of redemption otherwise required under this Indenture).

(e) If the party directing the purchase in lieu of redemption shall thereafter arrange for the resale of all or a portion of the tendered Series 2018A Bonds, such party shall direct the Trustee to register the Series 2018A Bonds in the name of, and deliver the Series 2018A Bonds to, such subsequent purchaser; provided, however, that any such subsequent purchaser of the Series 2018A Bonds must satisfy the requirements of Section 3.09.

Notwithstanding anything herein to the contrary, Borrower may not direct a purchase in lieu of redemption pursuant to this Section 4.07 unless it delivers to the Trustee, the Issuer and the Sole Holder, if any, an opinion of Bond Counsel to the effect that the purchase and resale of the Series 2018A Bonds pursuant to this Section 4.07 will not, in and of itself, adversely affect the exclusion from gross income of interest on the Series 2018A Bonds for federal income tax purposes, which opinion shall be addressed to the Trustee, the Issuer and the Sole Holder, if any.

(f) The Series 2018B Bonds shall not be subject to purchase prior to the maturity thereof.

ARTICLE V
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS,
APPLICATION THEREOF AND SECURITY THEREFOR

Section 5.01 Revenue Fund

(a) The Trustee shall establish and maintain so long as the Bonds are outstanding a separate fund to be known as the “**Revenue Fund**.” Except for amounts required to be deposited to the Construction Fund and the Rebate Fund, all payments upon the Loan which by the terms of this Indenture, the Notes, the Financing Agreement and the other Loan Documents are to be paid to the Trustee, shall, as and when received by the Trustee, be deposited in the Revenue Fund and shall be held therein until disbursed as herein provided, including, without limitation, amounts provided by or on behalf of the Borrower. For the avoidance of doubt and as provided in Section 5.01(d), unless and until the Sole Holder of the Bonds directs the Borrower to make payments of principal, premium, if any, and interest due on the Bonds to the Trustee, the Borrower shall pay all payments of principal, premium, if any, and interest due on the Bonds directly to the Sole Holder.

(b) The Trustee shall establish and maintain within the Revenue Fund, a Principal Account, an Interest Account, a Fee and Expense Account, and, if not maintained by the Majority Owner or Servicer, a Tax and Insurance Account and a Replacement Reserve Account. All payments received by the Trustee for deposit into the Revenue Fund shall be deposited into the Revenue Fund then deposited into the respective accounts of the Revenue Fund as follows:

(i) First, to the “**Fee and Expense Account**,” a pro rata portion of any fees and expenses which are required to be paid by the Borrower pursuant to Section 3.2 of the Financing Agreement but which are not due and payable monthly and will not be paid directly to the payee thereof within thirty (30) days of receipt of an invoice therefor, until such account, taking into account past outstanding payments, contains sufficient funds to pay all such fees and expenses as of the next date such payment is due, including but not limited to the following, and such other fees and expenses as may otherwise be directed by the Servicer:

- (A) Issuer Annual Fee;
- (B) Servicer’s fee;
- (C) Trustee Annual Fee (as defined in subsection (a) of the definition of “Trustee Fee”); and
- (D) fees and expenses due and payable to any Rebate Analyst.

(ii) Second, to the “**Tax and Insurance Account**,” a pro rata portion of the amounts which shall be estimated by the Servicer (and communicated in writing to the Trustee) in accordance with the Financing Agreement, from time to time, to be sufficient to enable the Trustee to pay (out of the moneys so paid by the Borrower) the annual real estate taxes and the annual premiums on all insurance required by Section 5.22(b) of the Financing Agreement;

(iii) Third, to the “**Interest Account**,” an amount equal to the interest due on the Bonds on the next succeeding Payment Date for the Bonds, plus any interest due on a prior Payment Date but remaining unpaid, plus an amount equal to any late charges due on the next succeeding Payment Date in connection with the Bonds; and

(iv) Fourth, to the “**Principal Account**,” an amount equal to the principal and premium, if any, due on the Bonds on the next succeeding Payment Date for the Bonds, plus any principal or premium due on a prior Payment Date but remaining unpaid.

Subject to the succeeding sentence and subparagraph (d) of this Section 5.01, in the event the amount of the monthly payment received by the Trustee from the Borrower is insufficient to fund in full the deposits required in the foregoing clauses (i) through (iv), the Trustee shall provide the Servicer, the Borrower and the Issuer with prompt notice of such deficiency and the Servicer shall be permitted to provide direction to the Trustee in accordance with the provision of subparagraph (e) of this Section 5.01. Notwithstanding the foregoing, the Borrower shall not be required to deposit any amounts into the Interest Account, the Principal Account or the Tax and Insurance Account unless and until the Sole Holder directs the Borrower to make such deposits and notifies the Trustee accordingly. The Servicer shall provide prompt notice to the Trustee as to any amounts deposited with the Servicer to pay debt service on the Bonds.

(c) Amounts on deposit in the respective accounts of the Revenue Fund shall be applied as follows:

(i) as and when due, from the Fee and Expense Account to pay that portion of the Issuer Fee, the Trustee Fees, or fees of the Rebate Analyst, becoming due on such date;

(ii) subject to the last sentence of subparagraph (b) of this Section 5.01, and if held by the Trustee, as and when due, from the Tax and Insurance Account, to pay the annual real property taxes and premiums on insurance required by Section 3.2 of the Financing Agreement; provided, however, that if there are insufficient funds in the Tax and Insurance Account to pay such charges when they become due, then the Trustee may draw on funds in the Fee and Expense Account (after payment of any amounts due and payable to the Issuer and the Trustee pursuant to subsection (i) above), the Principal Account and the Interest Account, in that order, to pay such real estate taxes and insurance premiums;

(iii) at such time as the Sole Holder of the Bonds has notified the Trustee in writing that it has directed the Borrower to make payments of principal, premium, if any, and interest due on the Bonds to the Trustee, on each Payment Date for the Bonds, from the Interest Account, first to pay any late charge due under Section 3.06, and then to pay any interest on the Bonds becoming due on such date, which amounts have not been advanced under the Bonds to pay such interest; provided, however, that if on any Payment Date there are not sufficient funds to pay all interest then due on the Bonds and there is more than one Bond Outstanding, then interest shall be paid on such Bonds in a pro rata manner based on the outstanding principal amount of each; and

(iv) at such time as the Sole Holder of the Bonds has notified the Trustee in writing that it has directed the Borrower to make payments of principal, premium, if any, and interest due on the Bonds to the Trustee, on each Payment Date for the Bonds, from the Principal Account, to pay the principal and premium, if any, on the Bonds becoming due (whether at maturity or by redemption or acceleration) on such date.

(d) Notwithstanding the foregoing, all payments of principal, premium, if any, and interest due on the Bonds (whether at maturity or by redemption or acceleration), shall be made directly by the Borrower to the Sole Holder, unless and until the Sole Holder of the Bonds shall direct the Borrower to make payments of principal, premium, if any, and interest due on the Bonds to the Trustee.

(e) Notwithstanding the foregoing provisions of this Section 5.01, (i) any amounts received by the Trustee which are designated by the Servicer to be applied towards an optional or mandatory redemption of the Bonds in whole or in part pursuant to Article IV shall, to the extent they exceed any unpaid fees and unreimbursed expenses of the Issuer, the Trustee and the Servicer, be deposited in the Principal Account and thereafter disbursed in accordance with the provisions of Article IV towards the redemption of such Bonds, and (ii) in the event that on any Payment Date or any other applicable date on which funds are to be applied by the Trustee under clauses (i), (ii), (iii) or (iv) of Section 5.01(c) to the payment of certain items as specified therein, the aggregate amounts on deposit in such funds and accounts are insufficient to pay all amounts due on such date, then, if directed in writing by the Servicer, the Trustee shall transfer moneys on deposit in such funds and accounts between such funds and accounts as directed by the Borrower so as to allow for payment of such items as are directed by the Borrower, provided, however, in all events the first priority of payments shall be payment of the fees due and payable to the Issuer, the Trustee and the Rebate Analyst and any Rebate Amount due and owing to the United States. References to unpaid expenses payable to the Trustee or the Issuer shall include any amounts payable to such parties pursuant to any indemnification hereunder or under any of the Loan Documents.

Section 5.02 Bond Proceeds. On the Closing Date, \$6,700,000, representing proceeds of the Series 2018A Bonds, and \$5,300,000, representing the proceeds of the Series 2018B Bonds, shall be deposited by the Trustee in the Bond Proceeds Account of the Construction Fund for application as provided in Section 5.05 hereof.

Section 5.03 Equity Investor Contribution and Subordinate Loan Proceeds. On the Closing Date (except as noted in subparagraph (a) below), the Borrower shall cause \$ _____ received from the Equity Investor to be delivered to the Trustee and \$ _____ from the Subordinate Loans to be delivered to the Trustee, which sums shall be immediately applied as follows:

(a) \$ _____ received from the Equity Investor shall be deposited to the Costs of Issuance Fund for application as provided in Section 5.04 hereof. Such deposit shall be made not later than the Business Day prior to the Closing Date;

(b) \$ _____ received from the Equity Investor shall be transferred to the Borrower Equity Account of the Construction Fund for application as provided in Section 5.05 hereof; and

(c) \$ _____ of the proceeds from the Subordinate Loans shall be transferred to the Subordinate Loan Account of the Construction Fund for application as provided in Section 5.05 hereof.

Section 5.04 Costs of Issuance Fund. The Trustee shall establish in connection with the issuance of the Bonds a separate fund to be known as the “Costs of Issuance Fund.” Amounts transferred to the Costs of Issuance Fund pursuant to Section 5.03(a) shall be applied by the Trustee towards the payment of certain costs incurred in connection with the issuance of the Bonds at the direction of Borrower. Any amounts (including investment proceeds) remaining in the Costs of Issuance Fund on the date which is six (6) months following the Closing Date, after the payment of the costs incurred in connection with the issuance of the Bonds, shall be transferred to the Borrower Equity Account of the Construction Fund, and the Costs of Issuance Fund shall be cleared.

Section 5.05 Construction Fund

(a) The Trustee shall establish and maintain a “**Construction Fund**” and within the Construction Fund four (4) accounts to be known as the “**Bond Proceeds Account**,” the “**Borrower Equity Account**,” “**Subordinate Loan Account**,” and “**Insurance and Condemnation Proceeds Account**.” On the Closing Date, the Bond Proceeds Account of the Construction Fund shall be funded from the proceeds of the Bonds in the amount described in Section 5.02, the Borrower Equity Account shall be funded from sources other than Bond proceeds in the amount described in Section 5.03(b) and the Subordinate Loan Account shall be funded from the Subordinate Loan in the amount described in Section 5.03(c). After the Closing Date, proceeds of advances shall be deposited into the Bond Proceeds Account as received. After the Closing Date, any capital contributions received by the Trustee from the Equity Investor shall be deposited to the Borrower Equity Account. Any other funds to be deposited in the Construction Fund which are not Bond proceeds and which are not required to be otherwise deposited or disbursed pursuant to this Indenture shall be deposited to the Borrower Equity Account upon the direction of the Borrower (with the written consent of the Servicer), and the receipt of such funds by the Trustee. Amounts on deposit in the Bond Proceeds Account, the Borrower Equity Account and the Subordinate Loan Account of the Construction Fund shall be disbursed periodically by the Trustee upon the written direction of the Borrower with the prior written approval of the Servicer in accordance with the terms of Section 4.1 of the Financing Agreement, and, **[solely with respect to any amounts disbursed from the Subordinate Loan Account, if required, the prior written approval of the respective lenders of the Subordinate Loans in accordance with the applicable term of the Subordinate Loan Documents]**. The Trustee may conclusively rely on the Borrower’s representation as conclusive evidence that the disbursement is in accordance with the applicable Subordinate Loan Documents. To the extent amounts in the Bond Proceeds Account, the Borrower Equity Account or the Subordinate Loan Account of the Construction Fund are depleted prior to the completion of the construction of the Project, the Borrower shall be required to make monthly deposits into the Borrower Equity Account from sources other than the proceeds of the Bonds in an amount

sufficient to fund in full the approved withdrawal for construction in accordance with Section 5.9 of the Financing Agreement. Notwithstanding the foregoing, amounts on deposit in the Bond Proceeds Account of the Construction Fund shall not be used to pay any portion of the overhead or profit of any Person related to the Borrower within the meaning of Section 147(a)(2) of the Code, or any costs which are not chargeable to the Borrower's capital account. With respect to the immediately preceding sentence, the Trustee shall be entitled to rely on the representations of the Borrower in the Requisition (as defined in the Financing Agreement) submitted in connection with such Advance.

(b) **[Reserved]**

(c) On the Conversion Date or such earlier date as may be provided in Section 5.10 (such date being hereinafter referred to as the "**Construction Fund Release Date**"), (i) amounts remaining on deposit in the Bond Proceeds Account of the Construction Fund shall be transferred by the Trustee to the Bond Proceeds Clearance Fund for application as provided in Section 5.10 and (ii) amounts remaining on deposit in the Borrower Equity Account or Subordinate Loan Account of the Construction Fund shall be transferred by the Trustee to the Borrower.

Section 5.06 [Reserved].

Section 5.07 [Reserved]

Section 5.08 [Reserved]

Section 5.09 [Reserved]

Section 5.10 Bond Proceeds Clearance Fund.

(a) The Trustee shall establish and maintain a separate fund to be known as the "**Bond Proceeds Clearance Fund.**" Moneys shall be transferred into the Bond Proceeds Clearance Fund from the Bond Proceeds Account of the Construction Fund, as and when provided in Section 5.05(c).

(b) On a date which is not later than sixty (60) days after the earlier to occur of (i) transfer of moneys to the Bond Proceeds Clearance Fund from the Bond Proceeds Account of the Construction Fund, (ii) the date on which it is reasonably determined by the Servicer that the Project will not be completed, or (iii) the date on which the Project is placed in service (the "**Redemption Computation Date**") pursuant to Section 1.142-2(d) of the United States Treasury Regulations promulgated under the Code (the "**Regulations**"), the Borrower shall determine and notify the Trustee, the Issuer, and the Servicer in writing of the portion of the proceeds of the Bonds, including interest earnings thereon, which have been applied prior to the Redemption Computation Date to Qualified Costs of the Project (the "**Good Cost Sum**"). In the event the Borrower fails to compute the Good Cost Sum, the Servicer shall be entitled to compute such amount at the expense of the Borrower based on information available to the Servicer (with the advice and assistance of such professionals, including Bond Counsel). To the extent that the Good Cost Sum exceeds ninety-five percent (95%) of the net proceeds of the Bonds including interest earnings thereon (as determined in accordance with the Code, and

including interest earnings thereon and the amount of “**imputed proceeds**” of the Bonds calculated pursuant to Section 1.103-8(a)(6) of the Regulations, if any), then there shall be no required redemption of the Bonds pursuant to the terms of this Section 5.10(b) and, upon the funding of the Bond Proceeds Clearance Fund pursuant to Section 5.05(c) hereof, the moneys on deposit in the Bond Proceeds Clearance Fund shall be applied as provided in paragraph (c) of this Section 5.10. In the event the Good Cost Sum is less than ninety-five percent (95%) of the net proceeds of the Bonds including the net earnings thereon (determined as provided above), then the Bonds shall be subject to redemption from amounts on deposit in the Bond Proceeds Clearance Fund (or, if moneys have not yet been transferred from the Construction Fund as provided in Sections 5.05(c), then from amounts on deposit in the Construction Fund) in an amount (as computed by Bond Counsel) such that, if the remaining Bonds were issued on the Redemption Computation Date, at least ninety-five percent (95%) of the net proceeds of the Bonds including the net earnings thereon remaining after such redemption would be used for Qualified Costs of the Project, so as to comply with the requirements for remedial actions as set forth in Section 1.142-2 of the Regulations. The foregoing redemption shall occur on a date selected by the Servicer which is not less than five (5) nor more than sixty (60) days after the Redemption Computation Date, at a redemption price equal to 100% of the Outstanding principal amount of the Bonds being redeemed, plus interest accrued to the redemption date.

(c) On the date which is the earlier of (i) the Conversion Date and (ii) the Pre-Conversion Equalization Payment Date, amounts remaining on deposit in the Bond Proceeds Clearance Fund shall be applied by the Trustee at the written direction of the Servicer as follows: first, to redeem Bonds if Bonds are required to be redeemed pursuant to Section 4.01(c)(ii); second, towards payment of any deferred and unpaid developer’s fee owed to the Developer or unfunded replacement, operating, tax and insurance reserves, if any (in each case, if permitted pursuant to an opinion of Bond Counsel); and third, the balance, if any, shall be applied towards a redemption of the Bonds. Immediately upon disbursement of amounts on deposit in the Bond Proceeds Clearance Fund in accordance with the terms of this Section 5.10(c), the Trustee shall close the Bond Proceeds Clearance Fund.

Section 5.11 Temporary Funds and Accounts. The Trustee may establish and maintain for so long as is necessary one or more temporary funds and accounts under this Indenture.

Section 5.12 Bonds Not To Be Arbitrage Bonds

(a) The Issuer and the Borrower each covenants that it will not knowingly make or (to the extent it exercises control or direction) permit to be made, any use of the proceeds of the Bonds, or of any moneys, securities or other obligations that may be deemed to be proceeds of the Bonds (collectively, “**Bond Proceeds**”) within the meaning of Section 148 of the Code that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(b) The Trustee shall hold and invest Bond Proceeds within its control in Investment Securities as directed in writing by the Borrower. Neither the Issuer nor the Trustee shall incur any liability in connection with any action as contemplated by this Section 5.12 so long as each acts in good faith.

Section 5.13 Rebate Fund. The Trustee shall establish and maintain a separate fund to be known as the “Rebate Fund.”

(a) The Rebate Fund shall be held and applied as provided in this Section 5.13. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment, to the extent required under the Code and as calculated by the Rebate Analyst, for payment to the United States Government. None of the Issuer, the Borrower or the Owners shall have any rights in or claim to such moneys. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Agreement.

(b) The Trustee shall make information regarding the Bonds and the investments hereunder available to the Borrower promptly upon written request, shall make deposits to and disbursements from the Rebate Fund in accordance with the directions received from the Authorized Representative of the Borrower, shall invest moneys in the Rebate Fund pursuant to said directions and shall deposit income from such investments pursuant to said directions, and shall make payments to the United States of America in accordance with written directions received from the Borrower.

(c) Notwithstanding any provision of this Indenture to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any applicable Treasury regulation (the “Arbitrage Rules”), including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of the Arbitrage Rules and the fair market value of any investment made hereunder, it being understood and agreed that the sole obligation of the Trustee with respect to investments of funds hereunder shall be to invest the moneys received by the Trustee pursuant to the written instructions of the Authorized Representative of the Borrower given in accordance with Section 5.15 hereof. The Trustee shall have no responsibility for determining whether or not the investments made pursuant to the direction of the Borrower or any of the instructions received by the Trustee under this Section comply with the requirements of the Arbitrage Rules and shall have no responsibility for monitoring the obligations of the Borrower or the Issuer for compliance with the provisions of the Indenture with respect to the Arbitrage Rules.

(d) Notwithstanding any provision of this Indenture to the contrary, the obligation to remit payment of the rebate amount to the United States and to comply with all other requirements of this Section 5.13 shall survive the defeasance or payment in full of the Bonds.

(e) Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Borrower.

(f) The Trustee shall obtain and keep such records of the computations made pursuant to this Section 5.13 as are required under Section 148(f) of the Code. The Trustee shall keep and make available to the Borrower such records concerning the investments of the gross proceeds of the Bonds held by the Trustee and the investments of earnings from those investments as may be requested by the Borrower in order to enable the Borrower to cause the

Rebate Analyst to make the aforesaid computations as are required under Section 148(f) of the Code.

(g) Notwithstanding the foregoing, the computations and payments of rebate amounts referred to in this Section 5.13 need not be made if there shall have been delivered to the Trustee, the Issuer and the Servicer an opinion of Bond Counsel to the effect that such withdrawal and payment are not necessary in order to establish or maintain the exclusion from gross income of Owners (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) of interest on the Bonds. In the event Bond Counsel so opines, the moneys on deposit in the Rebate Fund shall be applied to such purpose as the Borrower shall direct provided that the Borrower shall deliver to the Issuer, the Trustee and the Servicer an opinion of Bond Counsel to the effect that such application will not adversely affect the exclusion from gross income of Owners (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) of interest on the Bonds for purposes of federal income taxation.

Section 5.14 Condemnation Awards and Insurance Proceeds

(a) Moneys representing Condemnation Award or Insurance Proceeds shall be deposited into the Insurance and Condemnation Proceeds Account of the Construction Fund, and notice of such deposit thereof shall be given by the Trustee to the Servicer.

(b) To the extent there has been a determination pursuant to the Loan Documents to restore the Project, such Condemnation Award or Insurance Proceeds as have been approved for disbursement by the Servicer shall be disbursed by the Trustee to or for the account of the Borrower, in accordance with terms, conditions and procedures specified by the Servicer in accordance with Section 4.1 of the Financing Agreement, for application by the Borrower for such purposes in accordance with the provisions of the Loan Documents.

(c) In the event there is a determination pursuant to the Loan Documents not to restore the Project, such Condemnation Award or Insurance Proceeds shall be either (i) transferred to the Revenue Fund and applied to the redemption of Bonds in accordance with Section 4.01(c)(iv) or (vi) hereof, or (ii) released to the Borrower if the Borrower obtains an opinion of Bond Counsel that such release will not affect the excludability of the interest on the Bonds from gross income of Owners (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) for federal income tax purposes, all in accordance with written direction of the Servicer to the Trustee and subject to the provisions of the Loan Documents.

Section 5.15 Moneys Held in Trust; Investment of Moneys

(a) All moneys from time to time received by the Trustee and held in the Funds and Accounts created hereby (other than the Rebate Fund) shall be held in trust as security for the benefit of the Owners of the Bonds. All such moneys, including the moneys held in the Rebate Fund, shall be invested as provided in this Indenture.

(b) Any moneys held as a part of the Funds shall be invested or reinvested, to the extent permitted by law, in Investment Securities at the request of and as directed in writing by an Authorized Representative of the Borrower. Any such investments shall be held by or under the control of the Trustee. A sufficient amount of such investments shall be liquidated whenever the cash balance in any Fund or Account is insufficient to pay an approved Requisition when presented. The Trustee is not responsible for losses on investments made in compliance with such written direction.

(c) 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 if no activity occurred in such fund or account during such month.

(d) The Trustee may conclusively rely upon the Borrower's written instruction as to both the suitability and legality of the directed investments.

Section 5.16 Investment Earnings. Earnings on investments held in the Bond Proceeds Account, the Borrower Equity Account, the Subordinate Loan Account and the Insurance and Condemnation Proceeds Account shall be retained in the Bond Proceeds Account, the Borrower Equity Account, the Subordinate Loan Account and the Insurance and Condemnation Proceeds Account, respectively, for application pursuant to Sections 5.05 and 5.14 hereof, as applicable. Earnings on all investments held in the Revenue Fund shall be retained in the applicable account of the Revenue Fund for application pursuant to Section 5.01 hereof. Earnings on investments held in the Costs of Issuance Fund, Bond Proceeds Clearance Fund, and the Rebate Fund shall be retained therein and applied in the manner prescribed by Sections 5.04, 5.10, and 5.13 hereof, respectively.

Section 5.17 Records. The Trustee shall keep and maintain adequate records pertaining to the Funds and Accounts established hereunder, including all deposits to and disbursements from said funds and accounts. The Trustee shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal and interest paid on the Bonds, subject to the inspection of the Borrower, the Issuer, the Trustee and the Owners of the Bonds and their representatives at all reasonable times and upon reasonable prior notice.

Section 5.18 Reports From the Trustee. The Trustee shall, on or before the tenth (10th) day of each month, file with the Servicer, the Borrower and the Issuer a statement setting forth in respect to the preceding calendar month or year:

(a) the amount withdrawn or transferred by it and the amount deposited within or on account of each Fund and Account held by it under the provisions of this Indenture, including the amount of investment income on each Fund and Account;

(b) the amount on deposit with it at the end of such month to the credit of each Fund and Account;

(c) a brief description of all obligations held by it as an investment of moneys in each such Fund and Account;

(d) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed; and

(e) any other information which the Borrower, the Servicer or the Issuer may reasonably request and to which the Trustee has access in the ordinary course of its operations.

In addition to the foregoing, the Trustee shall provide the Servicer and the Borrower with written confirmation immediately upon receipt of any funds to be deposited in the Borrower Equity Account of the Construction Fund.

All records and files pertaining to the Trust Estate shall be open at all reasonable times to the inspection of the Servicer and its agents and representatives upon reasonable prior notice.

ARTICLE VI DEFAULT PROVISIONS; REMEDIES

Section 6.01 Events of Default. Each of the following events is hereby declared an “Event of Default” under this Indenture:

(a) The failure to pay any installment of principal or the redemption price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise for ten (10) days after written notice to the Issuer, Trustee and the Borrower by the Servicer, of non-payment of the principal and the redemption price, if any, or any other sum due on the Bonds or any other amounts specified to be paid herein; or

(b) The failure to pay any installment of interest on any Bond when and as the same shall become due and payable, for ten (10) days after written notice to the Issuer, Trustee and the Borrower by the Servicer, of non-payment of the interest on any Bond; or

(c) Default in the timely payment of any installment of the fees payable to the Issuer or the Trustee pursuant to the Financing Agreement, and the continuance thereof for a period of thirty (30) days after written notice to the Trustee, the Borrower and the Servicer has been given by the Issuer or the Trustee, which default shall not be subject to waiver by the Servicer or the Trustee; or

(d) The Trustee shall have received written notice from the Issuer that a material default under the Regulatory Agreement has occurred and is continuing past any applicable notice and cure periods.

The Trustee shall promptly notify the Equity Investor in writing of any default of the Borrower hereunder. The Equity Investor shall have the right but not the obligation, to cure any default by the Borrower hereunder, and the Trustee and the Issuer agree to accept any such cure tendered by the Equity Investor within the later of (i) 30 days from the giving of a default notice and (ii) any applicable grace period or cure period available to the Borrower. Notwithstanding

anything contained herein or in the Loan Documents, neither the Trustee nor Issuer shall exercise any remedies provided herein prior to the expiration of such notice and cure period.

Section 6.02 Remedies

(a) Except as otherwise provided in this Article VI, the Trustee shall take only such actions in respect of an Event of Default as it shall be directed in writing to take by the Servicer (or the Issuer, in the case of an Event of Default described in Section 6.01(c) hereof). Such actions may include the following:

(i) Declaration of all Outstanding Bonds to be immediately due and payable, whereupon such Bonds shall become and be immediately due and payable, anything in the Bonds or in this Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment and all unpaid interest on the Bonds on the date of payment;

(ii) Implementation of actions for the recovery of the amounts due on the Notes, the Financing Agreement and the other Loan Documents;

(iii) Foreclosure or realization upon the collateral held by the Trustee for the obligations of the Borrower under the Loan Documents; and

(iv) Implementation of such other rights and remedies as may be available under the Loan Documents, the Guaranties or applicable law.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee, if so directed by the Servicer (or in the case of an Event of Default arising under Section 6.01(c), the Issuer), shall annul such declaration and its consequences with respect to any Bonds not then due by their terms. In such event, the Issuer, the Borrower, the Trustee and all of the Owners shall be restored to the same position as before the occurrence of the Event of Default. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 6.03 Additional Remedies and Enforcement of Remedies. Upon the occurrence and continuation of any Event of Default, the Trustee, if and to the extent directed by the Servicer (or the Issuer in the case of Event of Default described in Section 6.01(c) hereof), may proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Bonds and this Indenture by such suits, actions or proceedings as the Servicer, in its sole discretion, shall deem expedient.

Section 6.04 Application of Revenues and Other Moneys After Default

(a) If an Event of Default shall occur and shall not have been remedied, the Trustee shall transfer to the Revenue Fund (i) forthwith, all moneys and securities then held in any other Fund or Account under this Indenture other than amounts held in the Rebate Fund and

(ii) as promptly as practicable after receipt thereof, all revenues and other payments or receipts pledged under this Indenture and all proceeds realized as a result of remedial action under the Loan Documents or the Guaranties.

(b) During the continuation of an Event of Default, the Trustee shall apply such moneys, securities, revenues, payments and receipts and the income therefrom as follows and in the following order:

(i) To the payment of Trustee Expenses and unpaid Issuer Fee;

(ii) To the payment of the amounts required to reimburse the Owners of the Bonds and the Issuer for any legal or other out-of-pocket costs incurred by them in connection with such remedial action and the fees and expenses of the Issuer in carrying out this Indenture or the Loan Documents;

(iii) To the payment of the interest and principal installments or redemption price then due and payable on the Bonds, as follows:

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

First: To the payment to the Persons entitled thereto of all installments of interest then due and payable in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal installments or redemption price of any Bonds which shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due and payable on any date, then to the payment thereof ratably, according to the amounts of principal installments or redemption price due on such date, to the Persons entitled thereto, without any discrimination or preference.

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

(iv) Notwithstanding anything contained herein to the contrary, the Servicer may by written notice to the Trustee direct the application of funds other than in the manner set forth above (except that the priority of payment of Trustee's fees and expenses and

Issuer Fee shall not be altered), including, without limitation, the application of funds between the principal of or interest on the Bonds. Any such determination by the Servicer shall be deemed conclusive, and the Issuer and the Trustee shall have no liability for the tax consequences of said determination.

Section 6.05 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of this Indenture.

Section 6.06 Remedies Vested in Trustee and Servicer. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee and the Servicer without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of the Servicer (or the Issuer, as applicable) to direct proceedings hereunder, any such suit or proceeding instituted by the Trustee shall be brought in its name under the authority herein granted without the necessity of joining as plaintiffs or defendants any Owners of the Bonds. Any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Bonds.

Section 6.07 Individual Bond Owners Action Restricted

(a) No Owner of any Bond other than the Servicer (if it is the Owner of any Bond) or the Majority Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust under this Indenture or for any remedy under this Indenture.

(b) Nothing contained in this Indenture shall affect or impair, or be construed to affect or impair, the right of the Owner of any Bond (i) to receive payment of the principal of or interest on such Bond on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date (other than applicable cure periods); provided, however, no Owner of any Bond may institute or prosecute any such suit or enter judgment therein, if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein, under applicable law, would result in the surrender, impairment, waiver or loss of the lien of this Indenture on the moneys, funds and properties pledged under this Indenture for the equal and ratable benefit of all Owners of the Bonds appertaining thereto.

Section 6.08 Termination of Proceedings. In case any proceeding taken by the Servicer or by the Trustee at the direction of the Servicer (or the Issuer, as applicable) on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Owners of the Bonds, the Issuer, the Trustee, the Borrower and the Owners of the Bonds shall be restored to their former positions and rights under this Indenture, and all rights, remedies and powers of the such parties shall continue as if no such proceeding had been taken.

Section 6.09 Waiver and Non-Waiver of Event of Default

(a) No delay or omission of the Trustee, the Servicer or the Owners of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VI to any party may be exercised from time to time and as often as may be deemed expedient.

(b) In case of any waiver by the Trustee, acting upon the direction of the Servicer, of an Event of Default under this Indenture, the Issuer, the Trustee and the Owners of the Bonds shall be restored to their former positions and rights under this Indenture, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 6.10 Servicer Controls Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary except the provisions of Section 7.02(a) hereof, the Servicer shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings under this Indenture and subject to Section 7.02 of this Indenture; provided, however, that such direction is in accordance with law and the provisions of this Indenture; provided that nothing in this Section 6.10 shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with such direction by the Servicer, nor shall it impair the Issuer's right to direct the Trustee to the extent permitted by Section 6.02.

**ARTICLE VII
CONCERNING THE TRUSTEE AND SERVICER**

Section 7.01 Trustee; Appointment and Acceptance of Duties. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Issuer hereby appoints U.S. Bank National Association, as trustee hereunder. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing this Indenture.

(b) Unless otherwise provided, the corporate trust offices of the Trustee are designated as the respective offices or agencies of the Trustee for the authentication and delivery of Bonds.

(c) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer) selected by the Trustee in

the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(d) The Trustee may conclusively rely upon and shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, 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 any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) 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.

(f) Notwithstanding anything else herein contained, (i) the Trustee shall not be liable for any error of judgment made in good faith unless it is proven that the Trustee was negligent in ascertaining the pertinent facts, and (ii) no provisions 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, if it believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) The Trustee shall have no responsibility for the Borrower's financial statements or any information in any offering memorandum 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.

Section 7.02 Responsibilities of Trustee

(a) The recitals of fact herein and in the Bonds contained (other than the certificate of authentication) shall be taken as the statements of the Issuer and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or as to the security afforded by this Indenture, and the Trustee shall incur no liability in respect thereof. The Trustee shall be under no responsibility or duty with respect to the application of any moneys properly paid to it except as provided herein or as otherwise expressly agreed by the Trustee. Except for a declaration of acceleration under Section 6.02 hereof or the payment of principal of and interest on the Bonds, the Trustee shall be under no obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of this Indenture or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. Subject to the provisions of subsection (b) of this Section 7.02, the Trustee shall not be liable in connection with the performance of its duties under this Indenture except for its own negligence or willful misconduct.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (and has not been cured within any applicable grace period) and subject to the rights of the Servicer with respect to control of remedies following an Event of Default hereunder, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Trustee shall not be required to take any action to foreclose or otherwise enforce the Security Instrument unless indemnified to its satisfaction and will not be required to foreclose if doing so will subject it to environmental liability or will require the approval of a governmental regulator that cannot be obtained. Any provisions of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 7.02.

(c) The Trustee shall cooperate fully with the Servicer in the enforcement and protection of the rights of the Owners of the Bonds to the fullest extent possible under this Indenture, the Loan Documents and applicable law. Toward this end, the Trustee shall take such action as directed by the Servicer, including foreclosure of the Property under the Security Instrument, suit for specific performance of the Loan Documents or for damages for nonperformance thereof and assignment of the Loan Documents to the Owners of the Bonds for purposes of enforcing the rights of the Owners of the Bonds; provided, that without the prior written consent of the Issuer, the Servicer shall give the Trustee no direction as to the enforcement of the Reserved Rights, which shall, except with the prior written consent of the Issuer, be enforceable only by the Issuer.

(d) The Trustee shall not take any discretionary action under the Loan Documents (although approval or disapproval of disbursement of Loan proceeds and investment earnings thereon under the Financing Agreement shall be made in accordance with the terms of Article V hereof) without the written approval of the Servicer and shall, subject to the proviso of paragraph (c) of this section, take such discretionary action permitted or required under the Loan Documents, as may be directed in writing by the Servicer.

(e) The Trustee shall notify the Servicer and the Borrower of any notification received by the Trustee under or pursuant to the Loan Documents promptly after receipt of said notice.

(f) If any Event of Default occurs and is continuing hereunder and if the Trustee has received written notice thereof or is deemed to have notice pursuant to this Indenture, the Trustee shall give to all Owners, the Issuer and the Borrower written notice of such default or Event of Default within thirty (30) days after receipt of such information. For the purpose of this Section 7.02 only, the term "**default**" means any event which is, or after notice or lapse of time or both would become, an Event of Default under Section 6.01 hereof.

(g) Promptly upon receipt of notice of the occurrence of a Determination of Taxability, the Trustee shall give immediate telephonic notice, promptly confirmed in writing, to the Borrower, the Issuer, the Owners and former Owners (provided that the Trustee shall not be

obligated to maintain records of such former Owners or to retain records relating to such former Owners for more than six years).

(h) Notwithstanding anything contained herein or in the Security Instrument to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the 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 foreclosure or other action.

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

(j) In connection with the issuance of the Bonds, certain moneys will 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 Financing 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 7.03 Evidence on Which Trustee May Act

(a) The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the purported proper party or parties. The Trustee may consult with counsel selected by it in respect of any action taken or suffered by the Trustee under this Indenture.

(b) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of this Indenture by the Issuer to any Trustee shall be sufficiently executed if executed in the name of the Issuer by an Authorized Representative of the Issuer.

Section 7.04 Compensation. The Borrower shall pay to the Trustee, as provided in the Financing Agreement, from time to time reasonable compensation for all services rendered under this Indenture and also all reasonable expenses, charges, counsel fees and other disbursements,

including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Indenture.

Section 7.05 Certain Permitted Acts. The Trustee may become the owner of any Bonds with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of the Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

Section 7.06 Resignation of Trustee. The Trustee may resign at any time and be discharged of the duties and obligations created by this Indenture by giving not less than sixty (60) days' written notice to the Issuer, the Borrower and the Owners of the Bonds, provided that no resignation shall become effective until the acceptance of appointment by a successor Trustee as provided in Section 7.08 of this Indenture. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 7.07 Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by the Issuer or by the Servicer (subject to the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed, if such removal is not for cause) and filed with the Trustee and the Borrower; provided that no removal shall become effective until the acceptance of appointment by a successor Trustee as provided in Section 7.08 of this Indenture

Section 7.08 Appointment of Successor Trustee; Temporary 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 Servicer shall appoint a successor Trustee, subject to the prior written consent of the Issuer (which consent shall not be unreasonably withheld or delayed) and notice to the Borrower.

Section 7.09 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, the Borrower, the Servicer and to any Owner which shall request the same, an instrument accepting such appointment and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named; but the Trustee ceasing to act nevertheless, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money less any unpaid Trustee Expenses or other property subject to the trusts and conditions set forth in or pursuant to this

Indenture. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Issuer.

Section 7.10 Merger or Consolidation of Trustee. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

Section 7.11 Servicer. The Majority Owner may (but shall not be obligated to) appoint (with prompt notice thereof to the Issuer, the Trustee and the Borrower) a mortgage servicer to service the Loan for all or a portion of the term of the Loan. The Servicer shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing the Servicing Agreement. The Servicer, as appointed, shall continue as Servicer until removal or resignation notwithstanding any change to the Majority Owner. Any Servicer appointed hereunder may be removed at any time, with or without cause, by the Majority Owner, by written notice to the Issuer, the Trustee, the Borrower and the Servicer. At any time when a Servicer has not been appointed or when a Servicer has been removed without appointment of a successor Servicer, pursuant to this Section 7.11, all references in this Indenture and in the Loan Documents to the Servicer shall be deemed to refer to the Majority Owner. The Servicer may, with the prior written consent of the Majority Owner, appoint an agent as subservicer to perform the duties of the Servicer under the Servicing Agreement.

ARTICLE VIII AMENDMENTS AND SUPPLEMENTAL INDENTURES; AMENDMENTS OF ISSUER DOCUMENTS

Section 8.01 Supplemental Indentures Not Requiring Consent of Owners of Bonds. The Issuer and the Trustee may, without the consent of, or notice to, the Owners of any Bonds (but only with the prior written consent of the Servicer, if any one person or entity owns at least fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds, and with notice to the Servicer and the Borrower), enter into one or more Supplemental Indentures for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners of the Bonds or the Trustee, or to make any change which, in the judgment of the Trustee and the Servicer, is not to the prejudice of the Owners of the Bonds;

(c) to subject to the pledge and lien of this Indenture additional revenues, properties and collateral;

(d) to evidence the appointment of a separate Trustee or co-Trustee or the succession of a new Trustee; or

(e) subject to the conditions set forth in Section 8.03 hereof, to modify, amend or supplement the provisions of this Indenture or any Supplemental Indenture relating to the holding or investing by the Trustee of moneys hereunder or thereunder in such manner as the Issuer may deem necessary or desirable to maintain the exclusion of interest of the Bonds from gross income of Owners (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) for purposes of federal income taxation of interest on the Bonds.

Section 8.02 Supplemental Indentures Requiring Consent of Owners of Bonds

(a) Exclusive of Supplemental Indentures covered by Section 8.01 of this Indenture and subject to the terms and provisions contained in this Section 8.02, and not otherwise, neither the Issuer nor the Trustee shall enter into any amendment, change or modification of this Indenture without the prior written consent of the Servicer and any Person which is the Sole Holder of both the Series 2018A Bonds and the Series 2018B Bonds; provided, however, that nothing in this Section 8.02 contained shall permit, or be construed as permitting, without the consent of every Owner affected by such proposed change, (i) an extension of the maturity date of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, (iii) change in a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the percentages of the Owners of the Outstanding Bonds required for consent to such Supplemental Indenture, (v) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding or (vi) any reduction of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee.

(b) If at any time the Issuer and the Trustee shall desire to execute and deliver a Supplemental Indenture for any of the purposes of this Section 8.02, the Trustee shall, upon being provided with reasonably satisfactory arrangements for payment of its fees and expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Owner of the Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners of the Bonds. If within 60 days or such longer period as shall be prescribed by the Issuer following the giving of such notice, all the Owners required to consent to such Supplemental Indenture by Section 8.02(a) shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof. Subject to Section 8.04 hereof, upon the execution of any such Supplemental Indenture as in this Section 8.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 8.03 Reliance on Opinion of Counsel. The Trustee and the Issuer shall be entitled to rely upon an opinion of Counsel stating that a Supplemental Indenture is authorized or permitted by this Indenture, and prior to the execution and delivery of any Supplemental Indenture, the Trustee, the Issuer, the Borrower, the Servicer shall be furnished with an opinion of Bond Counsel stating that the provisions of such Supplemental Indenture will not cause the interest on the Bonds to be includable in gross income of Owners (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) for purposes of federal income taxation.

Section 8.04 Consents Required. Anything herein to the contrary notwithstanding, a Supplemental Indenture described in Section 8.02 hereof which adversely affects any rights of the Borrower, or the Servicer, or the Trustee shall not become effective unless and until the affected party shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture together with a copy of the proposed Supplemental Indenture to be mailed to the Borrower and the Servicer at least ten (10) days before the date of its proposed execution and delivery.

Section 8.05 Amendments of Loan Documents Not Requiring Consent of Owners of Bonds. The Issuer, the Trustee and the Borrower may, without the consent of or notice to any of the Owners of Bonds (but only with the consent of the Servicer) enter into any amendment, change or modification of any of the Loan Documents as may be required (a) by the provisions of the Financing Agreement or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission therein, (c) so as to add additional rights and remedies for the benefit of Owners of the Bonds, or (d) in connection with any other change therein which, in the judgment of the Trustee and the Servicer, is not to the prejudice of the Trustee or the Owners of the Bonds.

Section 8.06 Amendments of Loan Documents Requiring Consent of Owners of Bonds. Except for the amendments, changes or modifications as provided in Section 8.05 hereof, none of the Issuer, the Trustee or the Borrower shall enter into any other amendment, change or modification of the Loan Documents without the mailing of notice and the prior written consent of the Servicer and any Person which is the Sole Holder of both the Series 2018A Bonds and the Series 2018B Bonds; provided, however, that nothing in this Section or Section 8.05 hereof shall permit or be construed as permitting, without the consent of every Owner affected by such proposed change, (a) an extension of the time of the payment of any amounts payable under the Loan Documents, or (b) a reduction in the amount of any payment or in the total amount due under the Loan Documents. If at any time the Issuer, the Trustee or the Borrower shall desire the consent to any such proposed amendment, change or modification, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided herein with respect to redemption of Bonds. 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 Principal Office of the Trustee for inspection by all Owners of Bonds. If, within sixty (60) days, or such longer period as shall be prescribed by the Trustee as the case may be, following the mailing of such notice, all the Owners required to consent to such proposed amendment by this Section 8.06 shall have consented to and

approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Borrower or the Issuer or the Trustee as the case may be, from executing the same or from taking any action pursuant to the provisions thereof. The Issuer, or the Trustee as the case may be, shall have the right to extend from time to time the period within which such consent and approval may be obtained from Owners of the Bonds. Upon the execution of any such amendment, change or modification as in this Section permitted and provided, the Loan Documents shall be and be deemed to be modified, changed and amended in accordance therewith.

ARTICLE IX DISCHARGE

Section 9.01 Discharge of Indenture. If the Issuer shall pay, or there shall otherwise be paid, to the Owners of all Bonds the principal or redemption price, if applicable, and interest due thereon, at the times and in the manner stipulated therein and in this Indenture and if all Trustee Expenses and all amounts payable to the Issuer for its own account (including expenses and indemnification) shall be paid in full, then the pledge of revenues, other moneys and securities under this Indenture, and all covenants, agreements and other obligations of the Issuer to the Owners of Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer and the Borrower all such instruments prepared by or at the direction of the Issuer or the Borrower as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Borrower as provided in Article V hereof all moneys or securities held by them pursuant to this Indenture (except as otherwise specified in Section 5.13) after the payment of principal or redemption price, if applicable, of or interest on Bonds. Notwithstanding the foregoing, upon such discharge the provisions of this Indenture relating to the Rebate Fund and Section 5.18(c) of the Financing Agreement shall continue in effect until the Borrower has certified to the Issuer and the Trustee that it has paid to the United States on behalf of the Issuer the full amount then required to be paid under Section 148 of the Internal Revenue Code.

Section 9.02 Discharge by Delivery. The obligation to pay the principal of and interest on all or any portion of the Bonds (the “Bond Obligations”) may be discharged by the delivery of the Bonds to the Trustee accompanied by written direction from the Owner(s) thereof to cancel such Bonds without payment (except as provided hereafter in this Section 9.02), and upon such delivery, such Bond Obligations shall be canceled and deemed paid. In the event only a portion of the Bond Obligations shall be canceled and deemed paid pursuant to the terms of this Section 9.02, those Bond Obligations which are not so canceled and deemed paid shall remain Outstanding for all purposes of this Indenture; provided that if all Outstanding Bonds shall be delivered to the Trustee in accordance with the terms of this Section 9.02 and all of the requirements for the discharge of this Indenture (other than the payment of Bond Obligations) shall be paid and satisfied in full, then the Trustee shall discharge and release the lien of this Indenture, assign to the Owner(s) of the Bonds all right, title and interest of the Trustee in and to the Bonds, the Financing Agreement and the other Loan Documents, deliver to the Owner(s) of the Bonds all moneys and securities held by the Trustee pursuant to this Indenture (except as

otherwise specified in Section 5.13) up to an amount necessary to pay in full all of the principal of and interest on the Bonds through such cancellation and any other amounts due under the Loan Documents, and execute and deliver such releases or other instruments requisite to release the lien hereof.

Section 9.03 Discharge by Deposit. The obligation to pay the principal of and interest on all or a portion of the Bonds may be discharged if the Issuer or the Borrower has deposited or caused to be deposited, as trust funds, with the Trustee cash and/or Government Obligations which do not permit the redemption thereof at the option of the issuer thereof, the principal of and interest on which when due (or upon the redemption thereof at the option of the Owner), will, without reinvestment, provide cash which together with the cash, if any, on deposit with the Trustee at the same time, shall be sufficient, to pay and discharge the entire indebtedness on Bonds not theretofore canceled by the Trustee or delivered to the Trustee for cancellation by the payment of interest on and principal of the Bonds which have become due and payable or which shall become due at their stated maturity or redemption date, as the case may be (the “Defeasance Collateral”), and which are to be discharged under the provisions hereof, and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee in the name, and at the expense, of the Borrower. The Borrower must also deliver to the Trustee a verification report prepared by a certified public accountant selected by the Servicer verifying the sufficiency of the Defeasance Collateral to make such payments. In addition, to discharge the obligation to pay the principal of and interest on the Bonds pursuant to this Section 9.03, the Issuer or the Borrower must (i) obtain an opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that all actions have been taken to cause the defeasance of this Indenture and such actions will not adversely affect the excludability of interest on the Bonds for federal income tax purposes under existing law, and (ii) provide written notice to the Servicer of such discharge at least five (5) days in advance of the discharge.

ARTICLE X MISCELLANEOUS

Section 10.01 Evidence of Signatures of Bond Owners and Ownership of Bonds

(a) Any request, consent, revocation of consent or other instrument that this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner of the Bonds or his attorney of such instruments may be proved by a guaranty of the signature thereon by a bank, trust company or national banking association or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guaranty, certificate or affidavit also shall constitute sufficient proof of his authority.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same, shall be proved by the registry books maintained by the Trustee.

(c) Any request or consent by the Owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or any Trustee in accordance therewith.

Section 10.02 Bonds Not an Obligation of the State or Any Political Subdivision

(a) The Bonds will not be general obligations of the Issuer but limited obligations payable solely from the Trust Estate. The Bonds will not constitute an indebtedness or obligation of the State or any county, municipality or political subdivision thereof, and will not constitute or result in the creation of an indebtedness of the State or any county, municipality or political subdivision thereof. No Owner of the Bonds will ever have the right to compel any exercise of the taxing power of the State or any county, municipality or political subdivision thereof, nor to enforce the payment thereof against any property of the State or any county, municipality or political subdivision thereof. The Issuer has no taxing power.

(b) No recourse may be had for the enforcement of any obligation, promise or agreement of the Issuer contained herein, in any other Issuer Document, in the Loan Documents or in the Bonds or for any claim based hereon or thereon or otherwise in respect hereof or thereof against any director, member, officer, agent, attorney or employee, as such, in his individual capacity, past, present or future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty otherwise. No personal liability whatsoever will attach to, or be incurred by, any director, member, officer, agent, attorney or employee as such, past, present or future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity, under or by reason of any of the obligations, promises or agreements entered into in the Bonds or between the Issuer and the Trustee, whether contained herein or to be implied herefrom as being supplemental hereto; and all personal liability of that character against every such director, member, officer, agent, attorney and employee is, by the execution of this Indenture and as a condition of, and as part of the consideration for, the execution of this Indenture, expressly waived and released.

Section 10.03 Preservation and Inspection of Documents. All documents received by any Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times and upon reasonable prior notice to the inspection of the Issuer, any other Trustee, and any Owner of the Bonds and their agents and their representatives, any of whom may make copies thereof.

Section 10.04 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Trustee, the Servicer, the Borrower and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation of this Indenture; and all the covenants, stipulations, promises and agreements in this Indenture shall be

for the sole and exclusive benefit of the Issuer, the Trustee, the Servicer, the Borrower and the Owners of the Bonds.

Section 10.05 No Recourse on the Bonds. No recourse shall be had for the payment of the principal or redemption price or purchase price of or interest on the Bonds or for any claim based thereon or on this Indenture or any other Issuer Document or the Loan Documents against any member, officer, employee or agent of the Issuer or any person executing the Bonds.

Section 10.06 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Issuer or any Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and in no way shall affect the validity of the other provisions of this Indenture.

Section 10.07 Successors. Whenever in this Indenture the Issuer is named or referred to, it shall be deemed to include any entity that may succeed to the principal functions and powers of the Issuer under the Act, and all the covenants and agreements contained in this Indenture by or on behalf of the Issuer shall bind and inure to the benefit of said successor whether so expressed or not.

Section 10.08 Notices, Demands and Requests. Except as otherwise expressly provided in this Indenture, all notices, demands and requests to be given or made under this Indenture to or by the Issuer or the Trustee shall be in writing and shall be sufficiently given and shall be deemed given (a) three days after mailing by certified mail, first-class, postage prepaid; (b) the Business Day after sending by expedited overnight delivery service; (c) the date of receipt if delivered by personal delivery; (d) if sent by facsimile transmission, the date of transmission, if receipt of such transmission is telephonically confirmed on such day and addressed to the Notice Address of the respective addressee. Either the Issuer or the Trustee may change the Notice Address listed for it at any time upon written notice of such change sent by United States mail, postage prepaid, to the other party, which change shall be effective upon receipt.

As used in this paragraph, “Electronic Means” means the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means; provided, however, that Borrower, the Issuer or and such other party giving such instruction (the “Sender”) shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (as used in this paragraph, “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, Issuer and any other Sender understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions

that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. Each Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Borrower for use by the Borrower, the Issuer and the other parties who may give instructions to the Trustee under this Indenture; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 10.09 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 10.10 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Indenture.

Section 10.11 Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer or the Borrower shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the Issuer and the Borrower shall not be entitled with respect to such Bonds to give any consent or take any other action provided for herein, unless all of the Outstanding Bonds are then owned by such Person.

Section 10.12 Effective Date. This Indenture shall take effect immediately upon the execution and delivery by all of the parties hereto.

[The remainder of this page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the Issuer has caused these presents to be executed in its name by its duly authorized official with its seal hereunto affixed and attested by its duly authorized official; and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be executed in its corporate name, as of the date first above written.

**HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA**

(SEAL)

By: _____
Chairperson

ATTEST:

By: _____
Secretary

[Signature Page to Trust Indenture – Heron Estates Senior Apartments]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Amanda Kumar, Assistant Vice President

[Signature Page to Trust Indenture – Heron Estates Senior Apartments]

EXHIBIT A

FORM OF SERIES 2018A BOND

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION.

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.09 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER IN FORM ATTACHED TO THE INDENTURE THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

No. R-1

\$ _____

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A
(HERON ESTATES SENIOR PROJECT)**

<u>Dated Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Registered Owner</u>
March __, 2018	Tax Exempt Rate		JPMorgan Chase Bank, N.A.

Payment of the principal of, premium, if any, and interest on this Bond is required to be made without notation hereon. It cannot be determined from the face of this Bond whether all or any part of the principal of or interest on this Bond has been paid.

This Bond is being issued as a draw-down bond, in that the Holders (hereinafter defined) of the Bonds will advance the purchase price of the Bonds in installments, at par, on one or more dates in accordance with the terms of and as required by the Indenture (hereinafter defined) and the Bond Purchase Agreement, dated as of March __, 2018 (the “**Bond Purchase Agreement**”) among the Issuer (hereinafter defined), the Borrower (hereinafter defined) and the Registered Owner. Accordingly, the principal amount of the Bonds which is outstanding at any given time may be less than the maximum principal amount of the Bonds as set forth on the face of this Bond. Upon the advancement of a portion of the purchase price of the Bonds in accordance with the terms of the Trust Indenture, dated as of March 1, 2018 (the “**Indenture**”), Bonds in a principal amount equal to the amount so advanced shall be deemed to be issued to the Holder automatically and without further acts on the part of the Issuer or the Trustee (as defined in the Indenture). The Trustee will note in the Bond register log maintained by the Trustee for such purpose the principal amount of the Bonds so purchased, the date of such purchase and the identity of such purchaser. The records maintained by the Trustee in such regard will be conclusive evidence of the principal amount of the Bonds which have been purchased and are outstanding. If presented to the Trustee by the Holder of this Bond, the principal amount of the

Bonds purchased by the Holder of this Bond will be noted by the Trustee on Schedule C attached to this Bond.

FOR VALUE RECEIVED, the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, Florida, a public body corporate and politic created, organized and existing under the laws of the State of Florida (together with its successors and assigns, the “**Issuer**”), hereby promises to pay (but only from the sources and as hereinafter provided), to the Registered Owner identified above or its successors or registered assigns or legal representatives, the aggregate principal sum, which principal amount shall not exceed SIX MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$6,700,000), together with any premium required under the terms of the Indenture, and to pay interest from the Dated Date set forth above (the “**Closing Date**”) on the unpaid principal balance hereof, at the Tax Exempt Rate (as defined in the Indenture), with such interest to be payable at the times and in the manner hereinafter set forth; provided, however, that during any period in which the interest payable hereon is for any reason includable in the gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended (the “**Code**”), of the initial or any subsequent Registered Owner hereof (the initial and any subsequent Registered Owner of this Bond being herein sometimes called the “**Holder**”) (but not including any Holder who is a “substantial user” of the Project (hereinafter defined) or any “related person” of such substantial user, each within the meaning of Section 147 of the Code), the rate of interest payable on the unpaid principal balance hereof shall equal the Taxable Rate (as defined in the Indenture). In addition, upon failure of the Issuer to make any payment of interest, principal or premium on the date when due and payable, the outstanding principal balance of this Bond will bear interest at the Default Rate beginning on the date such payment was due until the default is cured. The Tax Exempt Rate or Taxable Rate in effect from time to time under this paragraph is herein referred to as the “**Applicable Rate**.”

Notwithstanding any other provision of this Bond, during any period in which the Indenture provides that interest payable hereon is payable at the Taxable Rate, the Issuer agrees to make all payments hereon (but only from sources provided under the Indenture) during any such period in an amount adjusted (retroactively and prospectively) to include interest at the Taxable Rate from and after the date on which the Taxable Rate became effective under the terms of the Indenture; provided, however, that if the Borrower contests the Determination of Taxability (in accordance with the provisions contained in the definition of such term in the Indenture) payment shall be made at the Tax Exempt Rate until the conclusion of such contest.

Interest on this Bond shall be calculated on the basis of a 360-day year for the number of days actually elapsed. The interest rate determined on the Bond may never exceed the lesser of twelve percent 12% per annum or the maximum rate of interest permitted by the laws of the State of Florida.

The principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States which is legal tender for the payment of all debts and dues, public and private, at the time of payment. Payments on the Bonds shall be made in the following manner:

(a) Commencing on [April] 10, 2018 and continuing on each Payment Date through and including the Maturity Date, payments of interest in arrears on the Outstanding

principal balance of the Bonds at the Applicable Rate shall be due and payable and payments of principal shall be due and payable in the amounts and on the dates set forth in the Amortization Schedule attached to the Indenture as **Exhibit “D”** (which schedule shall be subject to subsequent modification as set forth in Section 4.01(f) of the Indenture).

(b) On the Maturity Date, the entire unpaid principal balance hereof, premium and all accrued and unpaid interest hereon shall be due and payable in full, if not paid earlier.

Notwithstanding the foregoing, unless and until otherwise agreed to by the Issuer and the Registered Owner (with notice to the Trustee and the Borrower), the Borrower shall pay to the Registered Owner hereof, as servicer for the Trustee, all amounts required to be paid by the Trustee to the Registered Owner as principal of, premium, if any, and interest on this Bond on or before one Business Day (as defined in the Indenture) prior to each Payment Date such amounts as is required to be paid to the Registered Owner, unless payment is by wire transfer, in which case, such payment may be sent on the Payment Date that it is due, and the amount so paid shall be applied against the Borrower’s obligations under the Note(as hereafter defined).

To the extent more than one Bond is issued and outstanding at any one time under the terms of the Indenture, payments of principal, interest and premium, if any, on the Bonds shall be made in a pro rata manner based on the outstanding principal amount of such Bonds.

This Bond is part of an authorized series of bonds of the Issuer designated \$6,700,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) and \$5,300,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) (collectively, the “**Bonds**”). The Bonds are being issued for the purpose of providing all or part of the funds with which to pay the cost of the construction and equipping of an approximately 101-unit multifamily rental housing project located in the City of Riviera Beach, Florida to be known as Heron Estates Senior Apartments (the “**Project**”). The proceeds of the Bonds are being loaned to HTG Heron Estates Senior, LLC, a Florida limited liability company (the “**Borrower**”), by the Issuer under a Financing Agreement dated as of March 1, 2018 (the “**Financing Agreement**”), among the Issuer, the Trustee and the Borrower, and evidenced by a Promissory Note dated as of the Closing Date (the “**Note**”), from the Borrower to the Issuer, which Note has been assigned by the Issuer to the Trustee. Pursuant to the Note, the Borrower has agreed to make payments of principal, premium (if any) and interest to the Issuer in an amount at least equal to the payments of principal of, premium (if any), and interest on this Bond. The Financing Agreement provides that, in lieu of payments being made to the Issuer, all payments by the Borrower pursuant to the Note are to be made by the Borrower directly to the Holder or the Servicer, and such payments shall satisfy the payment obligations of the Issuer hereunder.

The Bonds are issued under the Indenture and the Act (as defined in the 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 Indenture. Pursuant to the Indenture, the Issuer has assigned to the Trustee (among other things) all of the Issuer’s right, title and interest in and to the Trust Estate, which Trust Estate excludes the Issuer’s Reserved Rights (as defined in the Financing Agreement). Pursuant to the Note and the Financing

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 Financing Agreement are secured by, among other things, the Mortgage, Security Agreement and Assignment of Rents, Leases, and Profits (Leasehold), dated as of March 1, 2018 (the “**Security Instrument**”), in favor of the Issuer, which Security Instrument has been assigned by the Issuer to the Trustee (exclusive of the Reserved Rights of the Issuer).

This Bond and the interest thereon shall not be deemed to constitute or to create in any manner an indebtedness or obligation of the State or any county, municipality or political subdivision thereof, and will not constitute or result in the creation of an indebtedness of the State or any county, municipality or political subdivision thereof, but shall be limited obligations of the Issuer payable solely from the revenues and other funds pledged therefor and shall not be payable from any assets or funds of the Issuer other than the revenues and other funds pledged therefor, and neither the faith and credit nor the taxing power of the State or any county, municipality or political subdivision thereof is pledged to the payment of the principal of or the interest on this Bond. The Issuer has no taxing power.

THE OBLIGATIONS OF THE ISSUER ON THIS BOND ARE EXPRESSLY LIMITED TO AND ARE PAYABLE SOLELY FROM (I) THE PAYMENTS MADE PURSUANT TO THE FINANCING AGREEMENT BY THE BORROWER, AND THE SECURITY THEREFOR PROVIDED BY THE SECURITY INSTRUMENT AND ANY OTHER COLLATERAL SECURITY FROM TIME TO TIME HELD BY THE TRUSTEE, AND (II) ANY ADDITIONAL SECURITY PROVIDED IN THE INDENTURE.

Reference is made to the Indenture, the Bonds, the Financing Agreement, the Security Instrument, the Bond Purchase 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 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 Indenture.

The Bonds are issuable in the form of registered Bonds without coupons in the denomination of the Outstanding principal amount of Bonds.

The Bonds are subject to optional and mandatory redemption and acceleration at the times and in the manner provided in the Indenture. The Bonds are subject to purchase in lieu of redemption in certain instances as provided in the Indenture.

The amount of any partial redemption, and the date on which the same is actually made, shall be noted by the Trustee on its records maintained at the Principal Office of the Trustee and, if presented to the Trustee for notation (with due endorsement for transfer or accompanied by a written instrument of transfer in form satisfactory to the Trustee), on **Schedule A** attached hereto

and made a part hereof, but the failure to so note any such partial redemption shall not affect the validity of any payment actually received by the Holder of such Bond.

Except as otherwise stated in the Indenture, the redemption price of any redemption (whether by optional or mandatory redemption) shall be an amount equal to 100% of the principal amount to be redeemed, plus all unpaid interest to the date of redemption, plus a premium in certain instances described in the Indenture. To the extent the Bonds are purchased in lieu of redemption as permitted under the Indenture, the purchase price of the Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Bonds on the applicable redemption date for such redemption.

This Bond shall be registered on the books of the Trustee to be kept for that purpose by the Trustee. This Bond shall be transferable only upon such books (which transfer shall be similarly noted on the registration table attached hereto as **Schedule B** and made a part hereof) held by the Trustee. This Bond may be transferred upon presentation hereof at the Principal Office of the Trustee, with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder hereof or its duly authorized attorney. The Trustee shall promptly send written notice of any transfers of this Bond to the Issuer and to the Borrower. Such transfers shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege.

The principal of and premium, if any, on this Bond shall be payable (but only from the Trust Estate), without exchange or collection charges, in lawful money of the United States of America (a) on each Payment Date or other date of payment, with respect to regularly scheduled payments of principal and partial redemptions made in accordance with the terms of this Bond and the Indenture, by check mailed to the Holder at its address as shown on the Record Date on the registration books of the Issuer kept by the Trustee, without the need to present or surrender the Bond, and (b) upon its presentation and surrender as it becomes due and payable in full, whether at maturity or by prior redemption, at the Principal Office of the Trustee. Interest due and payable on this Bond shall be payable on each Payment Date by check mailed to the Holder hereof at its address shown on the Record Date on the registration books of the Issuer kept by the Trustee. Notwithstanding the foregoing, at the option of the Sole Holder (as defined in the Indenture) or any Holder of \$1,000,000 or more in aggregate principal amount of the Bonds, upon written request, payment of principal, premium (if any) and interest on each Bond may be transmitted by wire transfer to such Holder to the account on file with the Trustee as of the Record Date.

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

The Issuer, the Trustee and any other person shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes; and the Issuer, the Trustee and any other person shall not be bound by any notice or knowledge to the contrary.

This Bond is negotiable and is transferable, as provided in the Indenture, only upon the books of the Issuer kept at the Principal 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 Indenture.

Notwithstanding any other provision of the Indenture to the contrary, in no event shall the interest contracted for, charged or received in connection with this Bond (including any other costs or considerations that constitute interest under the laws of the State which are contracted for, charged or received pursuant to the Indenture) exceed the maximum rate of nonusurious interest allowed under the laws of the State as presently in effect and to the extent of any increase allowable by such laws, but in no event shall any amount ever be paid or payable by the Issuer greater than the amount contracted for in the Indenture.

Unless it is the Sole Holder, the Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

All acts, conditions and things required by the statutes of the State of Florida, the Act and the 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 on which payment of principal of or interest on this Bond is to be made on a day other than a Business Day, then such payment of interest or principal shall not be made on such date but shall be made on the next succeeding Business Day.

This Bond shall not be entitled to any benefit under the Indenture nor will this Bond be valid or become obligatory for any purpose until the Trustee shall have executed the Certificate of Authentication appearing hereon.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of an authorized officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an authorized officer of the Issuer, all as of the Dated Date identified above.

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

[SEAL]

By: _____
Chairperson

Attest:

By: _____
Secretary

[FORM OF TRUSTEE CERTIFICATE OF AUTHENTICATION]

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

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 2018

FORM OF ASSIGNMENT

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

(Please Print or Type Name and Address of Assignee)

\$ _____
HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A
(HERON ESTATES SENIOR PROJECT)

Social Security or Taxpayer Identification Number: _____

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

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

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

Signature guaranteed by:

Bank, Trust Company or Firm

Authorized Signature

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

SCHEDULE A

\$6,700,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A
(HERON ESTATES SENIOR PROJECT)**

REDEMPTION SCHEDULE

<u>DATE OF REDEMPTION</u>	<u>AMOUNT OF REDEMPTION</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

SCHEDULE B

\$6,700,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A
(HERON ESTATES SENIOR PROJECT)**

Transfer of Bond

The transfer of this Bond may be registered only by the registered owner in person or by its duly authorized officer or attorney upon presentation hereof to the Bond Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SCHEDULE C

\$6,700,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A
(HERON ESTATES SENIOR PROJECT)**

Draw-down Advance Schedule

The installments reflected by the draw-down of this Bond may be registered only by the Registered Owner in person or by its duly authorized officer or attorney upon presentation hereof to the Trustee, who shall make note thereof in the books kept for such purpose and in the registration blanks below.

<u>Date of Draw-Down</u>	<u>Name of Registered Owner</u>	<u>Principal Amount Advanced</u>	<u>Signature of Trustee</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT B

FORM OF SERIES 2018B BOND

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION.

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.09 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER IN FORM ATTACHED TO THE INDENTURE THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

No. RB-1

\$ _____

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B
(HERON ESTATES SENIOR PROJECT)**

<u>Dated Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Registered Owner</u>
March __, 2018	Tax Exempt Rate		JPMorgan Chase Bank, N.A.

Payment of the principal of, premium, if any, and interest on this Bond is required to be made without notation hereon. It cannot be determined from the face of this Bond whether all or any part of the principal of or interest on this Bond has been paid.

This Bond is being issued as a draw-down bond, in that the Holders (hereinafter defined) of the Bonds will advance the purchase price of the Bonds in installments, at par, on one or more dates in accordance with the terms of and as required by the Indenture (as hereinafter defined) and Bond Purchase Agreement, dated as of March __, 2018 (the "**Bond Purchase Agreement**"), among the Issuer (hereinafter defined), the Borrower (hereinafter defined) and the Registered Owner. Accordingly, the principal amount of the Bonds which is outstanding at any given time may be less than the maximum principal amount of the Bonds as set forth on the face of this Bond. Upon the advancement of a portion of the purchase price of the Bonds in accordance with the terms of the Trust Indenture, dated as of March 1, 2018 (the "**Indenture**"), Bonds in a principal amount equal to the amount so advanced shall be deemed to be issued to the Holder automatically and without further acts on the part of the Issuer or the Trustee. The Trustee will note in the Bond register log maintained by the Trustee for such purpose the principal amount of the Bonds so purchased, the date of such purchase and the identity of such purchaser. The records maintained by the Trustee in such regard will be conclusive evidence of the principal amount of the Bonds which have been purchased and are outstanding. If presented

to the Trustee by the Holder of this Bond, the principal amount of the Bonds purchased by the Holder of this Bond will be noted by the Trustee on Schedule C attached to this Bond.

FOR VALUE RECEIVED, the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, a public body corporate and politic created, organized and existing under the laws of the State of Florida (together with its successors and assigns, the “**Issuer**”), hereby promises to pay (but only from the sources and as hereinafter provided), to the Registered Owner identified above or its successors or registered assigns or legal representatives, the aggregate principal sum, which principal amount shall not exceed FIVE MILLION THREE HUNDRED THOUSAND DOLLARS (\$5,300,000), together with any premium required under the terms of the Indenture, and to pay interest from the Dated Date set forth above (the “**Closing Date**”) on the unpaid principal balance hereof, at the Tax Exempt Rate, with such interest to be payable at the times and in the manner hereinafter set forth; provided, however, that during any period in which the interest payable hereon is for any reason includable in the gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended (the “**Code**”), of the initial or any subsequent Registered Owner hereof (the initial and any subsequent Registered Owner of this Bond being herein sometimes called the “**Holder**”) (but not including any Holder who is a “substantial user” of the Project (hereinafter defined) or any “related person” of such substantial user, each within the meaning of Section 147 of the Code), the rate of interest payable on the unpaid principal balance hereof shall equal the Taxable Rate (as defined in the Indenture). In addition, upon failure of the Issuer to make any payment of interest, principal or premium on the date when due and payable, the outstanding principal balance of this Bond will bear interest at the Default Rate beginning on the date such payment was due until the default is cured. The Tax Exempt Rate or the Taxable Rate in effect from time to time under this paragraph is herein referred to as the “**Applicable Rate.**”

Notwithstanding any other provision of this Bond, during any period in which the Indenture provides that interest payable hereon is payable at the Taxable Rate, the Issuer agrees to make all payments hereon (but only from sources provided under the Indenture) during any such period in an amount adjusted (retroactively and prospectively) to include interest at the Taxable Rate from and after the date on which the Taxable Rate became effective under the terms of the Indenture; provided, however, that if the Borrower contests the Determination of Taxability (in accordance with the provisions contained in the definition of such terms in the Indenture), payment shall be made at the Tax Exempt Rate until the conclusion of such contest.

All interest on this Bond shall be calculated on the basis of a 360-day year for the number of days actually elapsed. The interest rate determined on the Bond may never exceed the lesser of twelve percent 12% per annum or the maximum rate of interest permitted by the laws of the State of Florida.

The principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States which is legal tender for the payment of all debts and dues, public and private, at the time of payment. Payments on the Bonds shall be made in the following manner:

(a) Commencing on [April] ____, 2018 and continuing on each Payment Date through and including the Maturity Date, payments of interest in arrears on the Outstanding principal balance of the Bonds at the Applicable Rate shall be due and payable.

(b) On the Maturity Date, the entire unpaid principal balance hereof, premium and all accrued and unpaid interest hereon shall be due and payable in full, if not paid earlier.

Notwithstanding the foregoing, unless and until otherwise agreed to by the Issuer and the Registered Owner (with notice to the Trustee and the Borrower), the Borrower shall pay to the Registered Owner hereof, as servicer for the Trustee, all amounts required to be paid by the Trustee to the Registered Owner as principal of, premium, if any, and interest on this Bond on or before one Business Day (as defined in the Indenture) prior to each Payment Date such amounts as is required to be paid to the Registered Owner, unless payment is by wire transfer, in which case, such payment may be sent on the Payment Date that it is due, and the amount so paid shall be applied against the Borrower's obligations under the Note (as hereafter defined).

To the extent more than one Bond is issued and outstanding at any one time under the terms of the Indenture, payments of principal, interest and premium, if any, on the Bonds shall be made in a pro rata manner based on the outstanding principal amount of such Bonds.

This Bond is part of an authorized series of bonds of the Issuer designated \$5,300,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) and \$6,700,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) (collectively, the "**Bonds**"). The Bonds are being issued for the purpose of providing all or part of the funds with which to pay the cost of the construction and equipping of an approximately 101-unit multifamily rental housing project in Riviera Beach, Florida to be known as Heron Estates Senior Apartments (the "**Project**"). The proceeds of the Bonds are being loaned to HTG Heron Estates Senior, LLC, a Florida limited liability company (the "**Borrower**"), by the Issuer under a Financing Agreement dated as of March 1, 2018 (the "**Financing Agreement**"), among the Issuer, the Trustee and the Borrower, and evidenced by a Promissory Note dated as of the Closing Date (the "**Note**") from the Borrower to the Issuer, which Note has been assigned by the Issuer to the Trustee. Pursuant to the Note, the Borrower has agreed to make payments of principal, premium (if any) and interest to the Issuer in an amount at least equal to the payments of principal of, premium (if any), and interest on this Bond. The Financing Agreement provides that, in lieu of payments being made to the Issuer, all payments by the Borrower pursuant to the Note are to be made by the Borrower directly to the Registered Owner of this Bond, and such payments shall satisfy the payment obligations of the Issuer hereunder.

The Bonds are issued under the 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 Indenture. Pursuant to the Indenture, the Issuer has assigned to the Trustee (among other things) all of the Issuer's right, title and interest in and to the Trust Estate, which Trust Estate excludes the Issuer's Reserved Rights. Pursuant to the Note and the Financing 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 Financing Agreement are secured by, among other things, the Leased Mortgage, Security Agreement and Assignment of Rents, Leases, and Profits (Leasehold), dated as of March 1, 2018 (the “**Security Instrument**”), in favor of the Issuer, which Security Instrument has been assigned by the Issuer to the Trustee (exclusive of the Reserved Rights of the Issuer).

This Bond and the interest thereon shall not be deemed to constitute or to create in any manner an indebtedness or obligation of the State or any county, municipality or political subdivision thereof, and will not constitute or result in the creation of an indebtedness of the State or any county, municipality or political subdivision thereof, but shall be limited obligations of the Issuer payable solely from the revenues and other funds pledged therefor and shall not be payable from any assets or funds of the Issuer other than the revenues and other funds pledged therefor, and neither the faith and credit nor the taxing power of the State or any county, municipality or political subdivision thereof is pledged to the payment of the principal of or the interest on this Bond. The Issuer has no taxing power.

THE OBLIGATIONS OF THE ISSUER ON THIS BOND ARE EXPRESSLY LIMITED TO AND ARE PAYABLE SOLELY FROM (I) THE PAYMENTS MADE PURSUANT TO THE FINANCING AGREEMENT BY THE BORROWER, AND THE SECURITY THEREFOR PROVIDED BY THE SECURITY INSTRUMENT AND ANY OTHER COLLATERAL SECURITY FROM TIME TO TIME HELD BY THE TRUSTEE, AND (II) ANY ADDITIONAL SECURITY PROVIDED IN THE INDENTURE.

Reference is made to the Indenture, the Bonds, the Financing Agreement, the Security Instrument, the Bond Purchase 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 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 Indenture.

The Bonds are issuable in the form of registered Bonds without coupons in the denomination of the principal amount of the Bonds Outstanding.

The Bonds are subject to optional and mandatory redemption and acceleration at the times, at the prices, and in the manner provided in the Indenture. Any such redemption of the Bonds shall be reflected on **Schedule A** attached hereto

This Bond shall be registered on the books of the Trustee to be kept for that purpose by the Trustee. This Bond shall be transferable only upon such books (which transfer shall be similarly noted on the registration table attached hereto as **Schedule B** and made a part hereof) held by the Trustee. This Bond may be transferred upon presentation hereof at the Principal Office of the Trustee, with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder hereof or its duly authorized attorney. The Trustee shall promptly send written notice of any transfers of this Bond to the Issuer and to the Borrower. Such transfers

shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege.

The principal of and premium, if any, on this Bond shall be payable (but only from the Trust Estate), without exchange or collection charges, in lawful money of the United States of America (a) on each Payment Date or other date of payment, with respect to regularly scheduled payments of principal and partial redemptions made in accordance with the terms of this Bond and the Indenture or at maturity, by check mailed to the Holder at its address as shown on the Record Date on the registration books of the Issuer kept by the Trustee, without the need to present or surrender the Bonds, and (b) upon its presentation and surrender as it becomes due and payable in full, whether at maturity or by prior redemption, at the Principal Office of the Trustee. Interest due and payable on this Bond shall be payable on each Payment Date by check mailed to the Holder hereof at its address shown on the Record Date on the registration books of the Issuer kept by the Trustee. Notwithstanding the foregoing, at the option of the Sole Holder (as defined in the Indenture) or any Holder of \$1,000,000 or more in aggregate principal amount of the Bonds, upon written request, payment of principal, premium (if any) and interest on each Bond may be transmitted by wire transfer to such Holder to the account on file with the Trustee as of the Record Date.

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

The Issuer, the Trustee and any other person shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes; and the Issuer, the Trustee and any other person shall not be bound by any notice or knowledge to the contrary.

This Bond is negotiable and is transferable, as provided in the 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 Indenture.

Notwithstanding any other provision of the Indenture to the contrary, in no event shall the interest contracted for, charged or received in connection with this Bond (including any other costs or considerations that constitute interest under the laws of the State which are contracted for, charged or received pursuant to the Indenture) exceed the maximum rate of nonusurious interest allowed under the laws of the State as presently in effect and to the extent of any increase allowable by such laws, but in no event shall any amount ever be paid or payable by the Issuer greater than the amount contracted for in the Indenture.

Unless it is the Sole Holder, the Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any

action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

All acts, conditions and things required by the statutes of the State of Florida, the Act and the 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 on which payment of principal of or interest on this Bond is to be made on a day other than a Business Day, then such payment of interest or principal shall not be made on such date but shall be made on the next succeeding Business Day.

This Bond shall not be entitled to any benefit under the Indenture nor will it be valid or become obligatory for any purpose until the Trustee shall have executed the Certificate of Authentication appearing hereon.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of an authorized officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an authorized officer of the Issuer, all as of the Dated Date identified above.

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

[SEAL]

By: _____
Chairperson

Attest:

By: _____
Secretary

[FORM OF TRUSTEE CERTIFICATE OF AUTHENTICATION]

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

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 2018

FORM OF ASSIGNMENT

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

(Please Print or Type Name and Address of Assignee)

§ _____
HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B
(HERON ESTATES SENIOR PROJECT)

Social Security or Taxpayer Identification Number: _____

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

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

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

Signature guaranteed by:

Bank, Trust Company or Firm

Authorized Signature

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

SCHEDULE A

\$5,300,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B
(HERON ESTATES SENIOR PROJECT)**

REDEMPTION SCHEDULE*

<u>DATE OF REDEMPTION</u>	<u>AMOUNT OF REDEMPTION</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

*The Bonds may not be redeemed in part.

SCHEDULE B

\$5,300,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B
(HERON ESTATES SENIOR PROJECT)**

Transfer of Bond

The transfer of this Bond may be registered only by the registered owner in person or by its duly authorized officer or attorney upon presentation hereof to the Bond Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SCHEDULE C

\$5,300,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B
(HERON ESTATES SENIOR PROJECT)**

Draw-down Advance Schedule

The installments reflected by the draw-down of this Bond may be registered only by the Registered Owner in person or by its duly authorized officer or attorney upon presentation hereof to the Trustee, who shall make note thereof in the books kept for such purpose and in the registration blanks below.

<u>Date of Draw-Down</u>	<u>Name of Registered Owner</u>	<u>Principal Amount Advanced</u>	<u>Signature of Trustee</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT C

FORM OF PURCHASER LETTER

_____, 2018

Housing Finance Authority of Palm Beach County, Florida
West Palm Beach, Florida

U.S. Bank National Association
Fort Lauderdale, Florida

Re: \$6,700,000 Housing Finance Authority of Palm Beach County, Florida
Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior
Project) (the “**Series 2018A Bonds**”)

\$5,300,000 Housing Finance Authority of Palm Beach County, Florida
Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior
Project) (the “**Series 2018B Bonds**”)

Ladies and Gentlemen:

The undersigned is the purchaser of the above-referenced Series 2018A Bonds and the Series 2018B Bonds, in fully registered form and in the aggregate principal amount of \$12,000,000 (in this letter, the Series 2018A Bonds and the Series 2018B Bonds are collectively referred to as the “**Bonds**”). The Bonds have been acquired and accepted by the undersigned pursuant to the terms of the Bond Purchase Agreement dated as of March ___, 2018 (as may be amended, supplemented or modified from time to time, the “**Bond Purchase Agreement**”), by and among the Housing Finance Authority of Palm Beach County, Florida (the “**Issuer**”), HTG Heron Estates Senior, LLC, a Florida limited liability company (the “**Borrower**”), and the undersigned.

The undersigned acknowledges that the Bonds were issued for the purpose of financing the Project (as defined in the Indenture).

In connection with the purchase of the Bonds by the undersigned, the undersigned hereby makes the following representations upon which you may rely:

1. The undersigned has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the undersigned in connection with the acquisition of the Bonds.

2. The undersigned is a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, as amended, or an “accredited investor” as that term is defined in Regulation D of the Securities and Exchange Commission, and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and

other taxable and tax-exempt obligations, to be able to evaluate the risks and merits in connection with the purchase of the Bonds.

3. The undersigned understands that (a) the Bonds are not secured by any pledge of any monies received or to be received from taxation by the City of Riviera Beach, Florida (the “City”), Palm Beach County, Florida (the “County”), the State of Florida (the “State”) or any other political subdivision thereof and that there is no taxing power, (b) the Bonds do not and will not represent or constitute a general obligation or pledge of the faith and credit of the Issuer, the City, the County, the State or any other political subdivision thereof, and (c) the liability of the Issuer with respect to the Bonds is limited to the Trust Estate as set forth in the Indenture. The undersigned understands that the Issuer has no taxing power.

4. The Bonds are being acquired by the undersigned for its own account and not with a view to, or for resale in connection with, any distribution of the Bonds. The undersigned intends to hold and book the Bonds as a loan in its portfolio and acknowledges that the use of the word “Bonds” in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933. The undersigned does not intend at this time to dispose of all or any part of the Bonds, except in accordance with the restrictions contained in and as permitted by the terms of the Bond Purchase Agreement, the Indenture and federal securities laws.

5. The undersigned understands that the Bonds are not registered under the Securities Act of 1933, as amended, and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

6. The undersigned acknowledges that it has made the decision to purchase the Bonds based on its own independent investigation regarding the Bonds, the Borrower and the Project, and that it has received the information it considered necessary to make an informed decision to purchase the Bonds. The undersigned acknowledges that it has not relied upon the Issuer for any information in connection with the undersigned’s acquisition of the Bonds.

7. In entering into this transaction the undersigned has not relied upon any representations or opinions made by the Issuer relating to the legal consequences or other aspects of the transactions, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the refinancing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to secure repayment of the Bonds.

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

9. Subject to Section 3.09 of the Indenture, the undersigned acknowledges that it has the right to sell and transfer the Bonds, in accordance with the terms of the Indenture, subject to the delivery to the Trustee of a purchaser's letter from the transferee in substantially the form attached to the Indenture as Exhibit C, with no revisions except as may be approved in writing by the Issuer.

10. The undersigned acknowledges that no offering document has or will be prepared in connection with the offering of the Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Bond Purchase Agreement.

Very truly yours,

[PURCHASER]

By: _____
Signature

Printed Name

Title

EXHIBIT D

AMORTIZATION SCHEDULE

\$6,700,000

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A
(HERON ESTATES SENIOR PROJECT)

EXHIBIT E

FORM OF NOTICE OF CONVERSION

PROJECT NAME: HERON ESTATES SENIOR APARTMENTS
PROJECT LOCATION: PALM BEACH COUNTY, FLORIDA
BOND AMOUNT: \$ _____
ISSUER: HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY,
FLORIDA
TRUSTEE: U.S. BANK NATIONAL ASSOCIATION
BORROWER: HTG HERON ESTATES SENIOR, LLC

The Servicer hereby acknowledges that all conditions set forth in Section 4.02 of the Trust Indenture have been satisfied or waived by the Servicer, and therefore, the loan shall be converted to the Permanent Term.

1. The Permanent Loan Amount is \$ _____.
2. The Conversion Date will occur on _____.
3. The Pre-Conversion Equalization Payment due is \$ _____. If applicable, the Pre-Conversion Equalization Payment shall be paid by the Borrower to the Trustee not less than two (2) Business Days prior to the Conversion Date.
4. If applicable, a revised amortization schedule for the Permanent Loan Amount is attached.

SOLE HOLDER

JPMORGAN CHASE BANK, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT F

FORM OF REQUEST FOR CONVERSION

PROJECT NAME: HERON ESTATES SENIOR APARTMENTS
PROJECT LOCATION: PALM BEACH COUNTY, FLORIDA
BOND AMOUNT: \$ _____
ISSUER: HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY,
FLORIDA
TRUSTEE: U.S. BANK NATIONAL ASSOCIATION
BORROWER: HTG HERON ESTATES SENIOR, LLC

The Borrower hereby requests the Servicer to complete the conversion of the loan to the Permanent Term by completing the analysis necessary for the Servicer to prepare the Notice of Conversion in accordance with Section 4.02 of the Trust Indenture. The Borrower hereby certifies that the following is true and accurate:

1. The Completion Date has occurred and certificates of occupancy have been received for all units.
2. Operating statements and rent rolls have been delivered to the Servicer as required under the Financing Agreement.
3. All amounts required under the Replacement Reserve Agreement have been deposited into the Replacement Reserve.
4. The Debt Service Coverage Ratio requirement of not less than 1.20 to 1.0 for the Three Month Period and the Total Debt Service Coverage Ratio requirement of not less than 1.15 to 1.0 for the Three Month Period have been met with respect to the Project.
5. Not less than 90% of the non-manager units in the Project have met the Occupancy Requirement under legally valid, binding and enforceable lease agreements with bona fide tenants, none of whom are employees of the Borrower or employees of an Affiliate of the Borrower, and each has a least term of not less than 12 months nor more than 24 months.
6. Additionally, the Borrower has estimated the Permanent Loan Amount in accordance with the provisions of Section 4.02 of the Trust Indenture. Based on this calculation, the Borrower estimates the Permanent Loan Amount to be as follows:

- (a) Net Operating Income _____
- (b) Divided by Debt Service Coverage _____
- (c) Divided by the Loan Constant _____

- (d) Estimated Permanent Loan Amount _____
- (e) Construction Phase Loan Amount _____
- (f) Estimated Pre-Conversion Equalization
Payment (If (d) - (e) is a negative
number, enter this amount) _____

7. All tenancies are in full compliance with all rent, tenant qualification and other requirements set forth in the Regulatory Agreement and other recorded restrictions, if any.

8. Title to the Project is invested in the Borrower.

9. The Financing Agreement and other Documents are in full force and effect and there exists no Event of Default or other event or state of facts which, after notice or the passage of time, or both, could give rise to an Event of Default.

10. The Borrower's representations and warranties in the Financing Agreement and in the other Documents are true and correct as of the date hereof.

11. There are no adverse environmental conditions affecting the Project in addition to those set forth in the environmental reports pertaining to the Project (the "Environmental Reports") and all remediation/ mitigation plans and actions required, recommended or otherwise set forth in the Environmental Reports have been completed in compliance with applicable Borrower Legal Requirements.

12. The description of the Project contained in the Financing Agreement remains true and accurate as of the date hereof.

13. There has been no change in the structure of, or a Transfer in, the Borrower or the Authorized Member of the Borrower other than a Permitted Transfer and such transfers as may be permitted under the Regulatory Agreement.

14. The Borrower has satisfied the conditions to funding of not less than 90% of the capital contributions from its Equity Investor payable pursuant to the terms of the Operating Agreement.

15. With respect to the construction of the Improvements (a) all punch list work has been completed and accepted by the Borrower, (b) all warranties required to be provided by the general contractor and subcontractors have been received and accepted by the Borrower and (c) there are no outstanding or unsettled disputes with the general contractor or material unsettled disputes with any subcontractor or material supplier or consultant.

16. All heating, air conditioning, ventilating and other building systems in the Improvements are in good working order and there has been no deterioration in or damage to the Project which would materially and adversely affect its value.

17. All funding sources have been fully or concurrently funded into the Project in the amounts and subject to the terms and provisions set forth in the Financing Agreement, except as otherwise amended or modified with the approval of the Servicer.

18. The Borrower hereby acknowledges that the Servicer will not approve a conversion to the Permanent Term without the execution and delivery of this certificate and, therefore, that the Servicer, Issuer and Trustee are relying on the truth and accuracy of the certification set forth above in proceeding with the conversion to the Permanent Term.

HTG HERON ESTATES SENIOR, LLC,
a Florida limited liability company

By: HTG Heron Estates Senior Manager, LLC, a
Florida limited liability company, its
Managing Member

By: _____
Name: Matthew Rieger
Title: Manager

SERIES 2018A NOTE

\$6,700,000

_____, 2018

FOR VALUE RECEIVED, HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company (the “**Borrower**”), promises to pay to HOUSING FINANCE AUTHORITY OF PALM BEACH 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**”; the Issuer and each subsequent transferee and/or owner of this Series 2018A Note whether taken by endorsement or otherwise, being successively called the “**Holder**”), or order, at such place as may be designated in writing by the holder of this Series 2018A Note, the principal sum of Six Million Seven Hundred Thousand Dollars (\$6,700,000), or so much thereof as may be advanced pursuant to the Financing Agreement and outstanding, which sum shall be payable in lawful money of the United States of America, together with interest on the unpaid Principal Balance computed from the date of each advance until paid, calculated in the manner hereinafter set forth, and paid in the manner hereinafter set forth, as follows:

A. During the Construction Term, interest on the Principal Balance calculated at the Applicable Rate for the prior month together with all other Borrower Payment Obligations shall be due and payable on each Payment Date by 11:00 a.m. prevailing Eastern time, commencing on _____ 10, 2018 and continuing through the Construction Term.

B. If the Series 2018A Loan is extended to the Permanent Term, commencing on the Payment Date occurring in the first full calendar month following the month in which the Conversion Date occurred, and on each Payment Date thereafter, the Borrower shall by 11:00 a.m. prevailing Eastern time on such date (i) make constant monthly payments of principal and interest in an amount required to amortize the unpaid Principal Balance of this Series 2018A Note over a term of thirty-five (35) years at the Fixed Rate, with each installment to be applied first to interest and the balance on account of principal, and (ii) shall pay on each Payment Date all other Borrower Payment Obligations. The monthly payment calculations of the amounts due shall be binding on the Borrower absent manifest error.

C. The entire Principal Balance, together with all interest accrued and unpaid thereon and all other sums due under this Series 2018A Note shall be due and payable on the Construction Term Maturity Date or if earlier, the date the Series 2018A Bonds have been called for redemption or repurchase under the Indenture, unless the Series 2018A Loan has been extended to the Permanent Term, in which event, the entire Principal Balance, together with all interest accrued and unpaid thereon and other sums due under this Series 2018A Note, shall be due and payable on the Permanent Term Maturity Date.

D. Unless otherwise agreed to, in writing, or otherwise required by applicable law, payments shall be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid collection costs, late charges and other charges, provided, however, upon delinquency or other default, the Holder reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its sole discretion. Any prepayments shall be applied to the indebtedness owing hereunder in such order and manner as the Holder from time to time determines in its sole discretion. The amount of the Principal Balance of this

Series 2018A Note outstanding from time to time as shown on the records of the Holder shall be conclusive absent manifest error as to such amount.

E. Interest calculated under this Series 2018A Note shall be on the basis of a 360-day year, counting the actual number of days elapsed. If any payment under this Series 2018A Note is due and payable on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day. All payments of principal and interest under this Series 2018A Note shall be made without deduction of any present or future taxes, levies, imposts, duties, fees, assessments, withholdings or other charges, which amounts shall be paid by the Borrower, and without any other setoff or counterclaim of any kind.

F. In addition to the provisions hereinbefore and hereinafter set forth, this 2018A Note is subject to optional and mandatory prepayment, in whole or in part, upon the same terms and conditions, and on the same dates and at the same prepayment prices, and subject to the same limitations as the Series 2018A Bonds are subject to optional and mandatory redemption under the terms of the Indenture and Bond Purchase Agreement and in connection therewith payments shall be made by the Borrower hereunder in respect of the Series 2018A Loan at such times and in such amount sufficient to pay, when due (whether at stated maturity, upon redemption before maturity, upon acceleration or otherwise) the principal of and premium, if any, and interest on the Series 2018A Bonds at any time outstanding. The Borrower shall also pay fees and expenses, rebate amounts, indemnification amounts, as well as any other amounts due under the Financing Agreement when due and in accordance with the terms and provisions thereof.

1. Definitions. The following terms as used in this Series 2018A Note shall have the following meanings:

The term “**Adjusted LIBO Rate**” means with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next one-sixteenth of one percent) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

The term “**Adjusted One Month LIBO Rate**” means an interest rate per annum equal to the sum of (i) 2.5% per annum plus (ii) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided, that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 a.m. London time on such day; provided further, that, if the LIBO Screen Rate at such time shall be less than zero, such rate shall be deemed to be zero for purposes of this Note.

The term “**Applicable Rate**” means the Tax Exempt Rate or the Taxable Rate in effect from time to time with respect to the Bonds.

The term “**Bond Financing Documents**” means the Indenture, the Financing Agreement, the Notes, the Security Instrument, the Bond Purchase Agreement and any and all other documents and/or instruments executed by the Issuer, the Borrower and/or the Bondholder in connection with the Bonds and the Loan.

The term “**Bond Purchase Agreement**” means the Bond Purchase Agreement dated as of _____ 1, 2018 and among the Issuer, the Borrower and the Bondholder with respect to the purchase and sale of the Bonds and advances of the proceeds of the Bonds, as the same may be modified, amended or supplemented from time to time.

The term “**Bondholder**” means JPMorgan Chase Bank, N.A. as the initial purchaser of the Bonds, together with its successors and assigns.

The term “**Bonds**” means collectively the Series 2018A Bonds and the Series 2018B Bonds.

The term “**Borrowing**” means a portion or portions of the Series 2018A Loan, of the same Type, made, converted or continued on the same date and in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

The term “**Borrower Payment Obligations**” means all payment obligations related to this Series 2018A Note, the Series 2018A Bonds, the Series 2018A Loan, the Borrower’s and the Issuer’s obligations under the Bond Purchase Agreement, and each of the other Bond Financing Documents to which either or both the Issuer and/or the Borrower is a party.

The term “**Business Day**” or “**business day**” means any day which is not (i) a Saturday, Sunday or legal holiday in the State, (ii) a day on which banking institutions are authorized or obligated by law or executive order to be closed in the State, or in the state in which the principal corporate office of the Trustee for registration and payment functions is located (initially the State of Florida), (iii) a day on which the New York Stock Exchange is closed, and (iv) when used in connection with the LIBO Rate, the term “Business Day” shall also exclude any day on which banks are not open for dealings in U.S. dollar deposits in the London interbank market.

The term “**CB Floating Rate**” means the Prime Rate; provided, that the CB Floating Rate shall never be less than the Adjusted One Month LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBO Rate, respectively.

The term “**CBFR**” when used in reference to the Series 2018A Loan or Borrowing, refers to whether such Series 2018A Loan, or the loans comprising such Borrowing, are bearing interest at a rate determined by reference to the CB Floating Rate.

The term “**Change in Law**” means the occurrence after the date of this Series 2018A Note or, with respect to any Holder, such later date on which such Holder acquires this Series 2018A Note of (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the date of this Series 2018A Note, or (iii) compliance by the Holder or Bondholder (or, for purposes of Section 7, by any lending office of such Holder or Bondholder or by such Holder’s or Bondholder’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Series 2018A Note; provided, however, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall

Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued, and (y) all requests, rules, guidelines or directives promulgated by the Bondholder for International Settlements, Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

The term “**Collateral**” has the meaning given to such term in Section 12 of this Series 2018A Note.

The term “**Conditions to Conversion**” has the meaning given to such term in the Indenture.

The term “**Construction Term**” means the period beginning on the date of this Series 2018A Note and ending on (i) if the Conditions to Conversion have been satisfied, the date specified as the Conversion Date in the Bondholder’s Conversion Notice, and (ii) if the Conditions to Conversion have not been satisfied, the Construction Term Maturity Date.

The term “**Construction Term Maturity Date**” means _____, 2020 [24 months from Closing Date], provided, however, if the Extension Conditions have been satisfied, the term “Construction Term Maturity Date” shall mean _____, 2020. [additional 6 months]

The term “**Conversion Certificate**” means the Borrower’s conversion certificate in the form of Exhibit C to the Bond Purchase Agreement certifying to the satisfaction of the Conditions to Conversion.

The term “**Conversion Date**” means the date on which the Series 2018A Loan converts from the Construction Term to the Permanent Term as specified by the Bondholder in its Conversion Notice.

The term “**Debt**” means all principal, interest, additional interest and other sums of any nature whatsoever which may or shall become due to the Holder in accordance with the provisions of this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents.

The term “**Default Rate**” means a rate which is 4.0% above the Applicable Rate, provided further, however, such interest rate shall in no event exceed the maximum interest rate which may be paid by law.

The term “**Determination of Taxability**” has the meaning given to such in the Indenture.

The term “**Eurodollar**” when used in reference to any Borrowing, refers to whether such Borrowing is bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

The term “**Event of Default**” means any default or events of default described in Section 16 of this Series 2018A Note.

The term “**Extension Conditions**” has the meaning given to such in the Bond Purchase Agreement.

The term “**Final Reference Swap Rate**” has the meaning given to such term in Section 4(e) of this Series 2018A Note.

The term “**Financing Agreement**” means the Financing Agreement dated as of the _____ 1, 2018 by and between the Borrower and the Issuer, as may be modified, amended or supplemented from time to time.

The term “**Fixed Rate**” means _____% per annum.

The term “**Governmental Authority**” means the Government of the United States of America, any other nation or any other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

The term “**Indenture**” means the Trust Indenture dated as of _____ 1, 2018 by and between the Issuer and the Trustee, pursuant to which the Issuer is issuing the Bonds.

The term “**Initial Reference Swap Rate**” has the meaning given to such term in Section 4(f) of this Series 2018A Note.

The term “**Interest Period**” means with respect to any Eurodollar Borrowing, the period commencing on the day of such Borrowing and ending on the numerically corresponding day in the calendar month which is one month thereafter, provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (iii) no Interest Period shall extend beyond the maturity date of this Series 2018A Note (as may be extended) and (iv) there may not be more than one Interest Period in effect at any one time. For purposes hereof, the date of the Borrowing initially shall be the date on which such Borrowing is made and, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

The term “**Interpolated Rate**” means, at any time, for any interest period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Bondholder (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (i) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period and (ii) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

The term “**Liabilities**” has the meaning given to such term in Section 15 of this Series 2018A Note.

The term “**LIBO Rate**” means the London interbank offered rate administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars) for a one month period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Bondholder from time to time in its reasonable discretion (in each case, the “**LIBO Screen Rate**”) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such interest period; provided, that, if any LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Note and provided, further, if the LIBO Screen Rate shall not be available at such time for such interest period (an “**Impacted Interest Period**”), then the LIBO Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Note.

The term “**Loan**” means collectively the Series 2018A Loan and the Series 2018B Loan, which Loan is evidenced by this Series 2018A Note and the Series 2018B Note, and which is secured by the Security Instrument and the other Bond Financing Documents.

The term “**Mortgaged Property**” has the meaning given to such term in the Security Instrument.

The term “**Notes**” means collectively this 2018A Note and the Series 2018B Note, as may be modified, amended or supplemented from time to time.

The term “**Notice of Conversion**” has the meaning given to such term in the Indenture.

The term “**Outside Conversion Date**” means _____, 2020 [30 months from Closing Date] as such date may be extended with the written consent of the Bondholder.

The term “**Payment Date**” means the tenth (10th) day of each month.

The term “**Permanent Term**” means the term commencing on the Conversion Date and ending on the Permanent Term Maturity Date.

The term “**Permanent Term Maturity Date**” means _____, 2035. [210 months from Closing Date].

The term “**Pre-Conversion Equalization Payment**” has the meaning given to such term in the Financing Agreement.

The term “**Prepayment Premium**” means the charge calculated under Section 4 of this Series 2018A Note.

The term “**Prime Rate**” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate at its office at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such

change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

The term “**Principal Balance**” means the outstanding principal balance of this Series 2018A Note from time to time.

The term “**Rate Conversion Date**” means the earlier of (i) _____, 2020 [2 years from Closing Date], or (ii) the Conversion Date.

The term “**Reference Swap**” shall have the meaning given to such term in Section 4(e) of this Series 2018A Note.

The term “**Reference Swap Rate**” shall have the meaning given to such term in Section 4(e) of this Series 2018A Note.

The term “**Security Instrument**” means the Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (Leasehold) dated as of _____ 1, 2018 from the Borrower to the Issuer, and any and all modifications, amendments, extensions, renewals, restatements, consolidations, replacements and increases thereof.

The term “**Series 2018A Bonds**” means the Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) in the principal amount not to exceed Six Million Seven Hundred Thousand Dollars (\$6,700,000).

The term “**Series 2018A Loan**” means the loan made by the Issuer to the Borrower in the principal amount of Six Million Seven Hundred Thousand Dollars (\$6,700,000) to be advanced pursuant to the provisions of the Financing Agreement and which is evidenced by the Series 2018A Note.

The term “**Series 2018B Bonds**” means the Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) in the principal amount not to exceed Five Million Three Hundred Thousand Dollars (\$5,300,000)].

The term “**Series 2018B Loan**” means the loan made by the Issuer to the Borrower in the original principal amount of Five Million Three Hundred Thousand Dollars (\$5,300,000) to be advanced pursuant to the provisions made in accordance of the Financing Agreement and which is evidenced by the Series 2018B Note.

The term “**Series 2018B Note**” means the Series 2018B Note from the Borrower to the Issuer dated as of the date hereof in the principal amount of Five Million Three Hundred Thousand Dollars (\$5,300,000).

The term “**Servicer**” shall have the meaning given to such term in the Indenture.

The term “**Shortfall Amount**” means the difference between \$6,030,000 [90% of Series 2018 A Loan] and the principal balance of this Series 2018A Note following the Pre-Conversion Equalization Payment.

The term “**Shortfall Fee**” has the meaning given to such term in Section 4(e) of this Series 2018A Note.

The term “**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors of the Federal Reserve System to which the Bondholder is subject, with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Borrowings shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemption or offsets that may be available from time to time under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

The term “**Tax Exempt CB Floating Rate**” means the CB Floating Rate minus 0.98%.

The term “**Tax Exempt Eurodollar Rate**” means with respect to the relevant Interest Period, a per annum rate equal to the applicable Adjusted LIBO Rate plus 1.75%.

The term “**Tax Exempt Rate**” means the applicable Tax Exempt CB Floating Rate, Tax Exempt Eurodollar Rate or Fixed Rate as determined in accordance with Section 3 of this Series 2018A Note.

The term “**Taxable CB Floating Rate**” means the CB Floating Rate minus ____%.

The term “**Taxable Eurodollar Rate**” means with respect to the relevant Interest Period, per annum rate equal to the applicable Adjusted LIBO Rate plus ____%.

The term “**Taxable Fixed Rate**” means ____%.

The term “**Taxable Rate**” means (i) initially with respect to the relevant Interest Period, a rate equal to the applicable Taxable CB Floating Rate or the Taxable Eurodollar Rate, and (ii) from and after the Rate Conversion Date, a per annum rate equal to the Taxable Fixed Rate.

The term “**Treasury Rate**” has the meaning given to such term in Section 4(a)(ii) of this Series 2018A Note.

The term “**Trustee**” means U.S. Bank National Association, a national banking association, and its successors and assigns acting as trustee under the Indenture.

The term “**Type**” when used in reference to any Borrowing, refers to whether the rate of interest on such Borrowing is determined by reference to the Tax Exempt Rate, the Taxable Rate or the CBFR.

The term “**Yield Maintenance Period**” means the period of time commencing on the date of this Series 2018A Note and ending on _____, 2032 [3 years prior to the Permanent Term Maturity Date].

2. Construction Term Borrowings.

(a) The initial Borrowing shall be a Eurodollar Borrowing.

(b) Each Borrowing subsequent to the initial Borrowing (i) if at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a Eurodollar Borrowing, and (ii) if not at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a CBFR Borrowing.

(c) Any CBFR Borrowing(s) shall be converted to a Eurodollar Borrowing having a one month Interest Period upon the commencement of the next one month Interest Period next succeeding any such CBFR Borrowing.

(d) Unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be renewed as a Eurodollar Borrowing having the same Interest Period as the Eurodollar Borrowing the Interest Period of which has just expired (unless such renewal would result in an Interest Period ending after the Construction Term Maturity Date, in which case such Borrowing shall be converted to a CBFR Borrowing).

(e) From and after the Rate Conversion Date, all Borrowing(s) shall be at the Fixed Rate.

3. Interest.

(a) Until the Rate Conversion Date: (i) each CBFR Borrowing shall bear interest at the Tax Exempt CB Floating Rate, and (ii) each Eurodollar Borrowing shall bear interest at the Tax Exempt Eurodollar Rate for the Interest Period in effect for such Borrowing.

(b) From and after the Rate Conversion Date, the unpaid Principal Balance shall bear interest at the Fixed Rate.

(c) From and after a Determination of Taxability, the unpaid Principal Balance shall bear interest at the Taxable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on the Series 2018A Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to the Default Rate.

(e) Accrued interest shall be payable in arrears on each Payment Date and upon maturity of the Series 2018A Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section 3 shall be payable on demand, (ii) in the event of any repayment or prepayment (other than prepayment of a CBFR Borrowing), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Eurodollar Borrowing prior to the end of the current Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Prime Rate, Adjusted LIBO Rate or Fixed Rate shall be determined by the Bondholder and such determination shall be conclusive absent manifest error.

4. Prepayment.

(a) The Borrower may, upon 10 days prior written notice to the Issuer and the Bondholder, pay the full amount or any part of this Series 2018A Note; provided, however, if the Borrower prepays any principal during the Construction Term, the provisions of Section 5 shall apply, and if prepayment of principal is made during the Yield Maintenance Period, the Borrower shall concurrently pay a prepayment charge (the “**Prepayment Premium**”) equal to the greater of:

(i) 1.0% of the total amount of principal being prepaid; or

(ii) the loss (if any) incurred by the Holder calculated by multiplying (A) the principal amount prepaid; times (B) the result, if positive, of (x) the per annum interest rate being charged on this Series 2018A Note at the time of determination, minus (y) if interest is being calculated at the Fixed Rate, the Bondholder’s tax-exempt factor multiplied by the annual yield to maturity (reflecting both stated interest rate and discount) of the United States Treasury obligations purchased at the time of prepayment and maturing 210 months from the Closing Date, or as close thereto as possible (the “**Treasury Rate**”) or if interest is being paid at the Taxable Fixed Rate, the Treasury Rate; times (C) the number of days from the date of prepayment to the date 210 months from the Closing Date, divided by 360; and (D) discounted to present value at the Treasury Rate. The determination by the Bondholder on behalf of the Holder of the Treasury Rate and the amount of any prepayment charge will be conclusive, in the absence of manifest error.

(b) Notwithstanding the foregoing provisions of this Section 4 of this Series 2018A Note, the Prepayment Premium shall not be applicable with respect to any Pre-Conversion Loan Equalization Payment made on the Conversion Date.

(c) Borrower expressly waives any right to prepay this Series 2018A Note except as herein provided. If the maturity of this Series 2018A Note is accelerated for any reason, including, without limitation, the occurrence of any Event of Default, then any subsequent tender of payment of this Series 2018A Note, including any redemption following foreclosure of the Security Instrument, shall constitute an evasion of the restrictions on prepayment set forth herein and shall be deemed a voluntary prepayment. Accordingly, the Holder may impose as a condition to accepting any such tender, and may bid at any sheriff's or trustee's sale under the Security Instrument, and/or include in any complaint for judicial foreclosure or any claim in bankruptcy, as part of the

indebtedness evidenced by this Series 2018A Note and secured by the Security Instrument, the Prepayment Premium that would have otherwise been payable hereunder for prepayment of this Series 2018A Note occurring on the date of such acceleration. The Prepayment Premium shall be payable with respect to any other prepayment made from any collateral for this Series 2018A Note. No partial prepayment of this Series 2018A Note shall change the date or amount of any subsequent monthly payment required under the terms of this Series 2018A Note prior to payment in full of all amounts owing under this Series 2018A Note unless otherwise agreed in writing by the Issuer.

(d) Acceptance by the Holder of any one or more prepayments without concurrent payment of any applicable Prepayment Premium or other amount provided for above will not constitute a waiver of Holder's right to require payment of any Prepayment Premium or other amount provided for above.

(e) In the case of a Pre-Conversion Equalization Payment, the Borrower shall pay a premium (as liquidated damages and not as a penalty) (the "**Shortfall Fee**") equal to the (i) sum of the present values as of the date of the Pre-Conversion Equalization Payment of (A) the differences between each fixed rate interest payment which would be paid on the Reference Swap at the Initial Reference Swap Rate, and the corresponding fixed rate interest payment which would be paid on the Reference Swap at the Final Reference Swap Rate, and (B) each present value of said differences using the Final Reference Swap Rate as the applicable discount rate, multiplied by (ii) the ratio of the Shortfall Amount to the amount of the Series 2018A Loan. The term "**Reference Swap Rate**" shall mean as of a specified date the fixed rate on an interest rate swap (the "**Reference Swap**") whose market value is zero, with a term corresponding to the term of the Series 2018A Loan, a notional principal schedule corresponding to the scheduled outstanding balances of the Series 2018A Loan, and monthly payments wherein one party pays said fixed rate of interest and the other party pays a rate equal to the one month LIBO Rate. The "**Initial Reference Swap Rate**" shall be the Reference Swap Rate as of the date of this Series 2018A Note. The "**Final Reference Swap Rate**" shall be the Reference Swap Rate as of the date of the Pre-Conversion Equalization Payment. Notwithstanding the foregoing computation, the Shortfall Fee shall in no event be less than zero. The Borrower acknowledges that the Holder might not fund or hedge its fixed-rate loan portfolio or any prepayment thereof, on a loan-by-loan basis at all times and agrees that the foregoing is a reasonable and appropriate method of calculating the Holder's liquidated damages for any such Pre-Conversion Equalization Payment irrespective of whether any of the foregoing hedging transactions shall have in fact occurred or occurred precisely as stated with respect to the Series 2018A Loan. All calculations and determinations and the amount payable pursuant to the preceding provisions or any element thereof, if made by the Servicer on behalf of the Holder in accordance with its then standard procedure for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

(f) The Borrower acknowledges that any statement made by or on behalf of the Holder setting forth the amount of the Prepayment Premium or Shortfall Fee shall only be binding upon the Holder if the statement is made in writing, that the amount of the Prepayment Premium or Shortfall Fee set forth in such statement is subject to change and is valid only for the date of such statement.

5. Break Funding.

(a) In the event that during the Construction Term (i) the full amount of the Series 2018A Loan is not advanced for any reason, or (ii) the Permanent Term does not commence for any reason (including prepayment by the Outside Conversion Date), or (iii) the Series 2018A Loan is paid in full or in part (except as to the amount of any Pre-Conversion Equalization Payment) the Borrower shall pay the Holder a break funding charge (the “**Break Funding Premium**”) equal to the greater of:

(i) one percent (1.0%) of the total amount of the Series 2018A Loan; or

(ii) the loss, if any, calculated by multiplying (A) the amount of the Series 2018A Loan; times (B) the result, if positive, of (x) the Fixed Rate or Taxable Fixed Rate, as applicable, minus (y) the Treasury Rate; times (C) the number of days from the date of calculation to the Permanent Term Maturity Date, divided by 360; and (D) discounted to present value at the Treasury Rate. The determination of any Break Funding Premium by the Servicer on behalf of the Holder shall be conclusive, in the absence of manifest error.

(iii) The Borrower acknowledges that any statement made by the Bondholder on behalf of the Holder setting forth the amount of the Break Funding Premium shall be only binding upon the Holder if the statement is made in writing, that the amount of the Break Funding Premium set forth in such statement is subject to change and is valid only for the date of such statement.

(b) In the event of (i) the payment of any principal of a Eurodollar Borrowing other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (ii) the conversion of any Eurodollar Borrowing other than on the last day of the Interest Period applicable thereto, or (iii) the failure to borrow, convert, continue or prepay any Eurodollar Borrowing on the date specified in any notice delivered pursuant hereto, then, in any such event, the Borrower shall compensate for the loss, cost and expense attributable to such event. In the case of a Eurodollar Borrowing, such loss, cost or expense shall be deemed to include an amount determined by the Bondholder to be the excess, if any, of (x) the amount of interest which would have accrued on the principal amount of such Borrowing had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Borrowing, for the period from the date of such event to the last day of the then current Interest Period for such Borrowing (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for the Borrowing), over (y) the amount of interest which would accrue on such principal amount for such period at the interest rate which the Servicer would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of the Servicer setting forth any amount or amounts that the Holder is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Holder the amount shown as due on any certificate within ten (10) days after receipt thereof.

(c) Notwithstanding the foregoing provisions of this Section 5 of this Series 2018A Note, the Break Funding Premium shall not be applicable with respect to any Preconversion Equalization Payment made on a Conversion Date.

6. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Bondholder determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost of making or maintaining the Borrowing for such Interest Period;

then the Bondholder shall give notice thereof to the Borrower, the Issuer, the Trustee and the Holder by telephone or facsimile as promptly as practical thereafter and, until the Bondholder notifies the Borrower that the circumstances giving rise to such notice no longer exist (i) any request to convert any Borrowing to, or continuation of any Borrowing as a Eurodollar Borrowing shall be ineffective, and (ii) any request for a new Eurodollar Borrowing shall be made as a CBFRR Borrowing.

7. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, the Holder or Bondholder (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) impose on the Bondholder or the London interbank market any other condition, cost or expense (other than Taxes, i.e. all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto) affecting this Series A Bonds or Series A Loan made by the Holder; or

(iii) subject the Holder or Bondholder to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to the Bondholder of making or maintaining any Eurodollar Borrowing (or of maintaining its obligation to make any such Borrowing) or to increase the cost or to reduce the amount of any sum received or receivable by the Bondholder (whether of principal, interest or otherwise), then the Borrower will pay to the Bondholder such additional amount or amounts as will compensate the Bondholder for such additional costs incurred or reduction suffered.

(b) If the Bondholder determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on the Holder's or Bondholder's capital or on the capital of the Holder's or Bondholder's holding company, if any, as a consequence of

the Loan made by the Holder to a level below that which the Holder or Bondholder or Bondholder's holding company could have achieved but for such Change in Law (taking into consideration the Holder's and Bondholder's policies with respect to capital adequacy), then from time to time the Borrower will pay to the Holder, such additional amount or amounts as will compensate the Holder and the Bondholder or the Holder's and the Bondholder's holding company for any such reduction suffered.

(c) A certificate of the Servicer setting forth the amount or amounts necessary to compensate the Holder, the Bondholder, or their respective holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay to demand compensation pursuant to this Section shall not constitute a waiver of the right to demand such compensation; provided that the Borrower shall not be required to compensate the Holder or the Bondholder pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that the Borrower is notified of the Change in Law giving rise to such increased costs or reductions and of the intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

8. Electronic Notices. Notices of prepayments under Section 4 may be made by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Holder and Bondholder. Such approval may be limited to particular notices or communications.

Unless the Holder otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the "receipt" by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available in identifying the website address therefor.

The Borrower, the Holder and the Bondholder may change the address or telecopier number or e-mail address for notices and other communications hereunder by notice to the other.

9. Late Fee. If any scheduled payment of principal and/or interest required under this Series 2018A Note is not paid within ten (10) days after such payment is due, then the Borrower shall pay a late charge equal to five percent (5.0%) of the amount of such payment to compensate the Holder for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be immediately due and payable and shall be in addition to all other rights and remedies available to the Holder.

10. Payments Generally. The Borrower shall make each payment required to be made by it hereunder (whether principal, interest or fees, or otherwise) prior to 11:00 a.m. prevailing Eastern time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts

received after such time on any date may, in the discretion of the Holder, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Holder at such place as may be designated by written notice to the Borrower from or on behalf of the Holder. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day. All payments made hereunder shall be made in U.S. dollars.

11. Indemnity.

(a) Anything in this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents to the contrary notwithstanding, the Borrower shall indemnify and hold the Holder and Bondholder harmless and defend the Holder and Bondholder at the Borrower's sole cost and expense against any loss or liability, cost or expense (including, without limitation, reasonable attorneys' fees and disbursements of counsel, whether in-house staff, retained firms or otherwise), and all claims, actions, procedures and suits arising out of or in connection with:

(i) any ongoing matters arising out of this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents or the transaction contemplated hereby or thereby, including, but not limited to, all costs of appraisal or reappraisal of all or any portion of any collateral for the Debt or of the granting by the Holder, in its sole and absolute discretion, of any lease non-disturbance agreements,

(ii) any amendment to, or restructuring of, the Debt, this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents,

(iii) any and all lawful action that may be taken by the Holder or Bondholder in connection with the enforcement of the provisions of this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents, whether or not suit is filed in connection with the same, or in connection with the Borrower, any guarantor of all or any portion of the Debt and/or any partner, member, joint venturer or shareholder thereof becoming a subject of a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding, and

(iv) any liability to brokers, finders or similar persons and/or under any applicable securities or blue sky laws.

All sums expended by the Holder or Bondholder on account of any of the foregoing shall be reimbursable on demand, and until reimbursed by the Borrower pursuant hereto, shall be deemed additional principal evidenced hereby and shall bear interest at the Default Rate. The obligations of the Borrower under this Section shall, notwithstanding any exculpatory or other provisions of any nature whatsoever which may be set forth herein, or in the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents, constitute the personal recourse undertakings, obligations and liabilities of the Borrower and shall be secured by the Security Instrument.

(b) The Borrower shall indemnify the Holder and Bondholder against any loss or expense that it may sustain or incur as a consequence of any failure by the Borrower to take down all or any portion of the Series 2018A Loan on the date the Borrower requested that the Series 2018A Loan be advanced or as a consequence of any default by the Borrower in the payment of any portion of the Principal Balance of this Series 2018A Note, as and when due and payable, or the occurrence of any default or Event of Default under this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents, including, but not limited to, any loss or expense sustained or incurred by the Holder and Bondholder in liquidating or reemploying deposits from third parties acquired to effect or maintain the Tax Exempt Rate with respect to all or any portion of the Principal Balance hereof. The Holder and/or Bondholder shall provide or cause to be provided to the Borrower a statement explaining the amount of any such loss or expense, which statement shall be conclusive and binding upon the Borrower absent manifest error.

12. Secured Note. This Series 2018A Note is secured by the Security Instrument and the other Bond Financing Documents and the collateral mortgaged, pledged, encumbered or assigned pursuant thereto (the “**Collateral**”). The Borrower agrees to perform and comply with each of the terms, covenants and provisions contained in the Security Instrument, Financing Agreement, Bond Purchase Agreement, and the other Bond Financing Documents on the part of the Borrower to be observed or performed and which are hereby made part of this Series 2018A Note to the same extent and with the same force and effect as if they were fully set forth herein. All sums which shall or may become due and payable by the Borrower in accordance with the provisions of this Series 2018A Note shall under all circumstances be deemed to constitute additional interest on, and shall be evidenced by this Series 2018A Note, shall be secured by the Security Instrument and the other Bond Financing Documents and shall constitute part of the Debt.

13. Transfer. Upon the transfer of this Series 2018A Note, the Holder may deliver all the Collateral, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to the Holder with respect thereto, and the Holder shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but the Holder shall retain all rights hereby given to it with respect to any Liabilities (hereinbelow defined) and such collateral not so transferred. The Holder will provide the Borrower with notice of any such transfer.

14. Maximum Permissible Rate. This Series 2018A Note is subject to the express condition that at no time shall the Borrower be obligated or be required to pay interest on the Principal Balance at a rate which could subject the Holder to liability as a result of being in excess of the maximum rate which the Borrower is permitted by law to contract or agree to pay. If by the terms of this Series 2018A Note the Borrower is at any time required or obligated to pay interest on the Principal Balance at a rate in excess of such maximum rate, then the rate of interest under this Series 2018A Note shall be deemed to be immediately reduced to such maximum rate, interest payable hereunder shall be computed at such maximum rate and any prior interest payments made in excess of such maximum rate shall be applied and shall be deemed to have been payments made in reduction of the Principal Balance.

15. Set Off. In addition to any right available to the Holder under applicable law or any other agreement, the Borrower hereby gives to the Holder a lien on, security interest in and right of set-off against all moneys, securities and other property of the Borrower and the proceeds thereof, now or hereafter delivered to, remaining with or in transit in any manner to the Holder, its correspondents or its agents from or for the Borrower, whether for safekeeping, custody, pledge, transmission, collection or otherwise or coming into possession of the Holder in any way, and also, any balance of any deposit

account and credits of the Borrower with, and any and all claims of the Borrower against, the Holder at any time existing, as collateral security for the payment of this Series 2018A Note, the Debt and of all liabilities and obligations now or hereafter owed by the Borrower to the Holder in connection therewith, including fees contracted with or acquired by the Holder, whether joint, several, direct, indirect, absolute, contingent, secured, matured or unmatured (all of which are hereafter collectively called “**Liabilities**”), hereby authorizing the Holder at any time or times, after an Event of Default without prior notice, to apply such balances, credits or claims, or any part thereof, to such Liabilities in such amounts as it may select, whether contingent, unmatured or otherwise and whether any collateral security therefor is deemed adequate or not. The collateral security described herein shall be in addition to any collateral security described in any separate agreement executed by the Borrower. The Holder, in addition to any right available to it under applicable law or any other agreement, shall have the right, at its option, to immediately set off against this Series 2018A Note and/or any other Liabilities all monies owed by the Holder in any capacity to the Borrower, whether or not due, and the Holder shall, at its option, be deemed to have exercised such right to set off and to have made a charge against any such money immediately upon the occurrence of any default or Event of Default contemplated by Section 16 hereof, even though such charge is made or entered on the books of the Holder subsequent to those events.

16. Events of Default. It is hereby expressly agreed that the entire Debt shall become immediately due and payable at the option of the Holder in the event any portion thereof is not paid within ten (10) days after written notice that the same is due and payable or on the happening of any default beyond any applicable notice and/or cure period, or any event by which, under the terms of this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents, the Debt may or shall become due and payable and that all of the terms, covenants and provisions contained in the Security Instrument, the Bond Purchase Agreement, and the other Bond Financing Documents which are to be kept and performed by the Borrower are hereby made part of this Series 2018A Note to the same extent with the same force and effect as if they were fully set forth herein.

17. Default Interest. In addition to any late charges which may be due under this Series 2018A Note, upon the occurrence of any default, the Borrower shall, unless and until such date, if any, as the Holder may elect, in its sole and absolute discretion, to waive, in writing, all or any portion of such interest, pay interest on the Principal Balance from the date of such default until the date on which the Principal Balance then outstanding is paid in full (whether before or after judgment), at a rate per annum (calculated for the actual number of days elapsed on the basis of a 360-day year) equal to the Default Rate, provided, however, that such interest rate shall in no event exceed the maximum interest rate which the Borrower may by law pay.

18. Authority. The Borrower represents that the Borrower has full power, authority and legal right to execute and deliver this Series 2018A Note and that this Series 2018A Note constitutes a valid and binding obligation of the Borrower.

19. Joint and Several Obligations. If the Borrower consists of more than one party, the obligations and liabilities of each such party signatory hereunder shall be joint and several.

20. Defined Terms. Whenever used, the singular number shall include the plural, the plural the singular, and the words “**Holder**” and “**Borrower**” shall include their respective successors and assigns, provided, however, that the Borrower shall in no event or under any circumstance have the

right, without obtaining the prior written consent of the Holder and Bondholder, to assign or transfer its obligations under this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents, in whole or in part, to any other person, party or entity.

21. Headings. The headings and captions of the numbered paragraphs of this Series 2018A Note are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

22. Enforceability. The Borrower acknowledges that this Series 2018A Note and the Borrower's obligations under this Series 2018A Note are and shall at all times continue to be absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Series 2018A Note and the obligations of the Borrower under this Series 2018A Note or the obligations of any other person or party relating to this Series 2018A Note or otherwise with respect to the Series 2018A Loan. This Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents set forth the entire agreement and understanding of the Holder and the Borrower, and the Borrower absolutely, unconditionally and irrevocably waives to the extent permitted by applicable law any and all right to assert any setoff, counterclaim or crossclaim of any nature whatsoever with respect to this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents or the obligations of the Borrower hereunder and thereunder, or the obligations of any other person or party relating hereto and thereto or to the obligations of the Borrower hereunder or thereunder or otherwise with respect to the Loan, in any action or proceeding brought by the Holder to collect the Debt, or any portion thereof, or to enforce, foreclose and realize upon the liens and security interests of the Holder in any collateral therefor created by the Security Instrument or the other Bond Financing Documents (provided, however, that the foregoing shall not be deemed a waiver of the Borrower's right to assert any compulsory counterclaim maintained in a court of the United States, or of the State of Florida if such counterclaim is compelled under local law or rule of procedure, nor shall the foregoing be deemed a waiver of the Borrower's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against the Holder in any separate action or proceeding). The Borrower acknowledges that no oral or other agreements, conditions, promises, understandings, representations or warranties exist with respect to this Series 2018A Note or with respect to the obligations of the Borrower under this Series 2018A Note, except those specifically set forth in this Series 2018A Note.

23. Waiver. The Borrower waives presentment, demand for payment, notice of dishonor and any or all notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Series 2018A Note and consents to any or all delays, extensions of time, renewals, release of any party to this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents, and of any available security therefor, to any party to this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents or to the actual holder thereof and any and all waivers or modifications that may be granted or consented to by the Holder with regard to the time of payment or with respect to any other provisions of this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents, and agrees that no such action, delay or failure to act on the part of the Holder shall be construed as a waiver by the Holder of, or otherwise affect, in whole or in part, its right to avail itself of

any remedy with respect thereto. No notice to or demand on the Borrower shall be deemed to be a waiver of the obligation of the Borrower or of the right of the Holder to take further action without further notice or demand as provided in this Series 2018A Note, the Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents. If the Borrower is a partnership, the agreements herein contained shall remain in force and applicable, notwithstanding any changes in the individuals comprising the partnership, and the term “Borrower”, as used herein, shall include any alternate or successor partnerships, but any predecessor partnership and their partners shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership which may be set forth in the Security Instrument, the Bond Purchase Agreement, or any other Bond Financing Document.)

24. Amendments. This Series 2018A Note may not be modified, amended, changed or terminated orally, except by an agreement in writing signed by the Borrower and the Holder and consented by the Bondholder. No waiver of any term, covenant or provision of this Series 2018A Note shall be effective unless given in writing by the Holder and, if so given by the Holder, shall only be effective in the specific instance in which given.

25. Governing Law. This Series 2018A Note is and shall be deemed entered into in the State of Florida and shall be governed by and construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws, and no defense given or allowed by the laws of any state or country shall be interposed in any action or proceeding hereon unless such defense is either given or allowed by the laws of the State of Florida.

26. Venue and Jurisdiction. The Borrower agrees to submit to personal jurisdiction in the State of Florida in any action or proceeding arising out of this Series 2018A Note. In furtherance of such agreement, the Borrower hereby agrees and consents that without limiting other methods of obtaining jurisdiction, personal jurisdiction over the Borrower in any such action or proceeding may be obtained within or without the jurisdiction of any court located in the State of Florida and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon the Borrower by registered or certified mail to, or by personal service at, the last known address of the Borrower, whether such address be within or without the jurisdiction of any such court. The Borrower hereby agrees that the venue of any litigation arising in connection with the indebtedness, or in respect of any of the obligations of the Borrower under this Series 2018A Note, shall, to the extent permitted by law, be in Palm Beach County, Florida. Provided, however, nothing in this Series 2018A Note is intended to limit any right that the Holder may have to bring any suit, action or proceeding relating to matters arising under this Series 2018A Note in any court of any other jurisdiction.

27. Recourse/Non-Recourse Provisions.

(a) Except as otherwise provided in this Section 27, the Holder agrees that, commencing with the Conversion Date and the satisfaction of the Conditions to Conversion by the Borrower, neither the Borrower nor any of its members shall have any personal liability under this Series 2018A Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents for the repayment of the Debt or for the performance of other obligations of the Borrower thereunder, and the Holder’s recourse for the satisfaction of the Debt and the performance of such

obligation shall be the Holder's exercise of its rights and remedies under the Security Instrument and other Collateral held as security for the Debt.

(b) Notwithstanding the foregoing limitations, the Holder shall have full recourse against the Borrower for the full payment of (i) the amount of any rent or other income from the Mortgaged Property that the Borrower has failed to apply first, to the payment of reasonable operating expenses and then to the payment of amounts that are due and payable under this Series 2018A Note, except that the Borrower will not be personally liable (x) to the extent that the Borrower lacks the legal right to direct the disbursement of such sums because of bankruptcy, receivership or similar judicial proceeding, or (y) with respect to rents and other income from the Mortgaged Property that are distributed in any calendar year if the Borrower has paid all operating expenses and amounts then due and payable under this Series 2018A Note for that calendar year; (ii) any condemnation or insurance proceeds, or similar funds or payments attributable to the Mortgaged Property, that under the terms of the Security Instrument, Bond Purchase Agreement, or other Bond Financing Documents should have been paid to the Holder but have not been so paid to the Holder; (iii) any tenant security deposits, advances or prepaid rents, or similar sums that have been paid to the Borrower or held for the account of the Borrower by any other person or entity in connection with the operation of the Mortgaged Property and that have not either been applied or refunded in accordance with the relevant lease or have been paid over to the Holder; (iv) the amount of any loss suffered by the Holder as a result of fraud or misrepresentation by or on behalf of the Borrower in connection with the Series 2018A Loan; (v) the amount of any loss suffered by the Holder as a result of waste or gross mismanagement by or permitted by the Borrower; (vi) the amount of any loss suffered as a result of violations of any governmental statute, rule or regulation applicable to the Mortgaged Property including and not by way of limitation any loss suffered arising directly or indirectly from the presence or release of any hazardous or toxic substance, material or waste on or about the Mortgaged Property; (vii) repayment of the Debt in the event of the Borrower's acquisition of any property or operation of any business not permitted by the Bond Financing Documents or that has not been consented to by the Holder and Bondholder; (viii) the full repayment of the Debt in the event of any transfer of any interest in the Borrower or the managing member of the Borrower that is not a Permitted Transfer as defined in the Bond Purchase Agreement or has not been consented to by the Holder and Bondholder; and (ix) reasonable attorney's fees and other costs incurred by the Holder in collecting any of the foregoing.

(c) Nothing contained in this Section 27 shall (i) limit the right to name the Borrower as a party defendant in any action or suit for judicial foreclosure and sale under the Security Instrument so long as no judgment in a nature of deficiency judgment shall be enforced against the Borrower; (ii) be deemed to be a release or impairment in any part of the Debt evidenced by this Series 2018A Note or the lien created by the Security Instrument or any other Collateral; or (iii) limit or otherwise prejudice in anyway the rights of the Holder to enforce any of its rights and remedies under this Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, or any other Bond Financing Documents or any guaranty of the Debt.

(d) The provisions of this Section 27 are personal to the Borrower and permitted transferees of the Mortgaged Property under the Security Instrument only, and are not transferable or assignable to any other person or entity, and are inapplicable to any other successor or transferee of the Borrower which is not a permitted transferee under the Bond Financing Documents, as vested or beneficial owner of the Mortgaged Property, whether such other successor or transferee assumes or takes title subject to the Security Instrument. As to any such other successor or transferee, this Series 2018A Note shall be full recourse.

28. Borrower's Acknowledgement. The Borrower acknowledges that: (a) it is a knowledgeable real estate investor, (b) it fully understands the effect of the waivers set forth in this Series 2018A Note, (c) the making of the Series 2018A Loan evidenced by this Series 2018A Note at the interest rate set forth in this Series 2018A Note is sufficient consideration for such waivers, and (d) the Issuer would not make the Loan without such waivers.

29. Waiver of Special Damages. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against the Holder, the Trustee and the Bondholder on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Series 2018A Note or any agreement or instrument contemplated hereby, the transactions, the Loan or the use of the proceeds thereof.

30. WAIVER OF JURY TRIAL. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATING TO THIS SERIES 2018A NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE BORROWER HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE HOLDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE HOLDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE ISSUER HAVE BEEN INDUCED TO ENTER INTO THE LOAN TRANSACTION BY, AMONG OTHER THINGS, THE WAIVER AND CERTIFICATIONS IN THIS SECTION.

(Signature Page Follows)

Doc #02-543766.3

IN WITNESS WHEREOF, the Borrower has duly executed this Series 2018A Note the day and year first above written.

HTG HERON ESTATES SENIOR, LLC
a Florida limited liability company
By: HTG Heron Estates Senior Manager, LLC
a Florida limited liability company
its manager

By: _____
Matthew Rieger, Manager

ENDORSEMENT

Pay to the order of U.S. Bank National Association, without recourse, as Trustee under that certain Trust Indenture dated as of _____ 1, 2018, as security for the Bonds issued under the Indenture. This Endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of this Series 2018A Note.

(Signature Page Follows)

HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA

By: _____
Patrick Franklin, Chairperson

SERIES 2018B NOTE

\$5,300,000.00

_____, 2018

FOR VALUE RECEIVED, HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company (the “**Borrower**”), promises to pay to HOUSING FINANCE AUTHORITY OF PALM BEACH 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**”; the Issuer and each subsequent transferee and/or owner of this Series 2018B Note whether taken by endorsement or otherwise, being successively called the “**Holder**”), or order, at such place as may be designated in writing by the Holder of this Note, the principal sum of Five Million Three Hundred Thousand Dollars (\$5,300,000), or so much thereof as may be advanced pursuant to the Financing Agreement and outstanding, which sum shall be payable in lawful money of the United States of America, together with interest on the unpaid Principal Balance computed from the date of each advance until paid, calculated in the manner hereinafter set forth, and paid in the manner hereinafter set forth, as follows:

A. Interest on the Principal Balance calculated at the Tax Exempt Rate for the prior month together with all other Borrower Payment Obligations shall be due and payable on each Payment Date by 11:00 a.m. prevailing Eastern time, commencing on _____ 10, 2018 and continuing on each Payment Date until the Principal Balance shall be paid in full.

B. The entire Principal Balance, together with all interest accrued and unpaid thereon and all other sums due under this Series 2018B Note shall be due and payable on the earliest of (i) Construction Term Maturity Date, (ii) if applicable, the Conversion Date, or (iii) the date the Series 2018B Bonds are called for redemption or repurchase under the Indenture.

C. Unless otherwise agreed to, in writing, or otherwise required by applicable law, payments shall be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid collection costs, late charges and other charges, provided, however, upon delinquency or other default, the Holder reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its sole discretion. Any prepayments shall be applied to the indebtedness owing hereunder in such order and manner as the Holder from time to time determines in its sole discretion. The amount of the Principal Balance of this Series 2018B Note outstanding from time to time as shown on the records of the Holder shall be conclusive absent manifest error as to such amount.

D. Interest calculated under this Series 2018B Note shall be on the basis of a 360-day year, counting the actual number of days elapsed. If any payment under this Series 2018B Note is due and payable on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day. All payments of principal and interest under this Series 2018B Note shall be made without deduction of any present or future taxes, levies, imposts, duties, fees, assessments, withholdings or other charges, which amounts shall be paid by the Borrower, and without any other setoff or counterclaim of any kind.

E. In addition to the provisions hereinbefore and hereinafter set forth, this Series 2018B Note is subject to optional and mandatory prepayment, in whole or in part, upon the same

terms and conditions, and on the same dates and at the same prepayment prices, and subject to the same limitations as the Series 2018B Bonds are subject to optional and mandatory redemption under the terms of the Indenture and Bond Purchase Agreement, and in connection therewith, payment shall be made by the Borrower hereunder in respect of the Series 2018B Loan at such times and in such amount sufficient to pay, when due (whether at stated maturity, upon redemption before maturity, upon acceleration of stated maturity or otherwise), the principal of and premium, if any, purchase price and interest on the Series 2018B Bonds at any time outstanding. The Borrower shall also pay fees and expenses, rebate amounts, indemnification amounts, as well as any other amounts due under the Financing Agreement, when due and in accordance with the terms and provisions set forth therein.

1. Definitions. The following terms as used in this Series 2018B Note shall have the following meanings:

The term “**Adjusted LIBO Rate**” means with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next one-sixteenth of one percent) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

The term “**Adjusted One Month LIBO Rate**” means an interest rate per annum equal to the sum of (i) 2.5% per annum plus (ii) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided, that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 a.m. London time on such day; provided further, that, if the LIBO Screen Rate at such time shall be less than zero, such rate shall be deemed to be zero for purposes of this Note.

The term “**Applicable Rate**” means the Tax Exempt Rate or the Taxable Rate in effect from time to time with respect to the Bonds.

The term “**Bond Financing Documents**” means the Indenture, the Financing Agreement, the Notes, the Security Instrument, the Financing Agreement, the Bond Purchase Agreement and any and all other documents and/or instruments executed by the Issuer, the Borrower and/or the Bondholder in connection with the Bonds and the Loan.

The term “**Bond Purchase Agreement**” means the Bond Purchase Agreement dated as of _____, 2018 by and among the Issuer, the Borrower and the Bondholder with respect to the purchase and sale of the Bonds and advances of the proceeds of the Bonds, as the same may be modified, amended or supplemented from time to time.

The term “**Bondholder**” means JPMorgan Chase Bank, N.A. as the initial purchaser of the Bonds, together with its successors and assigns.

The term “**Bonds**” means collectively the Series 2018A Bonds and the Series 2018B Bonds.

The term “**Borrowing**” means a portion or portions of the Series 2018B Loan, of the same Type, made, converted or continued on the same date and in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

The term “**Borrower Payment Obligations**” means all payment obligations related to this Series 2018B Note, the Series 2018B Bonds, the Series 2018B Loan, the Borrower’s and the Issuer’s obligations under the Bond Purchase Agreement, and each of the other Bond Financing Documents to which either or both the Issuer and/or the Borrower is a party.

The term “**Business Day**” or “**business day**” means any day which is not (a) a Saturday, Sunday or legal holiday in the State, (b) a day on which banking institutions are authorized or obligated by law or executive order to be closed in the State, or in the state in which the principal corporate office of the Trustee for registration and payment functions is located (initially the State of Florida), (c) a day on which the New York Stock Exchange is closed, and (d) when used in connection with the LIBO Rate, the term “Business Day” shall also exclude any day on which banks are not open for dealings in U.S. dollar deposits in the London interbank market.

The term “**CB Floating Rate**” means the Prime Rate; provided, that the CB Floating Rate shall never be less than the Adjusted One Month LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBO Rate, respectively.

The term “**CBFR**” when used in reference to the Series 2018B Loan or Borrowing, refers to whether such Series 2018B Loan, or the loan comprising such Borrowing, are bearing interest at a rate determined by reference to the CB Floating Rate.

The term “**Change in Law**” means the occurrence after the date of this Series 2018B Note or, with respect to any Holder, such later date on which such Holder acquires this Series 2018B Note of (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the date of this Series 2018B Note, or (iii) compliance by the Holder or Bondholder (or, for purposes of Section 7, by any lending office of such Holder or Bondholder or by such Holder’s or Bondholder’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Series 2018B Note; provided, however, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued, and (y) all requests, rules, guidelines or directives promulgated by the Bondholder for International Settlements, Basel Community on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

The term “**Collateral**” has the meaning given to such term in Section 12 of this Series 2018B Note.

The term “**Construction Term**” has the meaning given to such term in the Series 2018A Note.

The term “**Construction Term Maturity Date**” means _____, 2020 [24 months from Closing Date], provided, however, if the Extension Conditions have been satisfied, the term “**Construction Term Maturity Date**” shall mean _____, 2020. [additional 6 months].

The term “**Conversion Date**” means the date on which the Series 2018A Loan converts from the Construction Term to the Permanent Term as specified by the Bondholder in its Notice of Conversion.

The term “**Debt**” means all principal, interest, additional interest and other sums of any nature whatsoever which may or shall become due to the Holder in accordance with the provisions of this Series 2018B Note, the Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents.

The term “**Default Rate**” means the rate which is 4% above the Applicable Rate, provided further, however, such interest rate shall in no event exceed the maximum interest rate which may be paid by law.

The term “**Determination of Taxability**” has the meaning given to such in the Indenture.

The term “**Eurodollar**” when used in reference to any Borrowing, refers to whether such Borrowing is bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

The term “**Event of Default**” means any default or events of default described in Section 16 of this Series 2018B Note.

The term “**Extension Conditions**” has the meaning ascribed to such term in the Bond Purchase Financing Agreement.

The term “**Financing Agreement**” means the Loan and Financing Agreement dated as of the _____ 1, 2018 by and between the Borrower and the Issuer, as may be modified, amended or supplemented from time to time.

The term “**Governmental Authority**” means the Government of the United States of America, any other nation or any other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

The term “**Indenture**” means the Trust Indenture dated as of _____ 1, 2018 by and between the Issuer and the Trustee, pursuant to which the Issuer is issuing the Bonds.

The term “**Interest Period**” means with respect to any Eurodollar Borrowing, the period commencing on the day of such Borrowing and ending on the numerically corresponding day in the calendar month which is one month thereafter, provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (iii) no Interest Period shall extend beyond the maturity date of this Series 2018B Note (as may be extended), and (iv) there may not be more than one Interest Period in effect at any one time. For purposes hereof, the date of the Borrowing initially shall be the date on which such Borrowing is made and, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

The term “**Interpolated Rate**” means, at any time, for any interest period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Bondholder (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (i) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period and (ii) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

The term “**Liabilities**” has the meaning given to such term in Section 15 of this Series 2018B Note.

The term “**LIBO Rate**” means the London interbank offered rate administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars) for a one month period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Bondholder from time to time in its reasonable discretion (in each case, the “**LIBO Screen Rate**”) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such interest period; provided, that, if any LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Note and provided, further, if the LIBO Screen Rate shall not be available at such time for such interest period (an “**Impacted Interest Period**”), then the LIBO Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Note.

The term “**Loan**” means collectively the Series 2018A Loan and the Series 2018B Loan, which Loan is evidenced by the Series 2018A Note and this Series 2018B Note, and which is secured by the Security Instrument and the other Bond Financing Documents.

The term “**Mortgaged Property**” has the meaning given to such term in the Security Instrument.

The term “**Note**” means collectively the Series 2018A Note and the Series 2018B Note, as each may be modified, amended or supplemented from time to time.

The term “**Notice of Conversion**” has the meaning given to such term in the Indenture.

The term “**Payment Date**” means the tenth (10th) day of each month.

The term “**Permanent Term**” has the meaning given to such term in the Series 2018A Note.

The term “**Prime Rate**” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate at its office at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

The term “**Principal Balance**” means the outstanding principal balance of this Series 2018B Note from time to time.

The term “**Security Instrument**” means the Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (Leasehold) dated as of _____ 1, 2018 from the Borrower to the Issuer, and any and all modifications, amendments, extensions, renewals, restatements, consolidations, replacements and increases thereof.

The term “**Series 2018A Bonds**” means the Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) in the principal amount not to exceed Six Million Seven Hundred Thousand Dollars (\$6,700,000).

The term “**Series 2018A Loan**” means the loan made by the Issuer to the Borrower in the principal amount of Six Million Seven Hundred Thousand Dollars (\$6,700,000) to be advanced pursuant to the provisions of the Financing Agreement and which is evidenced by the Series 2018A Note.

The term “**Series 2018A Note**” means the Series 2018A Note from the Borrower to the Issuer dated as of the date hereof in the principal amount of Six Million Seven Hundred Thousand Dollars (\$6,700,000).

The term “**Series 2018B Bonds**” means the Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) in the principal amount not to exceed Five Million Three Hundred Thousand Dollars (\$5,300,000).

The term “**Series 2018B Loan**” means the loan made by the Issuer to the Borrower in the original principal amount of Five Million Three Hundred Thousand Dollars (\$5,300,000) to be advanced in accordance with the provisions of the Financing Agreement and which is evidenced by this Series 2018B Note.

The term “**Series 2018B Note**” means this Series 2018B Note, as being modified, amended or supplemented from time to time.

The term “**Servicer**” shall have the meaning given to such term in the Indenture.

The term “**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors of the Federal Reserve System to which the Bondholder is subject, with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Borrowings shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemption or offsets that may be available from time to time under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

The term “**Tax Exempt CB Floating Rate**” means the CB Floating Rate minus _____%.

The term “**Tax Exempt Eurodollar Rate**” means with respect to the relevant Interest Period, a per annum rate equal to the applicable Adjusted LIBO Rate plus 1.75%.

The term “**Tax Exempt Rate**” means the applicable Tax Exempt CB Floating Rate or Tax Exempt Eurodollar Rate, as determined in accordance with Section 3 of this Series 2018B Note.

The term “**Taxable CB Floating Rate**” means the CB Floating Rate minus _____%.

The term “**Taxable Eurodollar Rate**” means with respect to the relevant Interest Period, per annum rate equal to the applicable Adjusted LIBO Rate plus _____%.

The term “**Taxable Rate**” means the applicable Taxable CB Floating Rate or the Taxable Eurodollar Rate.

The term “**Trustee**” means U.S. Bank National Association, a national banking association, and its successors and assigns acting as trustee under the Indenture.

The term “**Type**” when used in reference to any Borrowing, refers to whether the rate of interest on such Borrowing is determined by reference to the Tax Exempt Rate, the Taxable Rate or the CBFR.

2. Construction Term Borrowings.

(a) The initial Borrowing shall be a Eurodollar Borrowing.

(b) Each Borrowing subsequent to the initial Borrowing (i) if at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a Eurodollar Borrowing, and (ii) if not at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a CBFR Borrowing.

(c) Any CBFR Borrowing(s) shall be converted to a Eurodollar Borrowing having a one month Interest Period upon the commencement of the next one month Interest Period next succeeding any such CBFR Borrowing.

(d) Unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be renewed as a Eurodollar Borrowing having the same Interest Period as the Eurodollar Borrowing the Interest Period of which has just expired (unless such renewal would result in an Interest Period ending after the Construction Term Maturity Date, in which case such Borrowing shall be converted to a CBFR Borrowing).

3. Interest.

(a) Each CBFR Borrowing shall bear interest at the Tax Exempt CB Floating Rate, and each Eurodollar Borrowing shall bear interest at the Tax Exempt Eurodollar Rate for the Interest Period in effect for such Borrowing.

(b) From and after a Determination of Taxability, the unpaid Principal Balance shall bear interest at the Taxable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on the Series 2018B Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to the Default Rate.

(d) Accrued interest shall be payable in arrears on each Payment Date and upon maturity of the Series 2018B Loan; provided that (i) interest accrued pursuant to paragraph (b) of this Section 3 shall be payable on demand, (ii) in the event of any repayment or prepayment (other than prepayment of a CBFR Borrowing), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Eurodollar Borrowing prior to the end of the current Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Prime Rate or Adjusted LIBO Rate shall be determined by the Bondholder and such determination shall be conclusive absent manifest error.

4. Prepayment. The Borrower may, upon 10 days prior written notice to the Issuer, the Trustee and the Bondholder, pay the full amount or any part of this Series 2018B Note. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or a portion thereof to be prepaid. Prepayment shall be accompanied by accrued interest on the amount prepaid, plus any other amounts due under Section 4 of this Series 2018B Note, plus, in the case of prepayment of a Eurodollar Borrowing on other than the last day of an Interest Period, an administrative fee of Two Hundred Fifty Dollars (\$250.00).

5. Break Funding Payments. In the event of (a) the payment of any principal of a Eurodollar Borrowing other than on the last day of an Interest Period applicable thereto (including as a

result of an Event of Default), (b) the conversion of any Eurodollar Borrowing other than on the last day of the Interest Period applicable thereto, or (c) the failure to borrow, convert, continue or prepay any Eurodollar Borrowing on the date specified in any notice delivered pursuant hereto, then, in any such event, the Borrower shall compensate the Holder for the loss, cost and expense attributable to such event. Such loss, cost or expense shall be deemed to include an amount determined by the Bondholder to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Eurodollar Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Eurodollar Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for the Borrowing), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which the Bondholder would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of the Servicer setting forth any amount or amounts that the Holder is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Holder the amount shown as due on any such certificate within ten (10) days after receipt thereof.

6. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Bondholder determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost of making or maintaining the Borrowing for such Interest Period;

then the Bondholder shall give notice thereof to the Borrower, the Issuer, the Trustee and the Holder by telephone or facsimile as promptly as practical thereafter and, until the Bondholder notifies the Borrower, the Issuer and the Trustee that the circumstances giving rise to such notice no longer exist (i) any request to convert any Borrowing to, or continuation of any Borrowing as a Eurodollar Borrowing shall be ineffective, and (ii) any request for a new Eurodollar Borrowing shall be made as a CBRF Borrowing.

7. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, the Holder or Bondholder (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) impose on the Bondholder or the London interbank market any other condition, cost or expense (other than Taxes, i.e., all present or future taxes, levies, imposts, duties, deductions, withholdings (including back up holding), assessments, fees

or other charges imposed by any Governmental Authority, (including any interest, additions to tax or penalties applicable thereto) affecting the Series 2018B Bonds or Series 2018B Loan made by the Holder; or

(iii) subject the Bondholder to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to the Bondholder of making, continuing, converting into or maintaining any loan (or of maintaining its obligation to make any such loan) or to reduce the amount of any sum received or receivable by the Bondholder under the Bonds) (whether of principal, interest or otherwise), then the Borrower shall pay to the Bondholder such additional amount or amounts as will compensate the Bondholder for such additional costs incurred or reduction suffered.

(b) If the Bondholder determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on the Holder's or Bondholder's capital or on the capital of the Holder's holding company, if any, as a consequence of the Loan made by the Holder to a level below that which the Holder or Bondholder or the Holder's or Bondholder's holding company could have achieved but for such Change in Law (taking into consideration the Holder's and Bondholder's policies with respect to capital adequacy), then from time to time the Borrower will pay to the Holder, such additional amount or amounts as will compensate the Holder and the Bondholder or the Holder's and the Bondholder's holding company for any such reduction suffered.

(c) A certificate of the Servicer setting forth the amount or amounts necessary to compensate the Holder or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay to demand compensation pursuant to this Section shall not constitute a waiver of the right to demand such compensation; provided that the Borrower shall not be required to compensate the Holder or the Bondholder pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that the Borrower is notified of the Change in Law giving rise to such increased costs or reductions and of the intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

8. Electronic Notices. Notices of prepayments under Section 4 may be made by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Holder. Such approval may be limited to particular notices or communications.

Unless the Holder otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), provided that if such notice or other communication is not sent during the

normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the “receipt” by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available in identifying the website address therefor.

The Borrower and the Holder may change the address or telecopier number or e-mail address for notices and other communications hereunder by notice to the other.

9. Late Fee. If any scheduled payment of principal and/or interest required under this Series 2018B Note is not paid within ten (10) days after such payment is due, then the Borrower shall pay a late charge equal to five percent (5.0%) of the amount of such payment to compensate the Holder for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be immediately due and payable and shall be in addition to all other rights and remedies available to the Holder.

10. Payments Generally. The Borrower shall make each payment required to be made by it hereunder (whether principal, interest or fees, or otherwise) prior to 11:00 a.m. prevailing Eastern time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Holder, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Holder at such place as may be designated by written notice to the Borrower from or on behalf of the Holder. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day. All payments made hereunder shall be made in U.S. dollars.

11. Indemnity.

(a) Anything in the Series 2018A Note, this Series 2018B Note, the Security Instrument, the Bond Purchase Agreement, or any of the other Bond Financing Documents to the contrary notwithstanding, the Borrower shall indemnify and hold the Holder and Bondholder harmless and defend the Holder and Bondholder at the Borrower’s sole cost and expense against any loss or liability, cost or expense (including, without limitation, reasonable attorneys’ fees and disbursements of counsel, whether in-house staff, retained firms or otherwise), and all claims, actions, procedures and suits arising out of or in connection with:

(i) any ongoing matters arising out of the Series 2018A Note, this Series 2018B Note, the Security Instrument, the Bond Purchase Agreement, any of the other Bond Financing Documents or the transaction contemplated hereby or thereby, including, but not limited to, all costs of appraisal or reappraisal of all or any portion of any collateral for the Debt or of the granting by the Holder, in its sole and absolute discretion, of any lease non-disturbance agreements,

(ii) any amendment to, or restructuring of, the Debt, the Series 2018A Note, this Series 2018B Note, the Security Instrument, the Bond Purchase Agreement, or any of the other Bond Financing Loan Documents,

(iii) any and all lawful action that may be taken by the Holder in connection with the enforcement of the provisions of the Series 2018A Note, this Series 2018B Note, the Security Instrument, the Bond Purchase Agreement, or any of the other Bond Financing Documents, whether or not suit is filed in connection with the same, or in connection with the Borrower, any guarantor of all or any portion of the Debt and/or any partner, member, joint venturer or shareholder thereof becoming a subject of a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding, and

(iv) any liability to brokers, finders or similar persons and/or under any applicable securities or blue sky laws.

All sums expended by the Holder or Bondholder on account of any of the foregoing shall be reimbursable on demand, and until reimbursed by the Borrower pursuant hereto, shall be deemed additional principal evidenced hereby and shall bear interest at the Default Rate. The obligations of the Borrower under this Section shall, notwithstanding any exculpatory or other provisions of any nature whatsoever which may be set forth herein, or in the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents, constitute the personal recourse undertakings, obligations and liabilities of the Borrower and shall be secured by the Security Instrument.

(b) The Borrower shall indemnify the Holder and Bondholder against any loss or expense that it may sustain or incur as a consequence of any failure by the Borrower to take down all or any portion of the Series 2018B Loan on the date the Borrower requested that the Series 2018B Loan be advanced or as a consequence of any default by the Borrower in the payment of any portion of the Principal Balance of this Series 2018B Note, as and when due and payable, or the occurrence of any default or Event of Default under the Series 2018A Note, this Series 2018B Note, the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents, including, but not limited to, any loss or expense sustained or incurred by the Holder and Bondholder in liquidating or reemploying deposits from third parties acquired to effect or maintain the Tax Exempt Rate with respect to all or any portion of the Principal Balance hereof. The Holder and/or Bondholder shall provide or cause to be provided to the Borrower a statement explaining the amount of any such loss or expense, which statement shall be conclusive and binding upon the Borrower absent manifest error.

12. Secured Note. This Series 2018B Note is secured by the Security Instrument and the other Bond Financing Documents and the collateral mortgaged, pledged, encumbered or assigned pursuant thereto (the “**Collateral**”). The Borrower agrees to perform and comply with each of the terms, covenants and provisions contained in the Security Instrument, the Financing Agreement, the Bond Purchase Agreement, and the other Bond Financing Documents on the part of the Borrower to be observed or performed and which are hereby made part of this Series 2018B Note to the same extent and with the same force and effect as if they were fully set forth herein. All sums which shall or may become due and payable by the Borrower in accordance with the provisions of this Series 2018B Note shall under all circumstances be deemed to constitute additional interest on, and shall be evidenced by this Series 2018B Note, shall be secured by the Security Instrument and the other Bond Financing Documents and shall constitute part of the Debt.

13. Transfer. Upon the transfer of this Series 2018B Note, the Holder may deliver all the Collateral, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to the Holder with respect thereto, and the Holder shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but the Holder

shall retain all rights hereby given to it with respect to any Liabilities (hereinbelow defined) and such collateral not so transferred. The Holder will provide the Borrower with notice of any such transfer.

14. Maximum Permissible Rate. This Series 2018B Note is subject to the express condition that at no time shall the Borrower be obligated or be required to pay interest on the Principal Balance at a rate which could subject the Holder to liability as a result of being in excess of the maximum rate which the Borrower is permitted by law to contract or agree to pay. If by the terms of this Series 2018B Note the Borrower is at any time required or obligated to pay interest on the Principal Balance at a rate in excess of such maximum rate, then the rate of interest under this Series 2018B Note shall be deemed to be immediately reduced to such maximum rate, interest payable hereunder shall be computed at such maximum rate and any prior interest payments made in excess of such maximum rate shall be applied and shall be deemed to have been payments made in reduction of the Principal Balance.

15. Set Off. In addition to any right available to the Holder under applicable law or any other agreement, the Borrower hereby gives to the Holder a lien on, security interest in and right of set-off against all moneys, securities and other property of the Borrower and the proceeds thereof, now or hereafter delivered to, remaining with or in transit in any manner to the Holder, its correspondents or its agents from or for the Borrower, whether for safekeeping, custody, pledge, transmission, collection or otherwise or coming into possession of the Holder in any way, and also, any balance of any deposit account and credits of the Borrower with, and any and all claims of the Borrower against, the Holder at any time existing, as collateral security for the payment of this Series 2018B Note, the Debt and of all liabilities and obligations now or hereafter owed by the Borrower to the Holder in connection therewith, including fees contracted with or acquired by the Holder, whether joint, several, direct, indirect, absolute, contingent, secured, matured or unmatured (all of which are hereafter collectively called “**Liabilities**”), hereby authorizing the Holder at any time or times, after an Event of Default without prior notice, to apply such balances, credits or claims, or any part thereof, to such Liabilities in such amounts as it may select, whether contingent, unmatured or otherwise and whether any collateral security therefor is deemed adequate or not. The collateral security described herein shall be in addition to any collateral security described in any separate agreement executed by the Borrower. The Holder, in addition to any right available to it under applicable law or any other agreement, shall have the right, at its option, to immediately set off against this Series 2018B Note and/or any other Liabilities all monies owed by the Holder in any capacity to the Borrower, whether or not due, and the Holder shall, at its option, be deemed to have exercised such right to set off and to have made a charge against any such money immediately upon the occurrence of any default or Event of Default contemplated by Section 16 hereof, even though such charge is made or entered on the books of the Holder subsequent to those events.

16. Events of Default. It is hereby expressly agreed that the entire Debt shall become immediately due and payable at the option of the Holder in the event any portion thereof is not paid within ten (10) days after written notice that the same is due and payable or on the happening of any default beyond any applicable notice and/or cure period or any event by which, under the terms of the Series 2018A Note, this Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or the other Bond Financing Documents, the Debt may or shall become due and payable and that all of the terms, covenants and provisions contained in the Security Instrument, the Bond Purchase Agreement and the other Bond Financing Documents which are to be kept and performed by the Borrower are hereby made part of this Note to the same extent with the same force and effect as if they were fully set forth herein.

17. Default Interest. In addition to any late charges which may be due under this Series 2018B Note, upon the occurrence of any default, the Borrower shall, unless and until such date, if any, as the Holder may elect, in its sole and absolute discretion, to waive, in writing, all or any portion of such interest, pay interest on the Principal Balance from the date of such default until the date on which the Principal Balance then outstanding is paid in full (whether before or after judgment), at a rate per annum (calculated for the actual number of days elapsed on the basis of a 360-day year) equal to the Default Rate, provided, however, that such interest rate shall in no event exceed the maximum interest rate which the Borrower may by law pay.

18. Authority. The Borrower represents that the Borrower has full power, authority and legal right to execute and deliver this Series 2018B Note and that this Series 2018B Note constitutes a valid and binding obligation of the Borrower.

19. Joint and Several Obligations. If the Borrower consists of more than one party, the obligations and liabilities of each such party hereunder shall be joint and several.

20. Defined Terms. Whenever used, the singular number shall include the plural, the plural the singular, and the words “**Holder**” and “**Borrower**” shall include their respective successors and assigns, provided, however, that the Borrower shall in no event or under any circumstance have the right, without obtaining the prior written consent of the Holder and Bondholder, to assign or transfer its obligations under the Series 2018A Note, this Series 2018B Note, the Security Instrument, the Bond Purchase Agreement or any of the other Bond Financing Documents, in whole or in part, to any other person, party or entity.

21. Headings. The headings and captions of the numbered paragraphs of this Series 2018B Note are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

22. Enforceability. The Borrower acknowledges that this Series 2018B Note and the Borrower’s obligations under this Series 2018B Note are and shall at all times continue to be absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this Series 2018B Note and the obligations of the Borrower under this Series 2018B Note or the obligations of any other person or party relating to this Series 2018B Note or otherwise with respect to the Series 2018B Loan. This Series 2018B Note, the Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, and the other Bond Financing Documents set forth the entire agreement and understanding of the Holder and the Borrower, and the Borrower absolutely, unconditionally and irrevocably waives to the extent permitted under applicable law any and all right to assert any setoff, counterclaim or crossclaim of any nature whatsoever with respect to this Series 2018B Note, the Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, and the other Bond Financing Documents or the obligations of the Borrower hereunder and thereunder, or the obligations of any other person or party relating hereto and thereto or to the obligations of the Borrower hereunder or thereunder or otherwise with respect to the Loan, in any action or proceeding brought by the Holder to collect the Debt, or any portion thereof, or to enforce, foreclose and realize upon the liens and security interests of the Holder in any collateral therefor created by the Security Instrument or the other Bond Financing Documents (provided, however, that the foregoing shall not be deemed a waiver of the Borrower’s right to assert any compulsory counterclaim maintained in a court of the United States, or of the State of Florida if such counterclaim is compelled under local law or rule of procedure, nor shall the foregoing be

deemed a waiver of the Borrower's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against the Holder in any separate action or proceeding). The Borrower acknowledges that no oral or other agreements, conditions, promises, understandings, representations or warranties exist with respect to this Series 2018B Note or with respect to the obligations of the Borrower under this Series 2018B Note, except those specifically set forth in this Series 2018B Note.

23. Waiver. The Borrower waives presentment, demand for payment, notice of dishonor and any or all notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Series 2018B Note and consents to any or all delays, extensions of time, renewals, release of any party to this Series 2018B Note, the Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, or any of the other Bond Financing Document, and of any available security therefor, to any party to this Series 2018B Note, the Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents or to the actual holder thereof and any and all waivers or modifications that may be granted or consented to by the Holder with regard to the time of payment or with respect to any other provisions of this Series 2018B Note, the Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, or the other Bond Financing Documents, and agrees that no such action, delay or failure to act on the part of the Holder shall be construed as a waiver by the Holder of, or otherwise affect, in whole or in part, its right to avail itself of any remedy with respect thereto. No notice to or demand on the Borrower shall be deemed to be a waiver of the obligation of the Borrower or of the right of the Holder to take further action without further notice or demand as provided in this Series 2018B Note, the Series 2018A Note, the Security Instrument, the Bond Purchase Agreement, or any of the other Bond Financing Documents. If the Borrower is a partnership, the agreements herein contained shall remain in force and applicable, notwithstanding any changes in the individuals comprising the partnership, and the term "Borrower", as used herein, shall include any alternate or successor partnerships, but any predecessor partnership and their partners shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership which may be set forth in the Security Instrument, the Bond Purchase Agreement, or any of the other Bond Financing Document.)

24. Amendments. This Series 2018B Note may not be modified, amended, changed or terminated orally, except by an agreement in writing signed by the Borrower and the Holder and consented by the Bondholder. No waiver of any term, covenant or provision of this Series 2018B Note shall be effective unless given in writing by the Holder and, if so given by the Holder, shall only be effective in the specific instance in which given.

25. Governing Law. This Note is and shall be deemed entered into in the State of Florida and shall be governed by and construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws, and no defense given or allowed by the laws of any state or country shall be interposed in any action or proceeding hereon unless such defense is either given or allowed by the laws of the State of Florida.

26. Venue and Jurisdiction. The Borrower agrees to submit to personal jurisdiction in the State of Florida in any action or proceeding arising out of this Series 2018B Note. In furtherance of such agreement, the Borrower hereby agrees and consents that without limiting other methods of obtaining jurisdiction, personal jurisdiction over the Borrower in any such action or proceeding may be obtained within or without the jurisdiction of any court located in the State of Florida and that any process or

notice of motion or other application to any such court in connection with any such action or proceeding may be served upon the Borrower by registered or certified mail to, or by personal service at, the last known address of the Borrower, whether such address be within or without the jurisdiction of any such court. The Borrower hereby agrees that the venue of any litigation arising in connection with the indebtedness, or in respect of any of the obligations of the Borrower under this Series 2018B Note, shall, to the extent permitted by law, be in Palm Beach County, Florida. Provided, however, nothing in this Series 2018B Note is intended to limit any right that the Holder may have to bring any suit, action or proceeding relating to matters arising under this Series 2018B Note in any court of any other jurisdiction.

27. Borrower's Acknowledgement. The Borrower acknowledges that: (a) it is a knowledgeable real estate investor, (b) it fully understands the effect of the waivers set forth in this Series 2018B Note, (c) the making of the Series 2018B Loan evidenced by this Series 2018B Note at the interest rate set forth in this Series 2018B Note is sufficient consideration for such waivers, and (d) the Issuer would not make the Loan without such waivers.

28. Waiver of Special Damages. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against the Holder, the Trustee and the Bondholder on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Series 2018B Note or any agreement or instrument contemplated hereby, the transactions, the Loan or the use of the proceeds thereof.

29. WAIVER OF JURY TRIAL. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATING TO THIS SERIES 2018B NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE BORROWER HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE HOLDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE HOLDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE ISSUER HAVE BEEN INDUCED TO ENTER INTO THE LOAN TRANSACTION BY, AMONG OTHER THINGS, THE WAIVER AND CERTIFICATIONS IN THIS SECTION.

(Signature Page Follows)

IN WITNESS WHEREOF, the Borrower has duly executed this Series 2018B Note the day and year first above written.

HTG HERON ESTATES SENIOR, LLC
a Florida limited liability company
By: HTG Heron Estates Senior Manager, LLC
a Florida limited liability company
its manager

By: _____
Matthew Rieger, Manager

ENDORSEMENT

Pay to the order of U.S. Bank National Association, without recourse, as Trustee under that certain Trust Indenture dated as of _____ 1, 2018, as security for the Bonds issued under such Indenture. This Endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of this Series 2018B Note.

(Signature Page Follows)

HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA

By: _____
Patrick Franklin, Chairperson

Record and Return to:

Phillips Lytle LLP
1400 First Federal Plaza
Rochester, New York 14614
Attention: Thomas R. Burns

HTG HERON ESTATES SENIOR, LLC

TO

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

**MORTGAGE, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS, LEASES AND PROFITS
(Leasehold)**

Dated: As of _____, 2018

PERTAINING TO

\$6,700,000

Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage
Revenue Bonds, Series 2018A (Heron Estates Senior Project)

and

\$5,300,000

Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage
Revenue Bonds, Series 2018B (Heron Estates Senior Project)

**NOTES AND MORTGAGES OWNED BY THE HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY, FLORIDA, AND ALL TRANSACTIONS AND
OPERATIONS OR RELATING THERETO ARE EXEMPT FROM DOCUMENTARY
STAMP TAXES AND INTANGIBLE TAXES PURSUANT TO SECTION 159.621,
FLORIDA STATUTES**

MORTGAGE

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**MORTGAGE, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS, LEASES AND PROFITS
(Leasehold)**

THIS MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS, LEASES AND PROFITS (Leasehold) (this “**Mortgage**”) is made as of _____, 2018, by HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company, having an address at c/o Housing Trust Group, LLC, 3225 Aviation Avenue, Suite 602, Miami, Florida 33133 (the “**Mortgagor**”) in favor of HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, a body corporate and politic duly created, organized and existing under the laws of the State of Florida, whose address is 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406 (the “**Mortgagee**”).

W I T N E S S E T H:

WHEREAS, the Mortgagor is the owner of a leasehold estate in the Premises described in Exhibit A attached hereto (the “**Premises**”) under and pursuant to the provisions of that certain Third Amended and Restated Ground Lease Agreement dated _____, 2018 between the Mortgagor and Riviera Beach Housing Authority (the “**Mortgaged Lease**”);

The Mortgagee has agreed to make a loan to the Mortgagor in the principal amount of up to Twelve Million Dollars (\$12,000,000) (the “**Loan**”) from the proceeds of the Mortgagee’s \$6,700,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) (the “**Series 2018A Bonds**”) and its \$5,300,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) (the “**Series 2018B Bonds**”) (the Series 2018A Bonds and the Series 2018B Bonds being collectively referred to as the “**Bonds**”).

The Bonds are being purchased by JPMorgan Chase Bank, N.A., a national banking association (the “**Bondholder**”) pursuant to the terms of the Bond Purchase Agreement dated as of the date hereof by and among the Mortgagor, the Mortgagee and the Bondholder (the “**Bond Purchase Agreement**”).

The Loan will be advanced pursuant to the terms of a Financing Agreement by and among the Mortgagor, the Mortgagee and U.S. Bank National Association, as Trustee (the “**Trustee**”) dated as of the date of this Mortgage (the “**Financing Agreement**”) and will evidenced by and payable in accordance with the provisions of the (a) Series 2017A Note dated as of _____, 2018 in the principal amount of Six Million Seven Hundred Thousand Dollars (\$6,700,000) from the Mortgagor to the Mortgagee (the “**Series 2018A Note**”) and (b) Series 2018B Note dated as of _____, 2018 in the principal amount of Five Million Three Hundred Thousand Dollars (\$5,300,000) from the Mortgagor to the Mortgagee (the “**Series 2018B Note**”, the Series 2018A Note and the Series 2018B Note being collectively referred to as the “**Notes**”). This Mortgage, the Financing Agreement, the Notes and the other documents and instruments evidencing and/or securing the Loan being collectively referred to as the “**Financing Documents**”.

Immediately upon the execution and delivery of this Mortgage, the Notes and the other Financing Documents it is contemplated and intended that the Mortgagee will assign its rights under the Financing Documents (excluding the Mortgagee's "Reserved Rights" retained under the terms of the Indenture) to U.S. Bank National Association, as Trustee (the "**Trustee**"), pursuant to the terms of the Trust Indenture dated as of the date hereof by and between the Mortgagee and the Trustee (the "**Indenture**").

NOW THEREFORE, to secure the payment of the Loan of the Mortgagor to the Mortgagee pursuant to the Notes and other Financing Documents, which indebtedness is in the principal sum of Twelve Million Dollars (\$12,000,000), lawful money of the United States of America, to be paid with interest (said reimbursement obligations and all other sums which may or shall become due hereunder being hereinafter collectively referred to as the "**Debt**"), the Mortgagor has mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed and assigned, and by these presents does mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign unto the Mortgagee forever all right, title and interest of the Mortgagor now owned, or hereafter acquired, in and to the following property, rights and interests (such property, rights and interests being hereinafter collectively referred to as the "**Mortgaged Property**"):

- (a) Borrower's leasehold interest in the Premises;
- (b) all buildings and improvements now or hereafter located on the Premises (the "**Improvements**");
- (c) the Mortgaged Lease and the leasehold estate created thereunder ;
- (d) all modifications, extensions and renewals of the Mortgaged Lease and all credits, deposits, options, purchase options, privileges and rights of the Mortgagor under the Mortgaged Lease, including, but not limited to, the right, if any, to renew or extend the Mortgaged Lease for a succeeding term or terms, or to acquire fee title to or other interest in all or any portion of the Premises or the Improvements;
- (e) all of the Mortgagor's rights and remedies at any time arising under or pursuant to Section 365(h) of the Bankruptcy Code, 11 U.S.C. Section 101 et. seq. (the "**Bankruptcy Code**"), including, without limitation, all of the Mortgagor's rights thereunder to remain in possession of the Premises and Improvements;
- (f) all of the estate, right, title, claim or demand of any nature whatsoever of the Mortgagor, either in law or in equity, in possession or expectancy, in and to the Mortgaged Property or any part thereof;
- (g) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, mineral rights, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property

(including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the Premises or now or hereafter transferred to the Premises) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof;

(h) all machinery, apparatus, equipment, fittings, fixtures and other property of every kind and nature whatsoever and all additions thereto and renewals and replacements thereof, and all substitutions therefor now owned or hereafter acquired by the Mortgagor, or in which the Mortgagor has or shall have an interest, now or hereafter located upon or in, or attached to, any portion of the Mortgaged Property, or appurtenances thereto, and used or usable in connection with the present or future operation and occupancy of the Mortgaged Property and all building equipment, materials and supplies of any nature whatsoever owned by the Mortgagor, or in which the Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property and whether stored at the Mortgaged Property or off-site (collectively, the **“Equipment”**), and the right, title and interest of the Mortgagor in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code of the State of Florida (the **“Uniform Commercial Code”**)), superior in lien to the lien of this Mortgage and all proceeds and products of any of the above;

(i) all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Property, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right), or for any other injury to or decrease in the value of the Mortgaged Property;

(j) all leases and other agreements affecting the use or occupancy of the Mortgaged Property (other than the Mortgaged Lease) now or hereafter entered into and all guaranties of any of the foregoing (the **“Leases”**) and the right to receive and apply the rents, issues and profits of the Mortgaged Property (the **“Rents”**) to the payment of the Debt;

(k) all right, title and interest of the Mortgagor in and to (i) all contracts from time to time executed by the Mortgagor or any manager or agent on its behalf relating to the ownership, construction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property or any part thereof and all agreements relating to the purchase or lease of any portion of the Mortgaged Property or any property which is adjacent to the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, (ii) all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and (iii) all drawings, plans, specifications and similar or related items relating to the Mortgaged Property;

(l) all trade names, trademarks, logos, copyrights, good will and books and records relating to or used in connection with the operation of the Mortgaged Property or any part thereof; all general intangibles related to the operation of the Mortgaged Property now existing or hereafter arising;

(m) all accounts and revenues arising from the operation of the Mortgaged Property including, without limitation, all rights to payment from any consumer credit-charge card organization or entity, including, without limitation, payments arising from the use of the American Express Card, the Visa Card, the Carte Blanche Card, the MasterCard, the Discover Card or any other credit card, including those now existing or hereafter created, substitutions therefor, proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof and any and all of the foregoing and proceeds therefrom;

(n) all proceeds, both cash and non-cash, of the foregoing;

(o) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Mortgaged Property;

(p) the right, in the name and on behalf of the Mortgagor, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of the Mortgagee in the Mortgaged Property;

(q) to the extent allowable under the Internal Revenue Code of 1986 (as amended and in effect from time to time the "Code") from and after the date of the Mortgagee or its affiliate or nominee becomes the owner for the purposes of Section 42 of the code, all of the Mortgagor's rights with respect to any federal or state tax credits that may now or hereafter be available in connection with the Premises and/or the Improvements and the Mortgagor's rights under any now existing or hereafter arising agreements relating to the investment in the Mortgagor with respect to any such tax credits and any and all proceeds of the foregoing; and

(r) all proceeds of the Subordinate Loans (as such term is defined in the Financing Agreement) encumbering the Mortgaged Property.

TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto and to the proper use and benefit of the Mortgagee, and the successors and assigns of the Mortgagee, forever.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, the maximum amount of principal indebtedness secured by this Mortgage at execution or which under any contingency may become secured hereby at any time hereafter is [Eleven Million Nine Hundred Thousand Dollars (\$11,900,000)] plus all interest, fees and charges payable in connection therewith (including, but not limited to, all amounts expended by the Mortgagee pursuant to this Mortgage).

AND the Mortgagor covenants and agrees with and represents and warrants to the Mortgagee as follows:

ARTICLE I – COLLATERAL

1.1 Payment of Debt. The Mortgagor will pay the Debt at the time and in the manner provided for its payment in the Notes, Financing Agreement and in this Mortgage.

1.2 Warranty of Title; Other Representations and Warranties.

(a) Subject only to those exceptions to title specifically set forth in the title policy issued or to be issued by Fidelity National Title Insurance Company to the Mortgagee and insuring the lien of this Mortgage and the Permitted Encumbrances (as defined in the Financing Agreement), the Mortgagor warrants the title to the Premises, the Improvements, the Equipment, and the balance of the Mortgaged Property.

(b) The Mortgagor further represents and warrants that: (i) the Mortgagor is now, and after giving effect to this Mortgage, will be in a solvent condition, (ii) there has been no material adverse change in the financial condition of the Mortgagor or any guarantor of the Debt since the date of the Mortgagor's application for the Loan secured hereby, (iii) the Mortgagor is not in default under any note, loan or security agreement to which it is a party, (iv) the execution and delivery of this Mortgage by the Mortgagor does not constitute a "fraudulent conveyance" within the meaning of Title 11 of the United States Code as now constituted or under any other applicable statute, (v) no bankruptcy or insolvency proceedings are pending or contemplated by or against the Mortgagor, (vi) there are no existing, threatened or pending actions or proceedings affecting any portion of the Mortgaged Property except for possible negligence actions or proceedings which are fully covered by insurance; (vii) the Mortgaged Lease is in full force and effect and has not been modified in any manner whatsoever, (viii) there are no defaults under the Mortgaged Lease and no event has occurred, which but for the passage of time, or notice, or both, constitute a default under the Mortgaged Lease, (ix) all rents, additional rents and other sums due and payable under the Mortgaged Lease have been paid in full, and (ix) no action has been commenced and no notice has been given or received for the purpose of terminating the Mortgaged Lease.

(c) The Mortgagor (and the undersigned representative of the Mortgagor, if any) additionally represents and warrants that: (i) it has full power, authority and legal right to execute this Mortgage, and to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on the Mortgagor's part to be performed, and (ii) the Mortgagor is a duly organized and presently existing limited liability company and this Mortgage has been executed by authority of its managing member.

1.3 Insurance.

(a) The Mortgagor shall furnish to the Mortgagee (with evidence of the payment of premiums therefor), or if the Mortgagor shall fail to do so after the expiration of any applicable notice and grace period, the Mortgagee may obtain at the Mortgagor's expense, insurance as required by the Mortgagee herein. All insurance policies (the "**Policies**") shall be in form and amounts acceptable to Mortgagee and shall (i) be issued by an insurance company licensed to do business in the state where the Premises is located having a rating of A- and financial size of VIII or better by A.M. Best Co. in Best's Rating Guide, (ii) name the Mortgagor, the Trustee and JPMorgan Chase Bank, N.A. and any and all subsidiaries as their interests may appear as additional insureds on all liability insurance and as mortgagee and loss payee on All Risk Property insurance, (iii) be endorsed to show that Mortgagor's insurance shall be primary and all insurance carried by the Mortgagee is strictly excess and secondary and shall not contribute to the Mortgagor's insurance, (iv) provide that the Mortgagee is to receive thirty (30) days written notice prior to non-renewal or cancellation, (v) be evidenced by a certificate of insurance to be provided to the Mortgagee and include either policy or binders numbers on an Accord form (with a copy of the All-Risk Property insurance policy delivered to the Mortgagee within thirty (30) days of the date of this Mortgage). Insurance required by the Mortgagee shall include:

(i) All-Risk Property (Special Cause of Loss) Insurance on the Improvements in an amount not less than the full insurable value of a replacement cost basis of the insured Improvements and personal property related thereto (the "**Property Value**"). So long as the Financing Agreement shall be in force the policies of fire insurance shall be in the so-called "All Risk Builders' Risk Completed Value Non-Reporting Form," including collapse coverage with no co-insurance requirements. Upon completion of construction of the Improvements the insurance shall be converted to a standard hazard insurance policy with extended coverage and otherwise complying with the provisions of this Mortgage.

(ii) Commercial general liability insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit and \$2,000,000.00 in the aggregate for the policy period, or in whatever higher amounts may be required by the Mortgagee from time to time by notice to the Mortgagor, and extended to cover (A) contractual liability assumed by the Mortgagor with defense provided in addition to policy limits for indemnities of the named insured, (B) if any of the work is subcontracted, independent contractors' liability providing coverage in connection with such portion of the work which may be subcontracted, (C) a broad form property damage liability, (D) products and completed operations for coverage, such coverage to apply for two years following completion of construction, (E) waiver of subrogation against all parties named as additional insured, (F) severability of interest provision and (G) personal injury in advertisers liability.

(iii) Umbrella/excess liability in excess of commercial general liability, automobile liability and employer's liability coverages which is at least as broad as these underlying policies with a limited liability of \$10,000,000.00.

(iv) If the Premises, or any portion thereof, is located in a federally designated "special flood hazard area," a flood insurance policy in an amount acceptable to Mortgagee shall be delivered to the Mortgagee. If no portion of the Premises is located in a federally designated "special flood hazard area" such fact shall be substantiated by a certificate in form satisfactory to the Mortgagee from a licensed surveyor, appraiser or professional engineer or other qualified person, party or entity.

(v) If the Mortgagor has any employees, Worker's Compensation and employer's liability insurance in accordance with the applicable laws of the state where the Premises is located or the state in which the Mortgagor is obligated to pay compensation to employees engaged in the performance of the work. The policy limit under employers liability insurance section shall be not less than \$1,000,000.00 for any one accident.

(vi) Such other insurance as the Mortgagee may require, which may include, without limitation, liability insurance and worker's compensation with respect to the General Contractor, errors and omissions insurance with respect to the Architect and any engineers, earthquake insurance, rent abatement and/or business loss.

(b) The Mortgagor shall pay the premiums for the Policies as the same become due and payable. At the request of the Mortgagee, the Mortgagor will deliver the Policies to the Mortgagee. Not later than ten (10) days prior to the expiration date of each of the Policies, the Mortgagor will deliver to the Mortgagee a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment of premium satisfactory to the Mortgagee. If at any time the Mortgagee is not in receipt of written evidence that all insurance required hereunder is in force and effect, the Mortgagee shall have the right without notice to the Mortgagor to take such action as the Mortgagee deems necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of such insurance coverage as the Mortgagee in its sole discretion deems appropriate, and all expenses incurred by the Mortgagee in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Mortgagor to the Mortgagee upon demand.

(c) If the Mortgaged Property shall be damaged or destroyed, in whole or in part, by fire or other property hazard or casualty, the Mortgagor shall give prompt notice thereof to the Mortgagee and if the cost to repair such damage or destruction exceeds \$25,000.00 or if an Event of Default shall have occurred and be continuing, then the Mortgagor hereby authorizes and empowers the Mortgagee, at the Mortgagee's option and at the Mortgagee's sole discretion, as attorney-in-fact for the Mortgagor, to make proof of loss, to adjust and compromise any claim under any insurance policy, to appear in and prosecute any action arising from any policy, to collect and receive insurance proceeds and to deduct therefrom the Mortgagee's expenses incurred in the collection process, to endorse any checks, drafts or other instruments representing any proceeds of such insurance, whether payable by reason of loss thereunder or otherwise, and to make any election required or permitted under any insurance policy relating to repair or restoration. Except as otherwise hereinafter specifically provided to the contrary below, sums paid to the Mortgagee by any insurer may be retained and applied by the Mortgagee toward

payment of the Debt, whether or not then due and payable, in such order, priority and proportions as the Mortgagee in its discretion shall deem proper or, at the discretion of the Mortgagee, the same may be paid, either in whole or in part, to the Mortgagor for such purposes as the Mortgagee shall designate. If the Mortgagee shall receive and retain such insurance proceeds, the lien of this Mortgage shall be reduced only by the amount thereof received and retained by the Mortgagee and actually applied by the Mortgagee in reduction of the Debt. The Mortgagee shall not be obligated to see to the proper application of insurance money paid over to the Mortgagor, and if the Mortgagee receives and retains any insurance proceeds, the lien of this Mortgage shall be affected only by a reduction of the amount of said lien by the amount of such insurance money so received and retained by the Mortgagee. Nevertheless, if prior to the receipt by the Mortgagee of any insurance proceeds, the Premises shall have been sold on foreclosure of this Mortgage, as between the Mortgagor and the Mortgagee, the Mortgagee shall have the right to receive said insurance proceeds, and the Mortgagor shall pay over to the Mortgagee said insurance proceeds as, if and when the Mortgagor receives same, to the extent of (i) any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered, and (ii) of the attorney's fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such insurance proceeds. All remaining right, title and interest of the Mortgagor in and to all policies of insurance required by this Paragraph 1.3 shall, with the prior written appraisal of underwriters, if necessary, inure to the benefit of and pass to the successor-in-interest to the Mortgagor or the purchaser or grantee of the Mortgaged Property.

(d) Notwithstanding anything to the contrary set forth herein, if the Mortgaged Property shall be damaged or destroyed in whole or in part, by fire or other casualty, the Mortgagee shall, in accordance with the provisions of this paragraph hereinafter set forth, if required pursuant to the terms of the Consolidated Annual Contribution Contract between the United States Department of Housing and Urban Development (“**HUD**”) and Palm Beach County related to the Mortgaged Property, as amended by the Mixed Finance Amendment (the “**ACC Amendment**”) to make the net amount of all insurance proceeds received by the Mortgagee pursuant to the provisions of this Mortgage and the ACC Amendment as a result of such damage or destruction, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting the same (the “**Net Proceeds**”) available for the repair and restoration of the Mortgaged Property, provided that:

(i) no Event of Default (other than such casualty) shall have occurred and shall be continuing under the Notes, the Financing Agreement or this Mortgage,

(ii) the Mortgagor shall commence the repair and restoration of the Mortgaged Property, as nearly as possible to the condition the Mortgaged Property was in immediately prior to such fire or other casualty, with such alterations as may be approved by the Mortgagee, as soon as reasonably practicable (but in no event later than thirty (30) days after the date of such damage or destruction occurs, subject to force majeure delays) and shall diligently pursue the same to satisfactory completion,

(iii) the Mortgagee shall be satisfied that any operating deficits which will be incurred with respect to the Mortgaged Property as a result of the occurrence of any such fire or other casualty will be covered out of the Net Proceeds, rent loss insurance, or by other funds of the Mortgagor,

(iv) the Mortgagee shall be satisfied that, upon the completion of such repair and restoration of the Mortgaged Property, the gross cash flow and the net cash flow of the Mortgaged Property will be restored to a level sufficient to cover all carrying costs and operating expenses of the Mortgaged Property, including, without limitation, debt service on the Notes,

(v) the Mortgagee shall be satisfied that the repair and restoration of the Mortgaged Property will be completed on or before (subject to force majeure delays) the earlier to occur of (w) within six (6) months prior to the maturity date of the Series 2018B Note if the casualty occurs during the Construction Term, (x) within six (6) months prior to the maturity of the Series 2018A Note if the casualty occurs during the Permanent Term, or (y) six (6) months after the occurrence of such fire or other casualty, or (z) the earliest date required for such completion under the terms of the Mortgaged Lease and, if any, under the terms of any junior or subordinate mortgages encumbering the Mortgaged Property.

(vi) the Mortgagor shall cover any Deficiency, as defined in the Bond Purchase Agreement, caused as a result of such fire or other casualty in the manner and within the time period specified in the Bond Purchase Agreement, and

(vii) each of the existing guarantors shall execute and deliver to the Mortgagee a completion guaranty in form and substance satisfactory to the Mortgagee and its counsel pursuant to the provisions of which they shall unconditionally, jointly and severally guaranty to the Mortgagee the lien-free completion by the Mortgagor of the repair and restoration of the Mortgaged Property in accordance with the provisions of this paragraph.

(e) The Net Proceeds shall be held by the Trustee in the appropriate fund under the Indenture, and until disbursed in accordance with the provisions of this paragraph, shall constitute additional security for the payment of the Debt. The Net Proceeds together with interest earned thereon, shall be disbursed by the Trustee to, or as directed by, the Mortgagor from time to time during the course of the repair and restoration of the Mortgaged Property, upon receipt of evidence satisfactory to the Mortgagee that (i) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the repair and restoration of the Mortgaged Property have been paid for in full, and (ii) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Mortgaged Property arising out of the repair and restoration of the

Mortgaged Property which have not either been fully bonded to the satisfaction of the Mortgagee and discharged of record or in the alternative fully insured over to the satisfaction of the Mortgagee by the title company insuring the lien of this Mortgage or which are otherwise permitted by the Financing Agreement.

(f) The repair and restoration of the Mortgaged Property shall be done and completed by the Mortgagor in an expeditious and diligent fashion and in compliance with all applicable governmental laws, rules and regulations (including, without limitation, all applicable Environmental Requirements), and all plans and specifications required in connection with the repair and restoration of the Mortgaged Property shall be subject to prior review and acceptance in all respects by the Mortgagee and by an independent consulting engineer selected by the Mortgagee (hereinafter referred to in this paragraph as the “**Casualty Consultant**”). The Mortgagee shall have the use of such plans and specifications and all permits, licenses and approvals required or obtained in connection with the repair and restoration of the Mortgaged Property. The identity of the contractors, subcontractors and materialmen engaged in the repair and restoration of the Mortgaged Property, as well as the contracts under which they have been engaged, shall be subject to prior review and acceptance by the Mortgagee and the Casualty Consultant. All costs and expenses incurred by the Mortgagee and/or Trustee in connection with making the Net Proceeds available for the repair and restoration of the Mortgaged Property including, without limitation, reasonable counsel fees and the Casualty Consultant’s fees, shall be paid by the Mortgagor.

(g) In no event shall the Trustee be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the repair and restoration of the Mortgaged Property, as certified by the Casualty Consultant, minus the Casualty Retainage. The term “**Casualty Retainage**” as used in this paragraph shall mean an amount equal to 10% of the costs actually incurred for work in place as part of the repair and restoration of the Mortgaged Property, as certified by the Casualty Consultant. The Casualty Retainage shall in no event, and notwithstanding anything to the contrary hereinabove set forth in this paragraph, be less than the amount actually held back by the Mortgagor from contractors, subcontractors and materialmen engaged in the making of the repair and restoration of the Mortgaged Property. The Trustee shall not be obligated to make disbursements of the Net Proceeds more frequently than once every thirty (30) days. The Casualty Retainage shall not be released until the Casualty Consultant certifies to the Mortgagee that the repair and restoration of the Mortgaged Property have been completed in accordance with the provisions of this paragraph and that all approvals necessary for the re-occupancy and use of the Mortgaged Property have been obtained from all appropriate governmental and quasi-governmental authorities, and the Mortgagee receives evidence satisfactory to the Mortgagee that the costs of the repair and restoration of the Mortgaged Property have been paid in full or will be paid in full out of the Casualty Retainage or such other funds available to Mortgagor.

(h) If at any time the Net Proceeds or the undisbursed balance thereof shall not, together with any sums previously deposited pursuant to the terms hereof or the Financing Agreement and available to cure any Deficiency shall not, in the opinion of the Mortgagee, be sufficient to pay in full the balance of the costs which will be incurred in connection with the

completion of the repair and restoration of the Mortgaged Property, the Mortgagor shall deposit the deficiency (the “**Net Proceeds Deficiency**”) with the Trustee before any further disbursement of the Net Proceeds shall be made, which Net Proceeds Deficiency deposit shall be held by the Mortgagee in an interest bearing special account, and shall be disbursed, together with interest earned thereon, for costs actually incurred in connection with the repair and restoration of the Mortgaged Property on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this paragraph shall constitute additional security for the payment of the Debt. Upon the occurrence of an Event of Default and the continuance beyond any applicable notice and/or cure period, the Mortgagee shall have the right to apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as the Mortgagee shall deem to be appropriate in its discretion. The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposit, together with interest thereon, after the Casualty Consultant certifies to the Mortgagee that the repair and restoration of the Mortgaged Property have been completed in accordance with the provisions of this paragraph, and the receipt by the Mortgagee of evidence satisfactory to the Mortgagee that all costs incurred in connection with the repair and restoration have been paid in full, shall be remitted by the Mortgagee to the Mortgagor, provided no default shall have occurred and shall be continuing under the Notes or this Mortgage.

(i) All costs of the repair and restoration of the Mortgaged Property in excess of the Net Proceeds shall be paid for by the Mortgagor. All insurance proceeds received by the Mortgagee and not required to be disbursed for the repair and restoration of the Mortgaged Property or to otherwise be remitted to the Mortgagor pursuant to the provisions hereof may be retained and applied by the Mortgagee toward the payment of the Debt whether or not then due and payable in such order, priority and proportions as the Mortgagee in its discretion shall deem proper or, at the discretion of the Mortgagee, the same may be paid, either in whole or in part, to the Mortgagor for such purposes as the Mortgagee shall designate, in its discretion. If the Mortgagee shall receive and retain insurance proceeds, the lien of this Mortgage shall be reduced only by the amount thereof received and retained by the Mortgagee and actually applied by the Mortgagee in reduction of the Debt.

1.4 Payment of Taxes, etc.

(a) The Mortgagor shall pay all taxes, payments in lieu of taxes, assessments, water rates, sewer rents and other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Premises, now or hereafter levied or assessed against the Mortgaged Property (collectively, the “**Taxes**”) prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof. The Mortgagor shall pay any base, additional or minimum rent payable under the Mortgaged Lease (the “**Ground Rent**”) before the last date upon which each such payment may be made without penalty or interest charges being added and, in default thereof, the Mortgagee may, in its sole discretion, but shall not be obligated to, pay same (all such payments to be secured hereby in accordance with paragraph 2.6 hereof), and the Mortgagor shall reimburse the Mortgagee upon demand for such expenditures. The Mortgagor shall deliver to the Mortgagee, within ten (10)

days of request, receipted bills, cancelled checks and other evidence satisfactory to the Mortgagee evidencing the payment of the Taxes prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

(b) After prior notice to the Mortgagee, the Mortgagor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes, provided that (i) no Event of Default shall have occurred and shall be continuing under the Notes, the Financing Agreement or this Mortgage, (ii) the Mortgagor is permitted to do so under the provisions of any mortgage or deed of trust superior in lien to this Mortgage, (iii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which the Mortgagor or the Mortgaged Property is subject and shall not constitute a default thereunder, (iv) neither the Mortgaged Property nor any part thereof nor any interest therein will in the opinion of the Mortgagee be in danger of being sold, forfeited, terminated, canceled or lost, and (v) the Mortgagor shall have set aside in an interest-bearing account with the Mortgagee, and otherwise in a manner satisfactory to the Mortgagee, adequate cash reserves for the payment of the contested Taxes, together with all interest and penalties thereon, or in the alternative the Mortgagor shall have furnished such security as may be required in the proceeding, or as may otherwise be requested or required by the Mortgagee to insure the payment of the contested Taxes, together with all interest and penalties thereon, and, provided further, that if at any time payment of any tax, assessment or other charge shall become necessary to prevent the delivery of a tax deed conveying the Mortgaged Property or any portion thereof because of non-payment of any such sums, then the Mortgagor shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed.

(c) If an Event of Default shall occur under the Notes or this Mortgage either prior to, or after, initiating said proceeding, the Mortgagee shall have the right to either initiate or continue said proceeding, as the case may be, either in its own name or as agent of the Mortgagor. The Mortgagor shall cooperate with the Mortgagee and make available to the Mortgagee upon demand any and all information, and execute any documents or pleadings, which the Mortgagee may reasonably require. The Mortgagee shall then conduct said proceeding in a manner it deems appropriate, and at its own expense, subject to any right of reimbursement from the Mortgagor in accordance with the provisions of this Mortgage.

1.5 Escrow Fund. The Mortgagor will, at the option of the Mortgagee, pay to the Mortgagee on the first day of each calendar month one-twelfth of an amount (the “**Escrow Fund**”) which would be sufficient to pay, on the first day of the month preceding the month in which they become due, the Taxes and the premiums on all Policies (the “**Premiums**”) and the Ground Rent payable, or estimated by the Mortgagee to be payable, during the ensuing twelve (12) months. The Mortgagee will apply the Escrow Fund to the payment of Taxes and the Premiums and the Ground Rent which are required to be paid by the Mortgagor pursuant to the provisions of this Mortgage. If the amount of the Escrow Fund shall exceed the amount of the Taxes and the Premiums and the Ground Rent payable by the Mortgagor pursuant to the provisions of this Mortgage, the Mortgagee shall, in its discretion, (i) return any excess to the Mortgagor, (ii) credit such excess against future payments to be made to the Escrow Fund, or

(iii) credit such excess against the Debt in such priority and proportions as the Mortgagee in its sole discretion shall deem proper. In allocating such excess, the Mortgagee may deal with the person shown on the records of the Mortgagee to be the owner of the Mortgaged Property. If the Escrow Fund is not sufficient to pay the Taxes and/or the Premiums and/or the Ground Rent, as the same become payable, the Mortgagor shall pay to the Mortgagee, upon request, an amount which the Mortgagee shall estimate as sufficient to make up the deficiency. Until expended or applied as above provided, any amounts in the Escrow Fund may be commingled with the general funds of the Mortgagee and shall constitute additional security for the Debt and shall not bear interest.

1.6 Condemnation. Notwithstanding any taking by any public or quasi public authority through eminent domain or otherwise, the Mortgagor shall continue to pay the Debt at the time and in the manner provided for its payment in the Notes and this Mortgage and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by the Mortgagee to the discharge of the Debt. Subject to the provisions of this Paragraph 1.6 hereinafter set forth, the Mortgagee may apply the entire amount of any such award or payment so received to the discharge of the Debt whether or not then due and payable in such order, priority and proportions as the Mortgagee in its discretion shall deem proper. The Mortgagee shall not be obligated to see to the proper application of any award or payment paid over to the Mortgagor, and if the Mortgagee receives and retains such award or payment, the lien of this Mortgage shall be affected only by a reduction of the amount of said lien by the amount of such award or payment so received and retained by the Mortgagee. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by the Mortgagee of such award or payment, the Mortgagee shall have the right, whether or not a deficiency judgment on the Financing Agreement shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Debt, whichever is less, and the Mortgagor shall pay over to the Mortgagee said award or payment as, if and when the Mortgagor receives same, to the extent of any deficiency found to be due upon such sale, with interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the attorney's fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment. It is the express intent and agreement of the parties that in the event of any such taking, the Mortgagee shall receive interest at the rate set forth in the Series 2018A Note (the "**Note Rate**") up to and including the date of actual payment in full of the Debt, provided that the rate set forth in the Financing Agreement is higher than the statutory rate, and the Mortgagor (or any assignee or successor in interest thereof) shall therefore be responsible to pay to the Mortgagee an amount equal to the entire difference between the amount of interest received by the Mortgagee from the condemning authority (or to which the Mortgagee is entitled under the condemnation interest statute) and the Note Rate from the date of vesting of title in such condemnation to the date of actual payment. The Mortgagor shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to the Mortgagee. The Mortgagor hereby irrevocably authorizes and empowers the Mortgagee, in the name of the Mortgagor or otherwise, upon the occurrence of an Event of Default, to collect and receipt for any such award or payment and to file and prosecute such claim or claims. Although it is hereby expressly agreed that the same shall not be necessary in any event, the Mortgagor shall, upon demand of

the Mortgagee, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to the Mortgagee, free and clear of any encumbrances of any kind or nature whatsoever.

(a) If less than all the Mortgaged Property or any material part thereof is taken by any public or quasi public authority through eminent domain or otherwise, the Mortgagee shall, in accordance with the provisions of this paragraph hereinafter set forth and the ACC Amendment, make the portion of the aggregate award or payment received by the Mortgagee pursuant to the provisions of this Mortgage as a result of such taking which is specifically awarded for the repair and restoration of the portion of the Mortgaged Property not taken or, in the absence of any such specific award, is in the opinion of the Mortgagee necessary to pay for the costs which will be incurred in connection with the repair and restoration of the portion of the Mortgaged Property not taken, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting the same (the “**Net Restoration Award**”) available for the repair and restoration of the Mortgaged Property, provided that:

(i) no Event of Default shall have occurred and shall be continuing under the Notes, Financing Agreement or this Mortgage,

(ii) the Mortgagor shall commence the repair and restoration of the Mortgaged Property, as nearly as possible to the condition the Mortgaged Property were in immediately prior to such taking, with such alterations as may be approved by the Mortgagee, as soon as reasonably practicable (but in no event later than any time period required under the Mortgaged Lease) and shall diligently pursue the same to satisfactory completion,

(iii) the Mortgagee shall be satisfied that upon the completion of the repair and restoration of the Mortgaged Property the principal balance of the Loan will not be in excess of 80% of the appraised value of the portion of the Mortgaged Property remaining subject to the lien of this Mortgage, as determined by an Appraisal satisfactory in all respects to the Mortgagee,

(iv) the Mortgagee shall be satisfied that any operating deficits which will be incurred with respect to the Mortgaged Property as a result of the occurrence of any such taking will be covered out of the Net Restoration Award or by other funds of the Mortgagor,

(v) the Mortgagee shall be satisfied that, upon completion of the repair and restoration of the Mortgaged Property, the gross cash flow and the net cash flow of the Mortgaged Property will be restored to a level sufficient to cover all carrying costs and operating expenses of the Mortgaged Property, including, without limitation, debt service on the Notes,

(vi) the Mortgagee shall be satisfied that the repair and restoration of the Mortgaged Property will be completed on or before the earlier to occur of (w) six (6) months prior to the maturity date of the Series 2017B Note if the taking occurs

during the Construction Term, and two years prior to the maturity date of the Series 2017A Note if the taking occurs during the Permanent Term, or (x) six months (6) after the occurrence of such taking, or (y) the earliest date required for such completion under the terms of any of the junior or subordinate mortgages encumbering the Mortgaged Property,

(vii) each of the existing guarantors shall execute and deliver to the Mortgagee a completion guaranty in form and substance satisfactory to the Mortgagee and its counsel pursuant to the provisions of which they shall unconditionally, jointly and severally guaranty to the Mortgagee the lien-free completion by the Mortgagor of the repair and restoration of the Mortgaged Property in accordance with the provisions of this paragraph.

Notwithstanding the foregoing provisions, if there is a conflict between the ACC Amendment and this Mortgage regarding the application of condemnation proceeds toward the restoration of the Mortgaged Property, the provisions of the ACC Amendment shall govern, provided, however, the determination of whether restoration is reasonable shall be made in the Mortgagee's reasonable discretion (including a determination as to whether the conditions set forth at Paragraph 1.6(a) are satisfied.

(b) The Net Restoration Award shall be held by the Trustee in the appropriate fund under the Indenture, and until disbursed in accordance with the provisions of this paragraph, shall constitute additional security for the payment of the Debt. The Net Restoration Award, together with interest thereon, shall be disbursed by the Trustee to, or as directed by, the Mortgagor from time to time during the course of the repair and restoration of the Mortgaged Property, upon receipt of evidence satisfactory to the Mortgagee that (i) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the repair and restoration of the Mortgaged Property have been paid for in full, and (ii) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or other liens or encumbrances of any nature whatsoever on the Mortgaged Property arising out of the repair and restoration of the Mortgaged Property which have not either been fully bonded to the satisfaction of the Mortgagee and discharged of record or in the alternative fully insured over to the satisfaction of the Mortgagee by the title company insuring the lien of this Mortgage.

(c) The repair and restoration of the Mortgaged Property shall be done and completed by the Mortgagor in an expeditious and diligent fashion and in compliance with all applicable governmental laws, rules and regulations (including, without limitation, all applicable Environmental Requirements), and all plans and specifications required in connection with the repair and restoration of the Mortgaged Property shall be subject to prior review and acceptance in all respects by the Mortgagee and by an independent consulting engineer selected by the Mortgagee (hereinafter referred to in this paragraph as the "**Restoration Consultant**"). The Mortgagee shall have the use of such plans and specifications and all permits, licenses and approvals required or obtained in connection with the repair and restoration of the Mortgaged Property. The identity of the contractors, subcontractors and materialmen engaged in the repair and restoration of the Mortgaged Property, as well as the contracts under which they have been

engaged, shall be subject to approval, review and acceptance by the Mortgagee and the Restoration Consultant. All costs and expenses incurred by the Mortgagee in connection with making the Net Restoration Award available for the repair and restoration of the Mortgaged Property including, without limitation, appraisal fees, reasonable counsel fees and the Restoration Consultant's fees, shall be paid by the Mortgagor.

(d) In no event shall the Mortgagee be obligated to make disbursements of the Net Restoration Award in excess of an amount equal to the costs actually incurred for work in place as part of the repair and restoration of the Mortgaged Property, as certified by the Restoration Consultant, minus the Condemnation Retainage. The term "**Condemnation Retainage**" as used in this paragraph shall mean an amount equal to 10% of the costs actually incurred for work in place as part of the repair and restoration of the Mortgaged Property, as certified by the Restoration Consultant. The Condemnation Retainage shall in no event, and notwithstanding anything to the contrary hereinabove set forth in this paragraph, be less than the amount actually held back by the Mortgagor from contractors, subcontractors and materialmen engaged in the making of the repair and restoration of the Mortgaged Property. The Mortgagee shall not be obligated to make disbursements of the Net Restoration Award more frequently than once every thirty (30) days. The Condemnation Retainage shall not be released until the Restoration Consultant certifies that the repair and restoration of the Mortgaged Property have been completed in accordance with this paragraph and that all approvals necessary for the re occupancy and use of the Mortgaged Property have been obtained from all governmental and quasi-governmental authorities, and the Mortgagee receives evidence satisfactory to the Mortgagee that the costs of the repair and restoration of the Mortgaged Property have been paid in full or will be paid in full out of the Condemnation Retainage or such other funds available to Mortgagor.

(e) If at any time the Net Restoration Award, or the undisbursed balance thereof, shall not, together with any sums previously deposited pursuant to the terms hereof or the Financing Agreement and available to cure any Deficiency, in the opinion of the Mortgagee, be sufficient to pay in full the balance of the costs which will be incurred in connection with the completion of the repair and restoration of the Mortgaged Property, the Mortgagor shall deposit the deficiency (the "**Net Award Deficiency**") with the Mortgagee before any further disbursement of the Net Restoration Award shall be made, which Net Award Deficiency deposit shall be held by the Mortgagee in a special account, and shall be disbursed, together with interest earned thereon, for costs actually incurred in connection with the repair and restoration of the Mortgaged Property on the same conditions applicable to the disbursement of the Net Restoration Award, and, until so disbursed pursuant to this paragraph, shall constitute additional security for the payment of the Debt. Upon the occurrence of an Event of Default, the Mortgagee shall have the right to apply the undisbursed balance of any Net Award Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as the Mortgagee shall deem to be appropriate in its discretion. The balance, if any, of any Net Award Deficiency deposit, together with interest thereon, remaining after the Restoration Consultant certifies to the Mortgagee that the repair and restoration of the Mortgaged Property have been completed in accordance with the provisions of this paragraph, and the receipt by the Mortgagee of evidence satisfactory to the Mortgagee that all costs incurred in

connection with the repair and restoration have been paid in full, shall be remitted by the Mortgagee to the Mortgagor, provided no default shall have occurred and shall be continuing under the Notes or this Mortgage.

(f) All costs of the repair and restoration of the Mortgaged Property in excess of the Net Restoration Award shall be paid for by the Mortgagor. The excess, if any, of the Net Restoration Award after the repair and restoration of the Mortgaged Property as nearly as possible to their former condition and the payment in full of all costs incurred in connection therewith shall be applied by the Mortgagee in reduction of the Debt in such order, priority and proportions as the Mortgagee in its discretion shall deem proper.

1.7 Leases and Rents.

(a) Assignment. Mortgagor hereby absolutely and unconditionally assigns, sells, transfers and conveys all of the right, title and interest in and to all existing leases, tenancies and occupancy agreements, however denominated, affecting all or any portion of the Premises and all renewals, replacements and guaranties thereof along with all rents, income and profits due thereunder to the Mortgagee. This Assignment is absolute in nature and not an assignment for additional security only. The Mortgagee waives the right to enter the Mortgaged Property for the purpose of collecting the Rents, and grants the Mortgagor the right to collect the Rents and to let the Mortgaged Property or any part thereof. The Mortgagor shall hold the Rents, or an amount sufficient to discharge all current sums due on the Debt, in trust for use in payment of the Debt. Provided no Event of Default has occurred and is continuing, the Mortgagor may apply such Rents to the operating expenses of the Mortgaged Property. The right of the Mortgagor to collect the Rents and to let the Mortgaged Property or any part thereof may be revoked by the Mortgagee upon the occurrence of any Event of Default by the Mortgagor under the terms of the Financing Agreement or this Mortgage and thereafter the Mortgagee may let the Mortgaged Property, or any part thereof and may retain and apply the Rents toward payment of the Debt in such order, priority and proportions as the Mortgagee, in its discretion, shall deem proper, or toward the operation, maintenance and repair of the Mortgaged Property, and irrespective of whether the Mortgagee shall have commenced a foreclosure of this Mortgage or shall have applied or arranged for the appointment of a receiver. The Mortgagee shall give to the Mortgagor notice of such revocation of the right to let and collect the Rents within a reasonable time thereafter. The Mortgagor shall not, without the consent of the Mortgagee, except in the ordinary course of business, make, or suffer to be made, any Leases or modify any Leases in any material respect or cancel any Leases or accept prepayments of installments of the Rents for a period of more than one (1) month in advance or further assign the whole or any part of the Rents. Anything to the contrary notwithstanding, no default shall then exist hereunder beyond the expiration of any applicable notice and/or grace period specified herein within which to cure such default, the Mortgagor shall have the right to provide incentives, make, replace or modify existing residential Leases or to enter into new residential Leases with respect to vacant apartment units on the condition that the Rent payable under the replacement Lease or the new Lease, as the case may be, shall be equal to the lower of market rents or the maximum rent allowable by law, regulation or agreement with a regulatory authority. In addition, the Mortgagor shall, commencing on a date six months prior to the Completion Date (as defined in

the Financing Agreement) and otherwise upon request, furnish to the Mortgagee a report of leasing activities (including an itemized rent roll) with respect to the Mortgaged Property as provided in the Financing Agreement. The Mortgagor shall generally (i) fulfill or perform each and every provision of the Leases on the part of the Mortgagor to be fulfilled or performed, (ii) promptly send copies of all notices of default which the Mortgagor shall send or receive under the Leases to the Mortgagee, and (iii) enforce, short of termination of the Leases, the performance or observance of the provisions thereof by the tenants thereunder. In addition to the rights which the Mortgagee may have herein, upon the occurrence and during the continuance of an Event of Default under this Mortgage, the Mortgagee, at its option, may require the Mortgagor to pay monthly in advance to the Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of the Mortgagor. Upon default in any such payment, the Mortgagor will vacate and surrender possession of the Mortgaged Property to the Mortgagee, or to such receiver, and, in default thereof, the Mortgagor may be evicted by summary proceedings or otherwise. Nothing contained in this paragraph shall be construed as imposing on the Mortgagee any of the obligations of the lessor under the Leases. Nothing contained in this paragraph shall be construed as imposing on the Mortgagee any of the obligations of the lessor under the Leases or of a “mortgagee in possession.”

(b) Perfection of Assignment of Leases and Rents for Bankruptcy Purposes.

The Mortgagor acknowledges and agrees that, upon recordation of this Mortgage the Mortgagee’s interest in the Rents shall be deemed to be fully perfected, “choate” and enforced as to the Mortgagor and all third parties, including and not by way of limitation any subsequently appointed trustee in any case under the U.S. Bankruptcy Code, without the necessity of (i) commencing a foreclosure action with respect to this Mortgage, (ii) furnishing notice to the Mortgagor or tenants under the Leases, (iii) making formal demand for the Rents, (iv) taking possession of the Premises as a mortgagee-in-possession, (v) obtaining the appointment of a receiver of rents and profits of the Premises, (vi) sequestering or impounding the Rents, or (vii) taking any other affirmative action.

(c) Mortgage to Constitute Security Agreement for Bankruptcy Purposes.

For purposes of 11 U.S.C. § 552(b), the Mortgagor and the Mortgagee agree that this Mortgage shall constitute a “security agreement”, that the security interest created by such security agreement extends to property of the Mortgagor acquired before the commencement of a case in bankruptcy and to all amounts paid as rents and that such security interest shall extend to all rents acquired by the estate after the commencement of a case in bankruptcy.

(d) Rents to be Treated as Cash Collateral for Bankruptcy Purposes.

The Mortgagor acknowledges and agrees that all Rents shall be deemed to be “Cash Collateral” under Section 363 of the U.S. Bankruptcy Code in the event that the Mortgagor files the voluntary petition in bankruptcy or is made subject to any involuntary bankruptcy proceeding. The Mortgagor may not use Cash Collateral without the consent of the Mortgagee and/or an order of any Bankruptcy Court pursuant to 11 U.S.C. § 363(b)(2) after the filing of any such voluntary petition or during the pendency of any such involuntary petition.

(e) Notwithstanding anything contained herein to the contrary, rents collected from the Public Housing Units at the Mortgaged Property and any operating subsidy received from Palm Beach County or HUD for the operation of such units shall be utilized only in accordance with the Regulatory and Operating Agreement between Palm Beach County and the Mortgagor of substantially even date herewith (the “**R&O Agreement**”).

1.8 Books and Records.

(a) The Mortgagor will keep and maintain or will cause to be kept and maintained on a fiscal year basis in accordance with generally accepted accounting principles consistently applied proper and accurate books, records and accounts reflecting all of the financial affairs of the Mortgagor and all items of income and expense in connection with the operation of the Mortgaged Property or in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Property, whether such income or expense be realized by the Mortgagor or by any other person whatsoever excepting lessees unrelated to and unaffiliated with the Mortgagor who have leased from the Mortgagor portions of the Mortgaged Property for the purpose of occupying the same. The Mortgagee shall have the right from time to time upon reasonable notice at all times during normal business hours to examine such books, records and accounts at the office of the Mortgagor or other person maintaining such books, records and accounts and to make copies or extracts thereof as the Mortgagee shall desire.

(b) The Mortgagor will furnish or cause to be furnished to the Mortgagee and the Bondholder financial information with respect to the Mortgagor and Guarantors in the form and at the times required under the Bond Purchase Agreement. The Mortgagor shall promptly furnish to the Mortgagee and the Bondholder, such further detailed information covering the operation of the Mortgaged Property and the financial affairs of the Mortgagor, any affiliate of the Mortgagor, or any Guarantor (as hereinafter defined), as may be reasonably requested by the Mortgagee or the Bondholder.

(c) Without the prior written consent of the Mortgagee, the Mortgagor will not: (i) be or become subject at any time to any law, regulation or list of any government agency (including, without limitation, the US Office of Foreign Asset Control List) that prohibits or limits the Mortgagee from making any advance or extension of credit to the Mortgagor or from otherwise conducting business with the Mortgagor, or (ii) fail to provide documentary and other evidence of the Mortgagor’s identity as may be requested by the Mortgagee at any time to enable the Mortgagee to verify the Mortgagor’s identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

1.9 Transfer or Encumbrance of the Mortgaged Property. Except for Permitted Encumbrances and Permitted Transfers (as each is defined in the Bond Purchase Agreement), no part of the Mortgaged Property nor any interest of any nature whatsoever therein nor any interest of any nature whatsoever in the Mortgagor (whether partnership, stock, equity, membership, beneficial, profit loss or otherwise) shall in any manner, directly or indirectly, be further

encumbered, sold, transferred, assigned or conveyed, or permitted to be further encumbered, sold, transferred, assigned or conveyed without the prior written consent of the Mortgagee, which consent in any and all circumstances may be withheld in the sole and absolute discretion of the Mortgagee and which such restricted transfers shall include: (i) except for Permitted Transfers (as such term is defined in the Financing Agreement) the sale or transfer of membership interests in the Mortgagor, (ii) the dilution of the present control by issuance of new membership interests, or (iii) a transfer by any Guarantor of all or substantially all of its assets. The provisions of the foregoing sentence of this paragraph shall apply to each and every such further encumbrance, sale, transfer, assignment or conveyance, regardless of whether or not the Mortgagee has consented to, or waived by its action or inaction its rights hereunder with respect to, any such previous further encumbrance, sale, transfer, assignment or conveyance and irrespective of whether such further encumbrance, sale, transfer, assignment or conveyance is voluntary, by reason of operation of law or is otherwise made. In addition, the Mortgagor shall not enter into any transaction of merger or consolidation, or liquidate or dissolve itself (or suffer any liquidation or dissolution), or acquire by purchase or otherwise all or substantially all the business or assets or, or any stock or other evidence of beneficial ownership of, any entity; and the Mortgagor shall not dissolve or terminate its existence or materially amend the terms of its operating agreement except as permitted by the Financing Agreement.

1.10 Maintenance of the Mortgaged Property; Compliance With Laws.

(a) The Mortgagor shall cause the Mortgaged Property to be maintained in good condition and repair and will not commit or suffer to be committed any waste of the Mortgaged Property. The Improvements and the Equipment shall not be removed, demolished or materially altered (except for normal replacement of the Equipment or repairs in the ordinary course of business), without the prior written consent of the Mortgagee which consent will not be unreasonably withheld, delayed or conditioned. The Mortgagor shall promptly repair, replace or rebuild any part of the Mortgaged Property which may be damaged or destroyed by fire or other property hazard or casualty (including any fire or other property hazard or casualty for which insurance was not obtained or obtainable) or which may be affected by any taking by any public or quasi-public authority through eminent domain or otherwise, and shall complete and pay for, within a reasonable time, any structure at any time in the process of construction or repair on the Premises. If such fire or other property hazard or casualty shall be covered by the Policies, the Mortgagor's obligation to repair, replace or rebuild such portion of the Mortgaged Property shall be contingent upon the Mortgagee paying the Mortgagor the proceeds of the Policies, or such portion thereof as shall be sufficient to complete such repair, replacement or rebuilding, whichever is less.

(b) The Mortgagor represents and warrants that the Mortgaged Property is currently in compliance with, and the Mortgagor shall in the future promptly comply with, all existing and future governmental laws, orders, ordinances, rules and regulations affecting the Mortgaged Property, or any portion thereof or the use thereof, including specifically, but not limited to, provisions of the Americans with Disabilities Act. The Mortgagor shall comply with the requirements of all, and shall not modify, amend or terminate any, easements and restrictive covenants which from time to time affect the whole or any portion of the Mortgaged Property.

The Mortgagor shall also comply with the requirements of, and to the extent reasonably within the Mortgagor's control, maintain, preserve, enforce and renew, all rights of way, easements, grants, privileges, licenses, franchises and restrictive covenants which from time to time benefit or pertain to the whole or any portion of the Mortgaged Property, and the Mortgagor shall not modify, amend or terminate, or surrender any of its rights under, any of such rights of way, easements, grants, privileges, licenses, franchises or restrictive covenants. The Mortgagor will not, without obtaining the prior written consent of the Mortgagee, initiate, join in or consent to any new private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or affecting the uses which may be made of the Mortgaged Property or any part thereof. The Mortgagor will not alter the use of the Mortgaged Property without the prior written consent of the Mortgagee.

1.11 Environmental Provisions.

(a) For the purposes of this paragraph the following terms shall have the following meanings: (i) the term "**Hazardous Material**" shall mean (x) any substance, material, or waste that is included in the definition of "Hazardous Substances," "Hazardous Materials," "Hazardous Waste," "Toxic Substances," "Toxic Materials," "Toxic Waste," or words of similar import in any Environmental Requirements, (y) those substances listed as Hazardous Substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto), and (z) any substance, material or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, Freon gas, radon, or a pesticide, herbicide or any other agricultural chemical, (ii) the term "**Environmental Requirements**" shall collectively mean any federal, state or local law, whether common law, statute, ordinance, rule, regulation, or judicial or administrative decision or policy or guideline, pertaining to Hazardous Material, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto, as of the date hereof and to be added in the future and any successor statute or rule or regulation promulgated thereto, and the term "**Governmental Authority**" shall mean the government of the United States of America, any other nation or any political subdivision thereof, or the state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

(b) The Mortgagor hereby represents and warrants to the Mortgagee that to the best of Mortgagor's knowledge after diligent inquiry, (i) no Hazardous Material is currently located at, on, in, under or about the Mortgaged Property, except as specifically set forth in the Phase I Environmental Site Assessment prepared by EE&G Environmental Services, LLC issued January 6, 2017 (the "**Report**"), (ii) no Hazardous Material is currently located at, on, in, under or about the Mortgaged Property in a manner which violates any Environmental Requirement, or which requires cleanup or corrective action of any kind under any Environmental Requirement, (iii) no releasing, emitting, discharging, leaching, dumping, disposing or transporting of any Hazardous Material from the Mortgaged Property onto any other

property or from any other property onto or into the Mortgaged Property has occurred or is occurring in violation of any Environmental Requirement, (iv) no notice of violation, non-compliance, liability or potential liability, lien, complaint, suit, order or other notice with respect to the Mortgaged Property is presently outstanding under any Environmental Requirement, nor does the Mortgagor have knowledge or reason to believe that any such notice will be received or is being threatened, and (v) the Mortgaged Property and the operation thereof are in full compliance with all Environmental Requirements.

(c) The Mortgagor shall comply, and shall require all tenants or other occupants of the Mortgaged Property to comply, in all respects with all Environmental Requirements, and will not generate, store, handle, process, dispose of or otherwise use, and will not permit any tenant or other occupant of the Mortgaged Property to generate, store, handle, process, dispose of or otherwise use, Hazardous Materials at, in, on, or about the Mortgaged Property in a manner that would lead to the imposition on the Mortgagor, the Mortgagee or the Mortgaged Property of any liability or lien of any nature whatsoever under any Environmental Requirement. The Mortgagor shall deliver to the Mortgagee any and all environmental reports prepared during the term of this Mortgage, which may, to the extent applicable, include, but not be limited to, asbestos closeout reports, remedial action plans, health and safety plans, remedial action completion reports, approvals for remedial action plans, approvals for health and safety plans, approvals for remedial action completion reports, lead based paint sampling reports, and lead based paint abatement closeout reports. The Mortgagor shall notify the Mortgagee promptly in the event of any spill or other release of any Hazardous Material at, in, on, under or about the Mortgaged Property which is required to be reported to a Governmental Authority under any Environmental Requirement, will promptly forward to the Mortgagee copies of any notices received by the Mortgagor relating to alleged violations of any Environmental Requirement and will promptly pay when due any fine or assessment against the Mortgagee, the Mortgagor or the Mortgaged Property relating to any Environmental Requirement. If at any time it is determined that the operation or use of the Mortgaged Property is in violation of any applicable Environmental Requirement or that there are Hazardous Materials which violate any applicable Environmental Requirement or require cleanup or corrective action, the Mortgagor shall, within thirty (30) days after receipt of notice thereof from any Governmental Authority or from the Mortgagee, take, at the Mortgagor's sole cost and expense, such actions as may be necessary to fully comply in all respects with all Environmental Requirements, provided, however, that if such compliance cannot reasonably be completed within such thirty (30) day period, the Mortgagor shall commence such necessary action within such thirty (30) day period and shall thereafter diligently and expeditiously proceed to fully comply in all respects and in a timely fashion with all Environmental Requirements.

(d) In the event that radon mitigation is required to be implemented, pursuant to any Environmental Requirements, the Mortgagor further covenants and agrees to conduct radon sampling in the Improvements on the Premises. In the event that such radon sampling results reveal that levels of radon in the Improvements on the Premises are in excess of the United States Environmental Protection Agency threshold, the Mortgagor covenants and agrees to undertake measures necessary to reduce radon levels in the Improvements at the Premises and bring the Premises into compliance with applicable Environmental Laws.

(e) In the event that the Mortgagor is covered by a commercial general liability insurance policy which contains an exclusion, or otherwise does not provide coverage, for loss or damage caused by mold, dangerous fungi, bacterial or microbial matter contamination or pathogenic organisms that reproduce through the release of spores or the splitting of cells (collectively, “**Mold**”) or a property insurance policy which contains an exclusion, or otherwise does not provide coverage, for loss or damage caused by Mold, in connection with another covered peril (e.g., Mold in connection with water damage caused by a storm or fire), Mortgagor shall (i) obtain a policy that provides such coverage; or (ii) demonstrate to the reasonable satisfaction of the Mortgagee, in their sole discretion, that the potential risk for loss or damage caused by Mold at the Mortgaged Property is minimal because of precautionary measures or techniques to be utilized in the construction or rehabilitation of the Improvements, including without limitation, the use of vapor barriers or other liners to limit moisture intrusion and the growth and reproduction of Mold; or (iii) implement a pro-active moisture management and Mold control program (the “**Moisture Management Program**”) for the Improvements at the Mortgaged Property to prevent the occurrence of Mold at, on or under the Mortgaged Property. The Moisture Management Program shall include, at a minimum: (a) periodic inspections of the Improvements at the Mortgaged Property for Mold, (b) prompt removal and cleanup of any Mold in a manner consistent with applicable Environmental Laws and best industry practices and utilizing an experienced remediation contractor acceptable to and approved by Mortgagee or pursuant to a plan approved by the Mortgagee, and (c) in the event that the Mold identified at the Improvements at the Mortgaged Property cannot be promptly removed or cleaned from any impacted building materials (e.g., porous materials such as carpeting, certain types of ceiling materials, wallboard, sheetrock or drywall, etc.), fixtures and/or equipment, prompt removal of all impacted building materials, fixtures and/or equipment from the Mortgaged Property, all in accordance with the procedures set forth in the United States Environmental Protection Agency’s (“**EPA**”) guide entitled “Mold Remediation in Schools and Commercial Buildings”, EPA No. 402-K-01-001, dated March 2001, applicable Environmental Laws and in a manner consistent with best industry practices and utilizing an experienced remediation contractor acceptable to and approved by Mortgagee or pursuant to a plan approved by Mortgagee. The Mortgagor further covenants and agrees that, in connection with any Mold remediation or cleanup undertaken by or on behalf of the Mortgagor hereunder, the source(s), any contributing factors, and any areas conducive to growth (e.g., leaking pipes, water damage, water infiltration or penetration, faulty or inadequate construction or building materials, building humidity, sub-performing HVAC systems, etc.) at the Improvements at the Mortgaged Property shall be promptly identified and remediated, cleared, repaired and restored, as appropriate, to prevent the occurrence or re-occurrence of any Mold.

(f) If the Mortgagor fails to timely take, or to diligently and expeditiously proceed to complete in a timely fashion, any such action described in this paragraph 1.11, the Mortgagee may, in its sole and absolute discretion, make advances or payments toward the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by the Mortgagee (including, without limitation, reasonable counsel fees and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon

demand, become due and payable from the Mortgagor and shall bear interest at the Default Rate from the date any such sums are so advanced or paid by the Mortgagee until the date any such sums are repaid by the Mortgagor to the Mortgagee. The Mortgagor will execute and deliver, promptly upon request, such instruments as the Mortgagee may deem useful or necessary to permit the Mortgagee to take any such action, and such additional notes and mortgages, as the Mortgagee may require to secure all sums so advanced or paid by the Mortgagee. If a lien is filed against the Mortgaged Property by any Governmental Authority resulting from the need to expend or the actual expending of monies arising from an action or omission, whether intentional or unintentional, of the Mortgagor or for which the Mortgagor is responsible, resulting from the releasing, spilling, leaking, leaching, pumping, emitting, pouring, emptying or dumping of any Hazardous Material into the waters or onto land, then the Mortgagor will, within thirty (30) days from the date that the Mortgagor is first given notice that such lien has been placed against the Mortgaged Property (or within such shorter period of time as may be specified by the Mortgagee if such Governmental Authority has commenced steps to cause the Mortgaged Property to be sold pursuant to such lien), either (a) pay the claim and remove the lien, or (b) furnish a cash deposit, bond, or such other security with respect thereto as is satisfactory in all respects to the Mortgagee and is sufficient to effect a complete discharge of such lien on the Mortgaged Property.

(g) The Mortgagee may, at its option, if the Mortgagee reasonably believes that a Hazardous Material or other environmental condition on the Mortgaged Property violates or threatens to violate any Environmental Requirement, cause an environmental audit of the Mortgaged Property or portions thereof to be conducted to confirm the Mortgagor's compliance with the provisions of this paragraph, and the Mortgagor shall cooperate in all reasonable ways with the Mortgagee connection with any such audit. If such audit discloses that a violation of or a liability under an Environmental Requirement exists or if such audit was required or prescribed by law, regulation or governmental or quasi-governmental authority, the Mortgagor shall pay all costs and expenses incurred in connection with such audit.

(h) If this Mortgage is foreclosed, or if the Mortgaged Property is sold pursuant to the provisions of this Mortgage, or if the Mortgagor tenders a deed or assignment in lieu of foreclosure or sale, the Mortgagor shall deliver the Mortgaged Property to the purchaser at foreclosure or sale or to the Mortgagee, its nominee, or wholly-owned subsidiary, as the case may be, in a condition that complies in all respects with all Environmental Requirements.

(i) The Mortgagor will defend, indemnify, and hold harmless the Mortgagee and its respective participants, employees, agents, officers, and directors ("**Indemnified Parties**"), from and against all actual or threatened liabilities, claims, actions, demands, causes of action, judgments, orders, inquiries, investigations, studies or notices relating to any Hazardous Material, any Environmental Requirement including without limitation those arising as a result of strict liability, whether under an Environmental Requirement or otherwise, and those arising out of negligence of the Indemnified Party (collectively referred to as "**Environmental Claims**") (including foreseeable and unforeseeable consequential damages), losses, fines, penalties, judgments, awards, settlements and costs and expenses (including, without limitation, reasonable attorney's fees, expert's, engineer's and consultant's fees and

costs and expenses of investigation, testing, remediation and dispute resolution) (collectively referred to as “**Environmental Costs**”) that directly or indirectly arise out of or relate in any way to: (i) any investigation, cleanup, remediation, removal, or restoration work of site conditions of the Mortgaged Property relating to Hazardous Material (whether on the Mortgaged Property or any other property); (ii) any resulting damages, harm, or injuries to the person or property of any third parties or to any natural resources involving Hazardous Material relating to the Mortgaged Property; (iii) any actual or alleged past or present disposal, generation, manufacture, presence, processing, production, Release, storage, transportation, treatment, or use of any Hazardous Material on, under, or about the Mortgaged Property; (iv) any actual or alleged presence of any Hazardous Material on the Mortgaged Property; (v) any actual or alleged past or present violation of any Environmental Requirement relating to the Mortgaged Property; (vi) any actual or alleged past or present migration of any Hazardous Material from the Mortgaged Property to any other property, whether adjoining, in the vicinity, or otherwise, or migration of any Hazardous Material onto the Mortgaged Property from any other property, whether adjoining, in the vicinity, or otherwise; (vii) any lien on any part of the Mortgaged Property under any Environmental Requirement; (viii) any Environmental Claim by any federal, state, or local governmental agency and any claim that any Indemnified Party is liable for any such asserted Environmental Claim allegedly because it is an “owner” or “operator” of the Mortgaged Property under any Environmental Requirement; (ix) any Environmental Claim asserted against any Indemnified Party by any person other than a governmental agency, including any person who may purchase or lease all or any portion of the Mortgaged Property from Indemnitor, from any Indemnified Party, or from any other purchaser or lessee; any person who may at any time have any interest in all or any portion of the Mortgaged Property; any person who may at any time be responsible for any cleanup costs or other Environmental Claims relating to the Mortgaged Property; and any person claiming to have been injured in any way as a result of exposure to any Hazardous Material relating to the Mortgaged Property; (x) any Environmental Claim which any Indemnified Party reasonably believes at any time may be incurred to comply with any law, judgment, order, regulation, or regulatory directive relating to Hazardous Substances and the Mortgaged Property, or which any Indemnified Party reasonably believes at any time may be incurred to protect the public health or safety; (xi) any Environmental Claim resulting from currently existing conditions in, on, around, or materially affecting the Mortgaged Property, whether known or unknown by Indemnitor or the Indemnified Parties at the time this Agreement is executed, and any such Environmental Claim resulting from the activities of Indemnitor, Indemnitor’s tenants, or any other person, in, on, around, or materially affecting the Mortgaged Property; or (xii) breach of any representation or warranty by or covenant of Mortgagor in this Mortgage.

(j) Except as expressly provided in the Environmental Indemnity Agreement (as defined in the Bond Purchase Agreement), Trustee and Bondholder dated as of the date of this instrument, the obligations and liabilities of the Mortgagor under this paragraph 1.11 shall survive and continue in full force and effect and shall not be terminated, discharged or released, in whole or in part, irrespective of whether the Debt has been paid in full and irrespective of any foreclosure of this Instrument, sale of the Mortgaged Property pursuant to the provisions of this Instrument or acceptance by the Mortgagee, its nominee or affiliate of a deed or assignment in

lieu of foreclosure or sale and irrespective of any other fact or circumstance of any nature whatsoever.

1.12 Other Security for the Debt. The Mortgagor shall observe and perform all of the terms, covenants and provisions contained in the Notes, the Financing Agreement and in all other mortgages and other instruments or documents evidencing, securing or guaranteeing payment of the Debt, in whole or in part, or otherwise executed and delivered in connection with the Notes, the Financing Agreement, this Mortgage or the loan evidenced and secured thereby or hereby.

1.13 Right of Entry. The Mortgagee and its agents shall have the right to enter and inspect the Mortgaged Property at all reasonable times. Upon advance notice to Mortgagor but in any event shall not have access to rented units without the consent of the occupants of such units.

1.14 Performance of Other Agreements. The Mortgagor shall observe and perform each and every term to be observed or performed by the Mortgagor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Mortgaged Property.

1.15 Future Advances. This Mortgage shall secure any and all present or future advances and readvances under the Notes or the Financing Agreement made by the Mortgagee to or for the benefit of the Mortgagor or the Mortgaged Property prior to the payment in full of the Debt (whether such advances are obligatory or are made at the option of the Mortgagee, or otherwise).

ARTICLE II - DEFAULTS AND REMEDIES

2.1 Events of Default. The Debt shall become due at the option of the Mortgagee upon the occurrence of any one or more of the following events (each of which is hereby deemed and referred to as an “**Event of Default**”) provided, however, that the occurrence of an event described in subparagraphs (m), (n) or (o) below shall result in an automatic acceleration of the Debt:

(a) if any portion of the Debt is not paid within ten (10) days of the due date or if the Debt is not paid in full on maturity;

(b) if, except as specifically provided to the contrary in paragraph 1.4 hereof, the Mortgagor shall fail to pay within thirty (30) days of notice and demand by the Mortgagee, any installment of any assessment against the Mortgaged Property for local improvements heretofore or hereafter levied, which assessment is or may become payable in annual or periodic installments and is a lien on the Mortgaged Property provided that such installment is due and payable at the time of such notice and demand;

(c) if any Federal tax lien is filed against the Mortgagor or the Mortgaged Property and the same is not discharged of record within thirty (30) days after the same is filed or the Mortgagor has not, at its own expense, contested the same by appropriate legal proceedings, promptly initiated and conducted in good faith and with due diligence provided that (i) no Event

of Default shall have occurred and shall be continuing, (ii) the Mortgagor is permitted to do so under the provisions of any other instrument to which the Mortgagor or the Mortgaged Property is subject and shall not constitute a default thereunder, (iii) neither the Mortgaged Property nor any part thereof nor any interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost, and (iv) the Mortgagor shall have set aside in an interest bearing account with the Mortgagee, and otherwise in a manner satisfactory to the Mortgagee, adequate cash reserves for the payment thereof, together with all interest and penalties thereon, or in the alternative the Mortgagee shall have furnished such security as may be required in the proceeding, or as may be otherwise requested or required by the Mortgagee to insure the payment of the contested tax lien, together with all interest and penalties thereon;

(d) if (except as specifically provided to the contrary in paragraph 1.9 above) without the consent of the Mortgagee (which consent in any and all circumstances may be withheld in the sole and absolute discretion of the Mortgagee) any part of the Mortgaged Property or any interest of any nature whatsoever therein or any interest of any nature whatsoever in the Mortgagor or its managing member is in any manner, by operation of law or otherwise, whether directly or indirectly, further encumbered, sold, transferred, assigned or conveyed, and irrespective of whether any such further encumbrance, sale, transfer, assignment or conveyance is voluntary, by reason or operation of law or is otherwise made;

(e) if without the consent of the Mortgagee, any Improvement or the Equipment (except for the normal replacement and repair of the Equipment) is removed, demolished or materially altered, or if the Mortgaged Property is not kept in reasonably good condition and repair;

(f) if the Mortgagor shall fail to comply with any requirement or order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Mortgaged Property within three (3) months from the issuance thereof, or the time period set forth therein, whichever is less, or the Mortgagor has not, at its own expense, contested the same by appropriate legal proceedings, promptly initiated and conducted in good faith and with due diligence provided that (i) no Event of Default shall have occurred and shall be continuing, (ii) the Mortgagor is permitted to do so under the provisions of any other instrument to which the Mortgagor or the Mortgaged Property is subject and shall not constitute a default thereunder, (iii) neither the Mortgaged Property nor any part thereof nor any interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost, and (iv) the Mortgagor shall have set aside in an interest bearing account with the Mortgagee, and otherwise in a manner satisfactory to the Mortgagee, adequate cash reserves for the payment thereof, together with all interest and penalties thereon, or in the alternative the Mortgagee shall have furnished such security as may be required in the proceeding, or as may be otherwise requested or required by the Mortgagee to insure the payment of the contested tax lien, together with all interest and penalties thereon;

(g) if the Mortgagor shall be in default with respect to its obligations under paragraph 1.11 of this Mortgage beyond any applicable grace period and/or after the giving of any applicable notice as stated in paragraph 1.11;

(h) if the Policies are not kept in full force and effect, or if the Policies are not delivered to the Mortgagee within ten (10) days of request;

(i) if the Mortgagor shall fail to pay the Mortgagee on demand for all Premiums and/or Taxes paid by the Mortgagee pursuant to this Mortgage, together with any late payment charge and interest thereon calculated at the Default Rate;

(j) if (except as specifically provided to the contrary in paragraph 1.7 above) without the consent of the Mortgagee any Leases are made, cancelled or modified or if the Mortgagor shall consent to any assignment thereof or subletting thereunder or if any portion of the Rents is paid for a period of more than one (1) month in advance (exclusive of deposits) or if any of the Rents are further assigned;

(k) if any representation or warranty of the Mortgagor, or of any person or entity (herein referred to as a “**Guarantor**”) guaranteeing payment of the Debt or any portion thereof, or guaranteeing performance by the Mortgagor of any of the terms of this Mortgage made herein or in any such guaranty (the “**Guaranty**”), or in any certificate, report, financial statement or other instrument furnished in connection with the making of the Financing Agreement, this Mortgage, or any such Guaranty, shall prove false or misleading in any material respect when made;

(l) if the Mortgagor or any Guarantor shall make an assignment for the benefit of creditors;

(m) if a court of competent jurisdiction enters a decree or order for relief with respect to the Mortgagor or any Guarantor under Title 11 of the United States Code as now constituted or hereafter amended or under any other applicable Federal or state bankruptcy law or other similar law, or if such court enters a decree or order appointing a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of the Mortgagor or any Guarantor, or of any substantial part of their respective properties, or if such court decrees or orders the winding up or liquidation of the affairs of the Mortgagor or any Guarantor and the same shall continue unstayed and in effect for a period of sixty (60) or more days;

(n) if the Mortgagor or any Guarantor files a petition or a confirming or consenting answer or consent seeking relief under Title 11 of the United States Code as now constituted or hereafter amended, or under any other applicable Federal or state bankruptcy law or other similar law, or if the Mortgagor or any Guarantor consents to the institution of proceedings thereunder or to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Mortgagor or any Guarantor, or of any substantial part of their respective properties, or if the Mortgagor or any Guarantor fails generally to pay their respective debts as such debts become due, or if the Mortgagor or any Guarantor takes any action in furtherance of any action described in this subparagraph;

(o) if the Mortgagor or other person shall be in default beyond any applicable notice and/or grace period under the terms, covenants or conditions under the Financing Documents;

(p) if the Mortgagor shall be in default beyond any applicable notice and/or grace period under any mortgage or deed of trust covering any part of the Mortgaged Property whether superior or inferior in lien to this Mortgage, and including, without limitation, any such mortgage or deed of trust now or hereafter held by the Mortgagee;

(q) if the Mortgaged Property shall become subject (i) to any tax lien, other than a lien for local real estate taxes and assessments not due and payable, or (ii) to any lis pendens, notice of pendency, stop order, notice of intention to file mechanic's or materialman's lien, mechanic's or materialman's lien or other lien of any nature whatsoever and the same shall not either be discharged of record, bonded and/or insured over to the satisfaction of the Mortgagee by the title company insuring the lien of this Mortgage within a period of thirty (30) days after the same is filed or recorded, and irrespective of whether the same is superior or subordinate in lien or other priority to the lien of this Mortgage and irrespective of whether the same constitutes a perfected or inchoate lien or encumbrance on the Mortgaged Property or is only a matter of record or notice;

(r) if the Mortgagor shall continue to be in default under any of the other terms, covenants or conditions of this Mortgage for ten (10) days after the due date therefor in the case of any default which can be cured by the payment of a sum of money or for thirty (30) days after notice from the Mortgagee in the case of any other default, provided that if such default cannot reasonably be cured within such thirty (30) day period and the Mortgagor shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require the Mortgagor in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of sixty (60) days and that nothing contained in this paragraph shall be construed as having the effect of extending the Completion Date (as defined in the Financing Agreement);

(s) if without the prior written consent of the Mortgagee, the Mortgagor shall grant or shall permit to exist any pledge, lien, charge, security interest or other encumbrance with respect to any of its assets, except in favor of Mortgagee or Permitted Encumbrances (as defined in the Financing Agreement); or

(t) if one or more judgments, decrees or orders for the payment of money in excess of \$100,000.00 in the aggregate shall be rendered against the Mortgagor, the Managing Member or any Guarantor, and except as disclosed in the litigation letters dated the date of this Instrument and delivered to the Mortgagee, such judgment, decree or order shall continue unsatisfied for a period of thirty (30) consecutive days without being vacated, discharged, satisfied or stayed or bonded pending appeal.

(u) if without the prior written consent of the Mortgagee, the Mortgagor (i) acquires any real or personal property other than the Mortgaged Property and assets (such as accounts) related to the operation or maintenance of the Mortgaged Property or (ii) operates any business other than the management and operating of the Mortgaged Property; or

(v) any Event of Default (as defined in the Financing Agreement) shall occur;
or

(w) if any Guarantor or any other person shall be in default beyond any applicable grace period under any Guaranty;

(x) if the Mortgagor shall default in the observance or performance of any term, covenant or condition of the Mortgaged Lease on the part of the Mortgagor, as ground lessee thereunder, to be observed or performed, unless any such observance or performance shall have been waived or not required in writing by the ground lessor under the Mortgaged Lease, or if any one or more of the events referred to in the Mortgaged Lease shall occur which would or may cause the Mortgaged Lease to terminate without notice or action by the ground lessor thereunder or which would entitle the ground lessor under the Mortgaged Lease to terminate the Mortgaged Lease and the term thereof by giving notice to the Mortgagor, as ground lessee thereunder, or if the leasehold estate created by the Mortgaged Lease shall be surrendered, in whole or in part, or if the Mortgaged Lease shall be terminated or canceled for any reason or under any circumstance whatsoever, or if any of the terms, covenants or conditions of the Mortgaged Lease shall in any manner be modified, changed, supplemented, altered or amended without the consent of the Mortgagee; or

(y) if the Mortgagor shall, without the Mortgagee's prior written approval, elect to treat the Mortgaged Lease as terminated under Section 365(h)(1) of the Bankruptcy Code. Any such election made by the Mortgagor, as holder of the leasehold estate in the Mortgaged Property, without the Mortgagee's prior written consent, in addition to constituting an Event of Default, shall be void.

2.2 Appointment of Receiver. The Mortgagee, in any action to foreclose this Mortgage or upon the actual or threatened waste to any part of the Mortgaged Property or upon the occurrence of any default hereunder, shall be at liberty, without notice, to apply for the appointment of a receiver of the Rents, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Debt, or the solvency or insolvency of any person then liable for the payment of the Debt.

2.3 Security Agreement; Financing Statement. This Mortgage constitutes both a real property mortgage and a "security agreement," within the meaning of the Uniform Commercial Code, and the Mortgaged Property includes both real and personal property and all other rights and interest, whether tangible or intangible in nature, of the Mortgagor in the Mortgaged Property. The Mortgagor by executing and delivering this Mortgage has granted to the Mortgagee, as security for the Debt, a security interest in the Equipment. Upon the occurrence

of an Event of Default, the Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Equipment or any part thereof, and to take such other measures as the Mortgagee may deem necessary for the care, protection and preservation of the Equipment. Upon request or demand of the Mortgagee, the Mortgagor shall at its expense assemble the Equipment and make it available to the Mortgagee at a convenient place acceptable to the Mortgagee. The Mortgagor shall pay to the Mortgagee on demand any and all expenses, including reasonable legal expenses and attorneys' fees, incurred or paid by the Mortgagee in protecting its interest in the Equipment and in enforcing its rights hereunder with respect to the Equipment. Any notice of sale, disposition or other intended action by the Mortgagee with respect to the Equipment sent to the Mortgagor in accordance with the provisions of this Mortgage at least ten (10) days prior to the date of any such sale, disposition or other action, shall constitute reasonable notice to the Mortgagor, and the method of sale or disposition or other intended action set forth or specified in such notice shall conclusively be deemed to be commercially reasonable within the meaning of the Uniform Commercial Code unless objected to in writing by the Mortgagor within seven (7) days after receipt by the Mortgagor of such notice. The proceeds of any sale or disposition of the Equipment, or any part thereof, may be applied by the Mortgagee to the payment of the Debt in such order, priority and proportions as the Mortgagee in its discretion shall deem proper. If any change shall occur in the Mortgagor's name, the Mortgagor shall promptly cause to be filed at its own expense, new financing statements as required under the Uniform Commercial Code to replace those on file in favor of the Mortgagee. This Mortgage shall also serve as a financing statement as provided in the Uniform Commercial Code.

2.4 Recovery of Sums Required To Be Paid. The Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

2.5 Actions and Proceedings. The Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of the Mortgagor, which the Mortgagee, in its discretion, determines should be brought to protect its interest in the Mortgaged Property.

2.6 Right to Cure Defaults. Upon the occurrence of any default hereunder beyond any applicable notice and cure period, the Mortgagee may, at its discretion, remedy the same and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to the Mortgagor or any person in possession thereof holding under or claiming under or through the Mortgagor, it being understood and agreed that nothing contained in this Mortgage shall in any manner obligate the Mortgagee to remedy any default hereunder. If the Mortgagee shall remedy such a default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose this Mortgage or

collect the Debt, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, shall be paid by the Mortgagor to the Mortgagee upon demand. All such costs and expenses incurred by the Mortgagee in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by the Mortgagor to the Mortgagee upon demand, with interest (calculated for the actual number of days elapsed on the basis of a 360-day year) at a rate per annum equal to the Default Rate (as defined in the Indenture) provided, however, such rate shall in no event exceed the maximum interest rate which the Mortgagor may by law pay, for the period after notice from the Mortgagee that such costs or expenses were incurred to the date of payment to the Mortgagee. To the extent any of the aforementioned costs or expenses paid by the Mortgagee after default in payment thereof by the Mortgagor shall constitute payment of (i) taxes, charges or assessments which may be imposed by law upon the Mortgaged Property, (ii) premiums on insurance policies covering the Mortgaged Property, (iii) expenses incurred in upholding the lien of this Mortgage, including, but not limited to, the costs and expenses of any litigation to collect the indebtedness secured by this Mortgage or to prosecute, defend, protect or preserve the rights and the lien created by this Mortgage, or (iv) any amount, cost or charge to which the Mortgagee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority; then, and in each such event, such costs, expenses and amounts, together with interest thereon at the Default Rate, shall be added to the indebtedness secured by this Mortgage and shall be secured by this Mortgage.

2.7 Late Payment Charge. If any payment under the Notes, the Financing Agreement or this Mortgage is not paid within ten (10) days after the date on which it is due, the Mortgagor shall pay to the Mortgagee upon demand, in addition to any interest, if any, payable pursuant to Paragraph 2.6 above, an amount equal to 3% of such unpaid installment or \$25.00, whichever is greater, up to the maximum amount of \$1,500.00 per late charge to compensate the Mortgagee for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be immediately due and payable and shall be in addition to all other rights and remedies available to the Mortgagee.

2.8 Sole Discretion of Mortgagee. Except as may otherwise be expressly provided to the contrary, wherever pursuant to the Notes, Financing Agreement, this Mortgage, or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise with respect to the Debt secured hereby, the Mortgagee exercises any right given to it to consent or not consent, or to approve or disapprove, or any arrangement or term is to be satisfactory to the Mortgagee, the decision of the Mortgagee to consent or not consent, or to approve or disapprove, or to decide that arrangements or terms are satisfactory or not satisfactory, shall be in the sole and absolute discretion of the Mortgagee and shall be final and conclusive.

2.9 Non-Waiver. The failure of the Mortgagee to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. No delay or omission by the Mortgagee to exercise any right, power or remedy accruing under this Mortgage shall be construed to be a waiver of any default or acquiescence therein. A waiver in one or more instances to exercise any right, power or remedy accruing hereunder shall apply

only to the particular instance or instances, and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but every term, covenant, provision or condition establishing such right, power or remedy shall survive and continue to remain in full force and effect. The Mortgagor shall not be relieved of the Mortgagor's obligation to pay the Debt at the time and in the manner provided for its payment in the Notes, the Financing Agreement and this Mortgage by reason of (i) failure of the Mortgagee to comply with any request of the Mortgagor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Notes, the Financing Agreement or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, (ii) the release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the Debt, or (iii) any agreement or stipulation between the Mortgagee and any subsequent owner or owners of the Mortgaged Property or other person extending the time of payment or otherwise modifying or supplementing the terms of the Notes, the Financing Agreement, this Mortgage or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, without first having obtained the consent of the Mortgagor, and in the latter event, the Mortgagor shall continue to be obligated to pay the Debt at the time and in the manner provided in the Notes, the Financing Agreement and this Mortgage, as so extended, modified and supplemented, unless expressly released and discharged from such obligation by the Mortgagee in writing. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, the Mortgagee may release any person at any time liable for the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend the time of payment or otherwise modify the terms of the Notes, the Financing Agreement or this Mortgage, including, without limitation, a modification of the interest rate payable on the principal balance of the Notes or the obligations under the Financing Agreement, without in any manner impairing or affecting this Mortgage or the lien hereof or the priority of this Mortgage, as so extended and modified, as security for the Debt over any such subordinate lien, encumbrance, right, title or interest. The Mortgagee may resort for the payment of the Debt to any other security held by the Mortgagee in such order and manner as the Mortgagee, in its discretion, may elect. The Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of the Mortgagee thereafter to foreclose this Mortgage. The Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law or equity. The rights of the Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of the Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

2.10 Absolute and Unconditional Obligation. The Mortgagor acknowledges that the Mortgagor's obligation to pay the Debt in accordance with the provisions of the Notes, the Financing Agreement and this Mortgage is and shall at all times continue to be absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to the Notes, the Financing Agreement or this Mortgage or the obligation of the Mortgagor thereunder to pay the Debt or the obligations of any other person relating to the

Notes, the Financing Agreement or this Mortgage or the obligations of the Mortgagor under the Financing Agreement or this Mortgage or otherwise with respect to the Loan secured hereby, and the Mortgagor absolutely, unconditionally and irrevocably waives any and all right to assert any defense, setoff (except for payments made), counterclaim or crossclaim of any nature whatsoever with respect to the obligation of the Mortgagor to pay the Debt in accordance with the provisions of the Notes, the Financing Agreement and this Mortgage or the obligations of any other person relating to the Notes, the Financing Agreement or this Mortgage or obligations of the Mortgagor under the Notes, the Financing Agreement or this Mortgage or otherwise with respect to the Loan secured hereby in any action or proceeding brought by the Mortgagee to collect the Debt, or any portion thereof, or to enforce, foreclose and realize upon the lien and security interest created by this Mortgage or any other document or instrument securing repayment of the Debt, in whole or in part. (Provided, however, that the foregoing shall not be deemed a waiver of the Mortgagor's right to plead payment or satisfaction of the Debt or to assert any compulsory counterclaim or cross claim maintained in a court of the United States, or of the State of Florida if such counterclaim or cross claim is compelled under local law or rule of procedure, nor shall the foregoing be deemed a waiver of the Mortgagor's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against the Mortgagee in any separate action or proceeding).

2.11 Offsets, Counterclaims and Defenses. Any assignee of this Mortgage, the Notes and the Financing Agreement shall take the same free and clear of all offsets (except for payments made), counterclaims (except compulsory counterclaims) or defenses of any nature whatsoever which the Mortgagor may have against any assignor of this Mortgage, the Notes and the Financing Agreement, and no such offset, counterclaim or defense shall be interposed or asserted by the Mortgagor in any action or proceeding brought by any such assignee upon this Mortgage, the Notes or the Financing Agreement and any such right to interpose or assert any such offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by the Mortgagor.

2.12 Waiver of Statutory Rights. The Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws to the full extent that the Mortgagor may do so under applicable law. The Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien of this Mortgage and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. The Mortgagor hereby waives for itself and all who may claim through or under it, and to the full extent the Mortgagor may do so under applicable law, any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or granted under any statute now existing or hereafter enacted.

2.13 Sale of Mortgaged Property. If this Mortgage is foreclosed, the Mortgaged Property, or any interest therein, may, at the discretion of the Mortgagee, be sold in one or more parcels or in several interests or portions and in any order or manner.

ARTICLE III – MISCELLANEOUS

3.1 Notice. Any notice, request, demand, statement, authorization, approval or consent made hereunder shall be in writing and shall be hand delivered or sent by Federal Express, or other reputable courier service (with signature required), or by postage prepaid registered or certified mail, return receipt requested, and shall be deemed given when received (or refused as indicated on the receipt) and addressed as follows:

If to the Mortgagor:

HTG Heron Estates Senior, LLC
c/o Housing Trust Group, LLC
3225 Aviation Avenue, Suite 602
Miami, Florida 33133
Attention: Matthew Rieger

With a copy to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
Museum Tower
150 West Flagler Street, Suite 2200
Miami, Florida 33130
Attention: Brian J. McDonough, Esq.

Saxon Gilmore & Carraway, P.A.
201 E. Kennedy Boulevard, Suite 600
Tampa, Florida 33602
Attention: Bernie Saxon, Esq.

CREA Heron Estates, LLC
c/o CREA LLC
30 South Meridian Street, Suite 400
Indianapolis, Indiana 46204

and

Jones Day
100 High Street, 21st Floor
Boston, Massachusetts 02110
Attention: John Kelley, Esq.

If to the Mortgagee:

Housing Finance Authority of Palm Beach County, Florida
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406
Attention: David Brandt

With copies to:

Greenspoon Marder, P.A.
CityPlace Tower, Suite 900
525 Okeechobee Boulevard
West Palm Beach, Florida 33401
Attention: Skip Miller, Esq.

JPMorgan Chase Bank, N.A.
Community Development Banking
100 North Tampa Street, Suite 3300
Mail Code: FL2-6001
Tampa, Florida 33602-5854
Attention: Tammy Haylock-Moore, Executive Director

and

JPMorgan Chase Bank, N.A.
Legal Department
4 New York Plaza, 21st Floor
Mail Code: NY1-E089
New York, New York 10004-2413
Attention: Michael R. Zients, Executive Director
and Assistant General Counsel

It being understood and agreed that each party will use reasonable efforts to send copies of any notices to the addresses marked "with a copy to" hereinabove set forth, provided, however, that failure to deliver such copy or copies shall have no consequence whatsoever as to any notice made to any of the other parties hereto.

Each party may designate a change of address by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

3.2 Waiver of Notice. The Mortgagor shall not be entitled to any notices of any nature whatsoever from the Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by the Mortgagee to the Mortgagor, and other than notices expressly required to be provided under applicable law, the Mortgagor hereby expressly waives the right to receive any notice from the Mortgagee with respect to any

matter for which this Mortgage does not specifically and expressly provide for the giving of notice by the Mortgagee to the Mortgagor.

3.3 Estoppel Certificates. The Mortgagor, within ten (10) days after request by the Mortgagee and at its expense, will furnish the Mortgagee with a statement, duly acknowledged and certified, setting forth the amount of the Debt and the offsets or defenses thereto, if any.

3.4 Changes in Laws Regarding Taxation. In the event of the passage after the date of this Mortgage of any law of the State of Florida deducting from the value of real property for the purpose of taxation any lien or encumbrance thereon or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for state or local purposes or the manner of collection of any such taxes, and imposing a tax, either directly or indirectly, on this Mortgage, the Notes, the Financing Agreement or the Debt, the Mortgagor shall, if permitted by law, pay any tax imposed as a result of any such law within the statutory period or within fifteen (15) days after demand by the Mortgagee, whichever is less, provided, however, that if, in the opinion of the attorneys for the Mortgagee, the Mortgagor is not permitted by law to pay such taxes, the Mortgagee shall have the right, at its option, to declare the Debt due and payable on a date specified in a prior notice to the Mortgagor of not less than sixty (60) days.

3.5 No Credits on Account of the Debt. The Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes assessed against the Mortgaged Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Mortgaged Property, or any part thereof, by reason of this Mortgage or the Debt. If at any time this Mortgage shall secure less than all of the principal amount of the Debt, it is expressly agreed that any repayment of the principal amount of the Debt shall not reduce the amount of the lien of this Mortgage until the lien amount shall equal the principal amount of the Debt outstanding.

3.6 Documentary Stamps. If at any time the United States of America, any state thereof, or any governmental subdivision of any such state, shall require revenue, intangible, documentary or other stamps to be affixed to the Bonds, the Notes or this Mortgage, the Mortgagor will, within ten (10) days of demand, pay for the same, with interest and penalties thereon, if any.

3.7 Filing of Mortgage, etc. The Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any extension, modification, renewal or replacement hereof, and any security instrument creating a lien or evidencing the lien hereof upon the Mortgaged Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect, preserve and perfect the lien hereof upon, and the interest of the Mortgagee in, the Mortgaged Property. The Mortgagor will pay all title insurance fees and charges, filing, registration and recording fees, and all expenses incident to the preparation, execution and acknowledgement of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property, and any instrument of further assurance, and all Federal, state, county and

municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property or any instrument of further assurance. Except as may be limited by the Financing Agreement, the Mortgagor shall hold harmless and indemnify the Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making and recording of this Mortgage.

3.8 Further Acts, etc. The Mortgagor will, at the cost of the Mortgagor, and without expense to the Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as the Mortgagee shall, from time to time, reasonably require for the better assuring, conveying, assigning, transferring and confirming unto the Mortgagee the property and rights hereby mortgaged or intended now or hereafter so to be, or which the Mortgagor may be or may hereafter become bound to convey or assign to the Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage and, on demand, will execute and deliver and hereby authorizes the Mortgagee to execute in the name of the Mortgagor to the extent the Mortgagee may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Mortgaged Property.

3.9 Usury Laws. This Mortgage, the Notes and the other Financing Documents are subject to the express condition that at no time shall the Mortgagor be obligated or required to pay interest on the principal balance due under the Notes at a rate which could subject the holder of the Notes to either civil or criminal liability as a result of being in excess of the maximum interest rate which the Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Notes, the Mortgagor is at any time required or obligated to pay interest on the principal balance due under the Notes at a rate in excess of such maximum rate, the rate of interest under the Notes shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Notes.

3.10 Brokerage. The Mortgagor covenants and agrees that no brokerage commission or other fee, commission or compensation is to be paid by the Mortgagee on account of the Loan or other financing obligations evidenced by the Notes, Financing Agreement and/or secured by this Mortgage and the Mortgagor agrees to indemnify the Mortgagee against any claims for any of the same, except as to any broker engaged by or for the Mortgagee.

3.11 Indemnity. Anything in this Mortgage, the Notes or the other Financing Documents to the contrary notwithstanding, the Mortgagor shall indemnify and hold the Mortgagee harmless and defend the Mortgagee at the Mortgagor's sole cost and expense against any loss or liability, cost or expense (including, without limitation, title insurance premiums and charges and reasonable attorneys' fees and disbursements of the Mortgagee's counsel, whether in-house staff, retained firms or otherwise), and all claims, actions, procedures and suits arising out of or in connection with (i) any ongoing matters arising out of the transaction contemplated

hereby, the Debt, this Mortgage, the Financing Agreement, the Notes or any other document or instrument now or hereafter executed and/or delivered in connection with the Debt (the “**Credit Documents**”) and/or the Mortgaged Property, including, but not limited to, all costs of reappraisal of the Mortgaged Property or any part thereof, whether required by law, regulation, the Mortgagee or any governmental or quasi-governmental authority, (ii) any amendment to, or restructuring of, the Debt and this Mortgage, the Notes, the Financing Agreement or any of the other Credit Documents, (iii) any and all lawful action that may be taken by the Mortgagee in connection with the enforcement of the provisions of this Mortgage, the Notes or the Financing Agreement or any of the other Credit Documents, whether or not suit is filed in connection with the same, or in connection with the Mortgagor, any Guarantor and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding and (iv) the past, current and/or future sale or offering for sale of membership interests in the Mortgagor, including, without limitation, liabilities under any applicable securities or blue sky laws. All sums expended by the Mortgagee shall be payable on demand and, until reimbursed by the Mortgagor pursuant hereto, shall be deemed additional principal of the Debt and secured hereby and shall bear interest at the Default Rate. The obligations of the Mortgagor under this paragraph shall, notwithstanding any exculpatory or other provisions of any nature whatsoever set forth in the Credit Documents, constitute the personal recourse undertakings, obligations and liabilities of the Mortgagor.

3.12 No Oral Change. This Mortgage may only be modified, amended or changed by an agreement in writing signed by the Mortgagor and the Mortgagee, and may only be released, discharged or satisfied of record by an agreement in writing signed by the Mortgagee. No waiver of any term, covenant or provision of this Mortgage shall be effective unless given in writing by the Mortgagee and if so given by the Mortgagee shall only be effective in the specific instance in which given. The Mortgagor acknowledges that the Notes, the Financing Agreement, this Mortgage, the Financing Documents and the other Credit Documents executed and delivered in connection therewith or otherwise in connection with the loan secured thereby set forth the entire agreement and understanding of the Mortgagor and the Mortgagee with respect to the Loan secured hereby and that no oral or other agreements, understanding, representation or warranties exist with respect to the Loan secured hereby other than those set forth in the Notes, this Mortgage, the Financing Agreement and such other executed and delivered documents and instruments.

3.13 Enforceability. This Mortgage was negotiated in the State of Florida, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including, without limiting the generality of the foregoing, matters of construction, validity and performance, this Mortgage and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of Florida applicable to contracts made and performed in such State and any applicable laws of the United States of America, except with respect to the provisions hereof which relate to the realization upon the security covered by this Mortgage, in which case such provisions shall be governed by the State in which the Mortgaged Property is located, it being understood that, to the fullest extent permitted by the law of such State, the law of the State of Florida shall govern the validity and enforceability of this Mortgage, the Notes, the Financing Agreement, and other

documents executed and delivered in connection with the Debt, and the obligations arising hereunder and thereunder. Whenever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be unenforceable or prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such unenforceability, prohibition or invalidity, without invalidating the remaining provisions of this Mortgage.

3.14 Relationship. The relationship of the Mortgagee to the Mortgagor hereunder is strictly and solely that of lender and borrower and mortgagor and mortgagee and nothing contained in the Notes, this Mortgage, the Financing Agreement or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise in connection with the Debt secured hereby is intended to create, or shall in any event or under any circumstances be construed as creating, a partnership, joint venture, tenancy-in-common, joint tenancy or other relationship of any nature whatsoever between the Mortgagee and the Mortgagor other than mortgagor and mortgagee and as lender and borrower.

3.15 Liability. If more than one person signs this Mortgage as Mortgagor, the obligations and liabilities of each such person hereunder shall be joint and several.

3.16 Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided in this Mortgage, words used in this Mortgage shall be used interchangeably in singular or plural form and the word “**Appraisal**” shall mean a written statement setting forth an opinion of the market value of the Premises and the Improvements, including the contributory value of the low income housing tax credits that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by the Mortgagee or its agent, (b) complies with all applicable federal and state laws and regulations dealing with appraisals or valuations of real property, and (c) has been reviewed as to form and content and approved by the Mortgagee in its reasonable judgment; the word “**Mortgagor**” shall mean each of the Mortgagor and any subsequent owner or owners of the Mortgaged Property or any part thereof or leasehold interest therein; the word “**Mortgagee**” shall mean the Mortgagee or any subsequent holder of the Notes; the word “**Notes**” shall mean the Notes, any amendment, extension, modification, restatement or replacement thereof or any other evidence of indebtedness secured by this Mortgage and any and all modifications, amendments, extensions, renewals, restatements, consolidations and/or replacements thereof; the word “**Guarantor**” shall, in addition to the meaning ascribed to it in Paragraph 2.1(l) hereof, include their respective heirs, executors, administrators, legal representatives, successors and assigns; the word “**person**” shall include an individual, corporation, partnership, trust, limited liability company, unincorporated association, government, governmental authority, or other entity; the words “**Financing Agreement**” shall mean the Financing Agreement and any and all modifications, amendments and/or replacement thereof; “**Mortgaged Property**” shall include any portion of the Mortgaged Property or interest therein; and the word “**Debt**” shall mean all sums secured by this Mortgage; and the word “**default**” shall mean the occurrence of any default by the Mortgagor or other person in the observance or performance of any of the terms, covenants or provisions of the Notes, the Financing Agreement or this Mortgage on the part of the Mortgagor or such other person to be observed or performed without regard to whether such default

constitutes or would constitute upon notice or lapse of time, or both, an Event of Default under this Mortgage. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. Any terms used but not otherwise defined in this Mortgage shall have the meaning given such term in the Financing Agreement.

3.17 Headings, etc. The headings and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

3.18 Duplicate Originals. This Mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

3.19 Bondholder and Servicer.

(a) The Mortgagor hereby acknowledges and agrees that, pursuant to the terms of the Indenture, all consents, elections, approvals, waivers, acceptances and determinations to be provided hereunder and under the Bonds, Notes, Financing Agreement and other Financing Documents by the Trustee (whether in its capacity as Trustee under the Indenture or as assignee of the Mortgagee), shall be at the direction of the Bondholder and shall not be valid unless directed by the Bondholder. The Mortgagor further agrees that all references herein and in the Bonds, Notes, Indenture, Financing Agreement and other Financing Documents to the “Mortgagee” shall also refer to the Bondholder and that any action or right which shall or may be taken or exercised by the Mortgagee may be taken or exercised by the Bondholder with the same force and effect as if taken by the Mortgagee, including, without limitation, the collection of payments, the holding of escrows, the giving of notice, inspection of the Mortgaged Property, inspections of books and records, the request for documents or information, and the granting of consents and approvals. The Mortgagor further agrees that all notices, books, records, requests for consent, documents or other information to be delivered to the Mortgagee hereunder or under the Bonds, Notes, Indenture, Financing Agreement or other Financing Documents shall also be simultaneously delivered to such Bondholder at the address provided for notices in the Bond Purchase Agreement.

(b) The Mortgagor further acknowledges that the Bondholder may from time to time appoint a Servicer or a replacement servicer to collect payments and deposits, to receive notices and to otherwise service the Loan.

3.20 Reasonableness. If at any time the Mortgagor believes that the Mortgagee has not acted reasonably in granting or withholding any approval or consent under the Notes, this Mortgage, the Financing Agreement or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise with respect to the loan secured hereby, as to which approval or consent either (i) the Mortgagee has expressly agreed to act reasonably, or (ii) absent such agreement, a court of law having jurisdiction over the subject matter would nonetheless require the Mortgagee to act reasonably, then the Mortgagor’s sole

remedy shall be to seek injunctive relief or specific performance, and no action for monetary damages or punitive damages shall in any event or under any circumstance be maintained by the Mortgagor against the Mortgagee.

3.21 Patriot Act. The Mortgagee hereby notifies the Mortgagor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “**Act**”), it is required to obtain, verify and record information that identifies the Mortgagor, which information includes the name and address of the Mortgagor and other information that will allow the Mortgagee to identify the Mortgagor in accordance with the Act.

3.22 Inapplicable Provisions. If any term, covenant or condition of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

3.23 Appraisal. The Mortgagee shall have the right to order new Appraisals of the Premises and the Improvements from time to time. Each Appraisal is subject to review and approval by the Mortgagee. The Mortgagor agrees upon demand to pay the Mortgagee the costs and expense for such Appraisals and a fee for the Mortgagee to review each Appraisal. The Mortgagor’s obligation to pay such costs and expense shall be limited to circumstances when the Appraisal is ordered, at the occurrence of an Event of Default or is required by applicable law or regulation.

3.24 Information Waiver. The Mortgagor agrees that the Mortgagee may provide any information or knowledge the Mortgagee may have about the Mortgagor or about any matter relating to this Mortgage or the Financing Documents to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of all or any part of the Debt and/or the Financing Documents.

3.25 Public Housing Units. Notwithstanding any provision set forth in this Mortgage to the contrary, the Mortgagee and the Mortgagor acknowledge that eleven (11) of the units to be developed on the Project (the “**Public Housing Units**”) are further subject to the R&O Agreement and constitute a public housing project as defined in the U.S. Housing Act of 1937, 42 U.S.C. Section 1937, as amended (the “**Housing Act**”). The Public Housing Units and the Premises are subject to all requirements applicable to a public housing project under the Housing Act, including, without limitation, requirements with respect to operating receipts and operating expenditures as contained in the ACC Amendment and are subject to the Regulatory Agreements (as defined in the Bond Purchas Agreement). In the event of a conflict between the terms of this Mortgage and the ACC Amendment, provisions of the ACC Amendment shall control. The foregoing provision is not intended nor shall it be construed to interfere in any way with the exercise by the Mortgagee of any rights and remedies the Mortgagee has against the Mortgagor pursuant to this Mortgage or the other Financing Documents except to the extent required to comply with the ACC Amendment and the R&O Agreement.

3.26 Subrogation. If, to the extent that, the proceeds of the Loan evidenced by the Notes are used to pay, satisfy or discharge any obligation of the Mortgagor for the payment of

money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a “**Prior Lien**”), such loan proceeds shall be deemed to have been advanced by the Mortgagee at the Mortgagor’s request, and the Mortgagee shall automatically, without further action on its part, be subrogated to the rights, including lien priority, of the owner or the holder of the obligations secured by the Prior Lien, whether or not the Prior Lien is released.

3.27 Cure Rights.

(a) The Mortgagee agrees to accept performance on the part of a Guarantor as though the same has been performed by the Mortgagor under any of the Credit Documents, provided, however, such right shall not extend any applicable notice and/or cure period. If a Guarantor makes any payment or otherwise offers cure of a default, the Mortgagee will accept or reject such action as curing such default on the same basis as if payment or cure were made directly by the Mortgagor.

(b) The Mortgagee agrees to accept performance on the part of the Investor Member or an Affiliate as though the same has been performed by the Mortgagor under any of the Credit Documents. The Mortgagee will allow the Investor Member, Special Member or their respective Affiliate ten (10) days after giving the Investor Member notice to cure a monetary default under the Credit Documents, other than the payment due at maturity and except as to Sections 2.1(n) with respect to the Mortgagor up to thirty (30) days after giving the Investor Member notice to cure any non-monetary default under the Credit Documents, provided, however, that in the event of a non-monetary default that is not susceptible being cured within such thirty (30) days, the Mortgagee will allow the Investor Member, Special Member or their respective Affiliate an additional period of up to sixty (60) days to cure such default, provided the Investor Member, Special Member or their respective Affiliate has commenced to cure such default and is diligently and continuously proceeding to cure such default through the end of the sixty (60) day period. If the Investor Member, Special Member or their respective Affiliate makes any such payment or otherwise offers cure of a default, the Mortgagee will accept or reject such action as curing such default on the same basis as if payment or cure were made directly by the Mortgagor.

(c) Notwithstanding any other provision of this Instrument to the contrary, the Mortgagee agrees that in the case of an Event of Default under Section 2.1(t) by reason of a judgment against a Guarantor or Sections 2.1(m) or (n) by reason of the bankruptcy or other debtor relief proceeding by or against a Guarantor, the Mortgagee will give the Mortgagor and other parties with respect to cure rights under this Section 3.27 of this Instrument the right to provide additional cash collateral acceptable in all respects to the Mortgagee in its sole discretion, or subject to the consent of the Mortgagee, which shall not be unreasonably withheld, conditioned or delayed, a substitute guarantor meeting eligibility, credit, management and other standards customarily applied by the Mortgagee at the time of the proposed substitution to the approval of guarantor in connection with the origination and purchase of similar mortgage finance structures on similar multifamily properties.

3.28 The Mortgaged Lease. The Mortgagor shall: (i) pay all rents, additional rents and other sums required to be paid by the Mortgagor as lessee under and pursuant to the provisions of the Mortgaged Lease, (ii) diligently perform and observe all of the terms, covenants and conditions of the Mortgaged Lease on the part of the Mortgagor, as lessee thereunder, to be performed and observed, unless such performance or observance shall be waived or not required in writing by the lessor under the Mortgaged Lease, to the end that all things shall be done which are necessary to keep unimpaired the rights of the Mortgagor, as lessee, under the Mortgaged Lease, (iii) promptly notify the Mortgagee in writing of any default by the Mortgagor or lessor under the Mortgaged Lease in the performance or observance of any of the terms, covenants or conditions on the part of, respectively, the Mortgagor or lessor to be performed or observed under the Mortgaged Lease, (iv) promptly notify the Mortgagee of the giving of any notice by the lessor under the Mortgaged Lease to the Mortgagor (other than notices customarily sent on a regular basis) and of any notice noting or claiming any default by the Mortgagor in the performance or observance of any of the terms, covenants or conditions of the Mortgaged Lease on the part of the Mortgagor, as lessee thereunder, to be performed or observed and deliver to the Mortgagee a true copy of each such notice, (v) promptly notify the Mortgagee in writing of any request made by either party to the Mortgaged Lease for arbitration proceedings pursuant to the Mortgaged Lease and of the institution of any arbitration proceedings, as well as of all proceedings thereunder, and promptly deliver to the Mortgagee a copy of the determination of the arbitrators in each such arbitration proceeding, it being acknowledged and agreed that the Mortgagee shall have the right to participate in such arbitration proceedings in association with the Mortgagor or on its own behalf as an interested party, (vi) furnish to the Mortgagee, within ten (10) days after demand, proof of payment of all items which are required to be paid by the Mortgagor pursuant to the Mortgaged Lease, and (vii) not consent to the subordination of the Mortgaged Lease to any mortgage of the fee interest of the lessor under the Mortgaged Lease in the Mortgaged Property except such as agreed to by the Mortgagee.

(b) The Mortgagor, shall not, without the prior written consent of the Mortgagee, surrender the leasehold estate created by the Mortgaged Lease or terminate or cancel the Mortgaged Lease or modify, change, supplement, alter or amend the Mortgaged Lease, in any respect, either orally or in writing, and the Mortgagor hereby assigns to the Mortgagee, as further security for the payment of the Debt and for the performance and observance of the terms, covenants and conditions of this Mortgage, all of the rights, privileges and prerogatives of the Mortgagor, as lessee under the Mortgaged Lease, to surrender the leasehold estate created by the Mortgaged Lease or to terminate, cancel, modify, change, supplement, alter or amend the Mortgaged Lease, and any such surrender of the leasehold estate created by the Mortgaged Lease or termination, cancellation, modification, change, supplement, alteration or amendment of the Mortgaged Lease without the prior written consent of the Mortgagee shall be void and of no force and effect.

(c) Supplementing the provisions of subparagraph (b) above, it is understood and agreed that the Mortgagor shall not, without the Mortgagee's prior written consent, elect to treat the Mortgaged Lease as terminated under Section 365(h)(1) of the Bankruptcy Code. Any such election made without the Mortgagee's prior written consent shall be void. The Mortgagor hereby unconditionally assigns, transfers and set over to the Mortgagee all of the Mortgagor's

claims and rights to the payment of damages arising under the Bankruptcy Code from any rejection by the lessor under the Mortgaged Lease. The Mortgagee shall have the right to proceed in its own name or in the name of the Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Mortgaged Lease, including, without limitation, the right to file and prosecute, to the exclusion of the Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of such lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the indebtedness and obligations secured by the Mortgage shall have been satisfied and discharged in full. Any amounts received by the Mortgagee as damages arising out of the rejection of the Mortgaged Lease as aforesaid shall be applied first to all costs and expenses of the Mortgagee (including, without limitation, attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this Paragraph 3.28 and then shall be applied against the Debt in such order, priority and proportion as the Mortgagee shall determine. If any action, motion or notice shall be commenced or filed in respect of the Mortgagor, as lessee under the Mortgaged Lease, or all or any portion of the Mortgaged Property in connection with any case under the Bankruptcy Code, the Mortgagor shall give the Mortgagee prompt written notice thereof and the Mortgagee shall have the option, to the exclusion of the Mortgagor, exercisable upon notice from the Mortgagee to the Mortgagor, to conduct and control any such litigation with counsel of the Mortgagee's choice. The Mortgagee may proceed in its own name or in the name of the Mortgagor in connection with any such litigation, and the Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by the Mortgagee in connection therewith. The Mortgagor shall, upon demand, pay to the Mortgagee all costs and expenses (including attorneys' fees) paid or incurred by the Mortgagee in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by the Mortgagor as aforesaid shall be secured by the lien of the Mortgage and shall be added to the Debt. The Mortgagor shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Mortgaged Lease in any such case under the Bankruptcy Code without the prior written consent of the Mortgagee. The Mortgagor shall, immediately after obtaining knowledge thereof, notify the Mortgagee and its counsel of any filing by or against the lessor under the Mortgaged Lease of a petition under the Bankruptcy Code. The Mortgagor shall thereafter forthwith give written notice of such filing to the Mortgagee, setting forth the date of such filing, the court in which the petition was filed and the relief sought therein. The Mortgagor shall promptly deliver to the Mortgagee, following receipt, any and all notices, summonses, pleadings, applications and other documents received by the Mortgagor in connection with any such petition and any proceedings relating thereto.

(d) If the Mortgagor shall default in the performance or observance of any term, covenant or condition of the Mortgaged Lease on the part of the Mortgagor, as lessee thereunder, to be performed or observed, then, without limiting the generality of the other provisions of this Mortgage, and without waiving or releasing the Mortgagor from any of its obligations hereunder, the Mortgagee shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Mortgaged Lease on the part of the Mortgagor, as lessee thereunder, to be performed or observed to be promptly performed or observed on behalf of the

Mortgagor, to the end that the rights of the Mortgagor in, to and under the Mortgaged Lease shall be kept unimpaired and free from default. If the Mortgagee shall make any payment or perform any act or take action in accordance with the preceding sentence, the Mortgagee will notify the Mortgagor of the making of any such payment, the performance of any such act, or the taking of any such action. All sums so paid by the Mortgagee and all costs and expenses incurred by the Mortgagee in connection with the performance of any such act shall be paid by the Mortgagor to the Mortgagee upon demand with interest at the Default Rate from the date of the payment or incurrance thereof, and the same shall be deemed to be secured by this Mortgage and shall be a lien on the Mortgaged Property prior to any right, title to, interest in or claim upon the Mortgaged Property attaching subsequent to the lien of this Mortgage. In any such event, subject to the rights, if any, of lessees and other occupants under the Leases, the Mortgagee and any person designated by the Mortgagee shall have, and are hereby granted, the right to enter upon the Mortgaged Property at any time and from time to time for the purpose of taking any such action. If the lessor under the Mortgaged Lease shall deliver to the Mortgagee a copy of any notice of default sent by said lessor to the Mortgagor, as lessee under the Mortgaged Lease, such notice shall constitute full protection to the Mortgagee for any action taken or omitted to be taken by the Mortgagee, in good faith, in reliance thereon.

(e) Upon and during the continuance of an Event of Default, the Mortgagor hereby irrevocably appoints the Mortgagee its true and lawful attorney-in-fact in its name or otherwise to do any and all acts and to execute any and all documents which in the reasonable opinion of the Mortgagee may be necessary or desirable to preserve any rights of the Mortgagor in, to or under the Mortgaged Lease, or any occupancy lease, license or concession, including, without limitation, the right (but not the obligation) to cure any defaults of the Mortgagor as lessee under the Mortgaged Lease, preserve any rights of the Mortgagor whatsoever in respect of any part of the Mortgaged Property or to execute an extension or renewal of the Mortgaged Lease as hereinafter set forth. The Mortgagor shall, within ten (10) days of request by the Mortgagee, obtain from the lessor under the Mortgaged Lease such certificates of estoppel with respect to compliance by the Mortgagor with the terms of the Mortgaged Lease as may be requested by the Mortgagee. The Mortgagor shall exercise each individual option, if any, to extend or renew the term of the Mortgaged Lease upon demand by the Mortgagee made at any time within one (1) year of the last day upon which any such option may be exercised, and the Mortgagor hereby expressly authorizes and appoints the Mortgagee the Mortgagor's attorney in fact to exercise, either jointly or individually, any such option in the name of and upon behalf of the Mortgagor, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest.

(f) The generality of the provisions of this Paragraph 3.28 relating to the Mortgaged Lease shall not be limited by other provisions of this Mortgage or any other agreement between the Mortgagee and the Mortgagor, setting forth particular obligations of the Mortgagor which are also required of the Mortgagor as tenant under the Mortgaged Lease.

3.29 New Mortgaged Lease with Mortgagee. If the Mortgaged Lease shall be terminated prior to the natural expiration of its term due to an event of default thereunder, and if, pursuant to any provision of the Mortgaged Lease, the Mortgagee or its designee shall acquire

from the lessor under the Mortgaged Lease a new lease of the Premises and the Improvements, the Mortgagor shall have no right, title or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.

3.30 No Merger of Fee and Leasehold Estates. So long as any portion of the Debt shall remain unpaid, and unless the Mortgagee shall otherwise consent, the fee title to the Premises and the Improvements and the leasehold estate therein created pursuant to the provisions of the Mortgaged Lease shall not merge, but shall always be kept separate and distinct, notwithstanding the union of such estates in the Mortgagor or in any other person, by purchase, operation of law or otherwise. If the Mortgagee shall acquire the fee title to the Premises and the Improvements and the leasehold estate therein created pursuant to the provisions of the Mortgaged Lease, by foreclosure of this Mortgage or otherwise, such estates shall not merge as a result of such acquisition and shall remain separate and distinct for all purposes after such acquisition unless and until the Mortgagee shall elect to merge such estates.

3.31 Waiver of Special Damages. **To the full extent permitted by applicable law, the Mortgagor shall not assert, and hereby waives, any claim against the Mortgagee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Mortgage, or any agreement or instrument contemplated hereby, the Notes, or the use of the proceeds thereof.**

3.32 WAIVER OF JURY TRIAL. **THE MORTGAGOR AND (BY ACCEPTANCE OF THIS MORTGAGE) THE MORTGAGEE HEREBY WAIVE, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS MORTGAGE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE MORTGAGOR AND THE MORTGAGEE (A) CERTIFY THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER AS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS MORTGAGE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

[Signature Page Follows]

IN WITNESS WHEREOF, the Mortgagor has duly executed this Mortgage the day and year first above written.

HTG Heron Estates Senior, LLC
a Florida limited liability company
By: HTG Heron Estates Senior Manager, LLC
a Florida limited liability company
its manager

By: _____
Matthew Rieger, Manager

STATE OF FLORIDA)
) ss.:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by Matthew Rieger, as Manager of HTG Heron Estates Senior Manager, LLC, a Florida limited liability company, the Manager of HTG Heron Estates Senior, LLC, a Florida limited liability company on behalf of the limited liability company. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public

EXHIBIT A
(Description of Premises)

Prepared by and after recorded mail to:
Phillips Lytle LLP
1400 First Federal Plaza
Rochester, New York 146514
Attn: Thomas R. Burns

ASSIGNMENT OF MORTGAGE AND SECURITY DOCUMENTS

(Heron Estates Apartments Project / Florida Multifamily Mortgage Revenue Bonds,
Series 2017A & Series 2017B)

KNOW ALL MEN BY THESE PRESENTS: that, in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, in hand paid by U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, as Trustee (the “Trustee” or “Assignee”) to the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, a body corporate and politic duly created, organized and existing under the laws of the State of Florida (“Authority” or “Assignor”) pursuant to that certain Trust Indenture dated as of _____, 2017, by and between the Assignor and the Trustee (the “Indenture”), relating to the Assignor’s \$6,700,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2017A (Heron Estates Senior Project) and its \$5,200,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2017B (Heron Estates Senior Project) (the “Bonds”) at or before the ensembling and delivery of these presents, the receipt and sufficiency of which are hereby acknowledged, and in accordance with the terms of the Indenture, the Assignor has granted, bargained, sold, assigned, transferred and set over, and by these presents does grant, bargain, sell, assign, transfer and set over unto Assignee all of the Assignor’s rights, title and interest in, to and under that certain Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (Leasehold) dated as of March 1, 2017 (the “Mortgage”) made by HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company (the “Borrower”), as mortgagor, to the Assignor, as mortgagee, upon lands situate and being in Palm Beach County, Florida, and more particularly described in Exhibit “A” attached hereto and made a part hereof (the “Property”), as recorded under Clerk’s File No. _____, in the Public Records of Palm Beach County, Florida, and all obligations secured by the Mortgage now or in the future;

TOGETHER with all of the Assignor’s rights, title and interest in that certain UCC-1 Financing Statement, listing the Borrower as debtor and the Assignor as secured party as recorded under Clerk’s File No. _____, in the Public Records of Palm Beach County, Florida.

SUBJECT TO certain rights that the Assignor has reserved under the Indenture dated as of _____, 2017 between the Assignor and Trustee and the right to enforce the Land Use Restriction Agreement dated as of _____, 2017 among the Assignor, the Trustee and the Borrower, and to collect certain fees and costs due to the Assignor, the Trustee and certain other persons.

THIS ASSIGNMENT is made without recourse and without warranties of any kind.

SIGNATURE PAGE OF THE AUTHORITY
TO ASSIGNMENT OF MORTGAGE AND SECURITY DOCUMENTS

(Heron Estates Apartments Project / Florida Multifamily Mortgage Revenue Bonds,
Series 2017A & Series 2017B)

IN WITNESS WHEREOF, this Assignment of Mortgage and Security Documents has been duly executed as of _____, 2017.

(Seal)

ATTEST:

HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA
a body corporate and politic duly created,
organized and existing under the laws of the
State of Florida

By: _____

By: _____
Patrick Franklin, Chairperson

Address:
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406
Attention: David Brandt

STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, as _____ of the Housing Finance Authority of Palm Beach County, Florida, a body corporate and politic duly created, organized and existing under the laws of the State of Florida, on behalf of the Housing Finance Authority of Palm Beach County, Florida. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida

EXHIBIT A

(Description of Premises)

PREPARED BY AND RETURN TO:

Stephen D. Sanford, Esq.
Greenberg Traurig, P.A.
777 S. Flagler Drive, Suite 300E
West Palm Beach, FL 33401

Property Appraisers Parcel
Identification (Folio) Number:

LAND USE RESTRICTION AGREEMENT

among

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA,
as the Issuer**

and

**U.S. BANK NATIONAL ASSOCIATION
as the Trustee**

and

**HTG HERON ESTATES SENIOR, LLC,
as the Borrower**

Relating to

\$6,700,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A
(HERON ESTATES SENIOR PROJECT)**

AND

\$5,300,000

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B
(HERON ESTATES SENIOR PROJECT)**

DATED AS OF MARCH 1, 2018

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LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (including the attached Freddie Mac Rider) (the “Agreement”), dated as of March 1, 2018, is by and among the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, a public body corporate and politic created pursuant to the laws of the State of Florida (together with its permitted successors and assigns, the “Issuer” or the “Authority”), U.S. BANK NATIONAL ASSOCIATION, a national banking corporation duly organized and existing under the laws of the United States with its designated corporate trust office in Fort Lauderdale, Florida, as trustee (together with its permitted successors and assigns, the “Trustee”), pursuant to that certain Trust Indenture by and between the Authority and the Trustee entered into as of March 1, 2018 (the “Indenture”), authorizing and securing the Bonds (as defined below) of the Housing Finance Authority of Palm Beach County, Florida and HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company (together with its permitted successors and assigns, the “Borrower”).

W I T N E S S E T H :

Preamble

WHEREAS, the Authority has been created and organized pursuant to and in accordance with the provisions of the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended (the “Act”), for the purpose, among others, of financing the costs of residential projects that will provide decent, safe and sanitary housing for persons and families of low, moderate and middle income in Palm Beach County, Florida (the “County”); and

WHEREAS, the Borrower has requested that the Authority issue its Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) in the aggregate principal amount of \$6,700,000 and its Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) in the aggregate principal amount of \$5,300,000 (collectively, the “Bonds”) and loan the proceeds therefrom to the Borrower (the “Project Loan”) pursuant to the terms and provisions of the Financing Agreement (as hereinafter defined) to finance a portion of the costs of the acquisition, construction and equipping of the Project (as hereinafter defined); and

WHEREAS, it is intended that the interest on the Bonds be excludable from gross income for federal income tax purposes; and

WHEREAS, to assure continued compliance with the Code and the Act (as such terms are herein defined), the Authority, the Borrower and the Trustee hereby enter into this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Authority, the Trustee and the Borrower hereby agree as follows:

Section 1: Definitions and Interpretation. Any capitalized term not otherwise defined in the recitals set forth above or as defined below shall have the meaning ascribed to such term in the Indenture or the Financing Agreement, as the case may be. The following terms shall have the respective meanings set forth below:

“Act” shall mean Chapter 159, Part IV, Florida Statutes, as amended or supplemented, Sections 2-181 through 2-191, Code of Ordinances of Palm Beach County, Florida and other applicable provisions of law.

“Certificate of Continuing Program Compliance” shall mean the certificate, substantially in the form attached as Exhibit D hereto, as such form may be revised by the Authority from time to time and provided to the Borrower if so revised, which certificate is required to be delivered by the Borrower to the Authority, the Servicer and the Trustee pursuant to Section 5(e) hereof.

“City” shall mean the City of Riviera Beach, Florida.

“Closing Date” shall mean March __, 2018.

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

“County” shall mean Palm Beach County, Florida.

“De Minimis Early Expenditures” means costs of issuance of the Bonds and any expenditures (but with respect to such expenditures, not in total in excess of the lesser of \$100,000 and 5% of the proceeds of the Bonds) that would be Qualified Project Costs but for the requirement as to timing of the expenditure.

“Eligible Persons” shall mean persons or families determined by the Authority to be of low, moderate or middle income and “eligible persons” under the Act and under the Authority’s guidelines, as applicable, which determination includes, but is not limited to, an income limit which shall not exceed 150% of the median family income for the County, adjusted for family size; provided such income limit shall not apply to any person living in a rental unit who is at least 65 years old.

“Elderly Tenant” shall mean any Low-Income Tenant or Eligible Person who is at least 62 years old. For clarification, if a unit is occupied by more than one person, only the head of household is required to be an Elderly Tenant.

“Financing Agreement” shall mean that certain Financing Agreement by and among the Authority, the Trustee and the Borrower dated as of March 1, 2018, and relating to the Project Loan.

“Issuer Fee” shall mean the amount of fifteen (15) basis points of the original amount of the Bonds payable in arrears on each April 1 and October 1 commencing April 1, 2018 and shall be payable until the end of the Qualified Project Period.

“Income Certification” shall mean a Tenant Income Certification substantially in the form of Exhibit C hereto, as such form may be revised by the Authority from time to time and in any event containing the information as may be required by applicable written rules, rulings, policies, procedures, regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code.

“Land” shall mean the real property (exclusive of any buildings thereon) described in Exhibit A attached hereto.

“Low-Income Tenant” shall mean a person or family having an income not exceeding 60% of area median income, as determined in accordance with the requirements of the Code in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size, as a 40/60 election has been made. The occupants of a residential rental unit shall not be considered to be Low-Income Tenants if all the occupants are students (as limited by Section 42(i)(3)(D) of the Code which provides exceptions if one or more of these students is receiving certain kinds of assistance or student is entitled to file a joint return under Section 6013 of the Code). The method of determining Low-Income Tenants in effect on the date of issue of the Bonds will be determinative even if such method is subsequently changed. The applicable income limits are found at HUDUSER.gov on the dataset page on the Multifamily Tax Subsidy Income Limit link.

“Outstanding” shall mean, with respect to the Bonds, the principal amount of Bonds that is outstanding under the Indenture.

“Preliminary Expenditures” means any preliminary expenditures that would otherwise qualify as Qualified Project Costs (but for the timing of the expenditures) up to an amount not in excess of 20 percent of the aggregate issue price of the Bonds. Potential Preliminary Expenditures include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or equipping of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

“Project” shall mean the Land leased to the Borrower by the Riviera Beach Housing Authority pursuant to the Third Amended and Restated Ground Lease, dated as of [November 15, 2016], and the buildings, structures, facilities and equipment now or hereafter comprising the 101 unit multifamily residential rental housing project known as “Heron Estates Senior Apartments” owned by the Borrower, located at W. 17th Court and N. Congress Avenue, Riviera Beach, Florida 33404, the leasing of the Land and the construction of which Project is to be financed, in part, with the proceeds of the Project Loan.

“Project Costs” shall mean, to the extent authorized by the Act and the Code, all costs incurred by the Borrower with respect to the leasing of the Land and the construction of the

Project, including, without limitation, costs for the planning of housing and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultants, accounting and legal services, other expenses necessary or incident to determining the feasibility of the housing development, contractors' and the Borrower's overhead and supervision fees and costs, costs of insurance and real estate taxes during construction, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made with respect to the Project), interest accrued during construction and for a reasonable period thereafter and all other costs approved by Qualified Tax Counsel; provided, however, that for Project Costs to be reimbursed from proceeds of the Project Loan such costs must be incurred no earlier than 60 days prior to June 10, 2016 or must be De Minimis Costs or Preliminary Expenditures.

"Qualified Project Costs" shall mean the Project Costs that were paid or incurred by the Borrower either (i) no earlier than 60 days prior to June 10, 2016 ("Official Intent"), (ii) Preliminary Expenditures, and (iii) De Minimis Early Expenditures (other than costs of issuance of the Bonds) and are chargeable to the Borrower's capital account for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower, or but for the proper election by the Borrower, to deduct those amounts (including fees or other costs relating to the financing of such Project and interest on indebtedness eligible for capitalization under Sections 263A and 266 of the Code, but only to the extent that such fees, costs, and interest are properly allocable to the financing of "qualified costs"); and were not paid or incurred by the Borrower or a "related person" (within the meaning of Section 1.103-11 of the Regulations) more than 60 days prior to the date the Authority expressed its Official Intent with respect to the issuance of the Bonds to finance the Project (within the meaning of Section 103-8(a)(5) of the Regulations).

"Qualified Project Period" shall mean the period beginning the first day on which at least ten percent (10%) of the residential rental units in the Project first are occupied (as certified in writing by the Borrower to the Authority, the Servicer, if any, and the Trustee) and ending on the latest of (a) the date that is fifteen years after the date on which at least fifty percent (50%) of the units in the Project are occupied (as certified in writing by the Borrower to the Authority, the Servicer, if any, and the Trustee); (b) the first day on which no Bonds or other tax-exempt private activity bonds (as defined in the Code) issued with respect to the Project are outstanding; and (c) the termination date of the housing assistance payments contract, including the initial term and any renewal thereof, if the Project is funded under Section 8 of the United States Housing Act of 1937, as amended. The Borrower is authorized to use Exhibit E attached hereto to evidence the foregoing.

"Qualified Tax Counsel" shall mean Greenberg Traurig, P.A. or an attorney or firm of attorneys that is acceptable to the Authority, the Borrower and the Servicer and is of nationally recognized standing with respect to the issuance of debt by states and their political subdivisions.

"Regulations" shall mean the regulations promulgated or proposed by the United States Department of the Treasury pursuant to the Code and applicable to the Project, as amended from time to time.

“State” shall mean the State of Florida.

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.

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: Acquisition, Construction, Equipping, Completion and Operation of the Project. The Borrower hereby represents, covenants and agrees that:

(a) The Borrower has incurred a substantial binding obligation to commence leasing of the Land and construction of the Project within the applicable period set forth in Regulation 1.148-2(e)(2), pursuant to which the Borrower is obligated to expend an amount equal to at least five percent (5%) of the “net sale proceeds” of the Bonds.

(b) The Borrower reasonably expects that the total cost of leasing of the Land, construction and equipping of the Project will be at least \$_____. Less than 25% of the proceeds of the Project Loan will be used (directly or indirectly) to acquire the Land.

(c) The Borrower will commence the construction of the Project as soon as practicable after the Closing Date, and will proceed with due diligence to complete the same.

(d) The Borrower reasonably expects to complete the construction of the Project and to expend the full amount of the proceeds of the Project Loan by not later than three years following the Closing Date.

(e) The Borrower hereby further represents, covenants and agrees that: at least ninety five percent (95%) of the proceeds of the Project Loan shall be applied to pay or reimburse the Borrower for the payment of Qualified Project Costs, and that one hundred percent (100%) of the proceeds of the Project Loan shall be applied to pay or reimburse the Borrower for the payment of Project Costs.

(f) The Borrower shall submit to the Servicer and the Trustee prior to or upon the date of each disbursement of the Project Loan, a statement certifying that the full amount of such disbursement will be applied to pay or reimburse the Borrower for the payment of Project Costs and that ninety five percent (95%) of such disbursement will be applied to pay or reimburse the Borrower for the payment of Qualified Project Costs. The Written Requisition attached to the Financing Agreement as Exhibit D shall satisfy this paragraph.

(g) The Borrower reasonably expects and covenants to meet the requirements of Section 147(d) of the Code regarding use of proceeds to lease the Land and construct the

Project. To that effect, none of the proceeds of the Project Loan will be used to acquire any property (or an interest therein) unless the first use of such property is pursuant to such leasing and construction (within the meaning of Section 147(d)(1) of the Code); provided, however, that such proceeds may be used to finance the acquisition of property (or an interest therein) where the “first use” of such property is not pursuant to such acquisition if construction expenditures with respect to such building equal or exceed fifteen percent (15%) of the portion of the cost of acquiring such building (and equipment) financed with such proceeds. For purposes of this paragraph, the term “rehabilitation expenditures” has the same meaning given the term in Section 147(d)(3) of the Code and, thus, does not include, among other things, any expenditures incurred more than two years after the later of the date the first of the Bonds are issued, or the date on which the property was acquired, or any expenditures attributable to the enlargement of an existing building nor any expenditures described within Section 47(c)(2)(B) of the Code. Expenditures to rehabilitate a building include expenditures to rehabilitate equipment or to replace equipment with equipment having substantially the same function, but only if the equipment was part of an integrated operation contained in the building prior to its acquisition by the Borrower. References to equipment in parenthesis refer only to equipment which is functionally related and subordinate to and is purchased with an existing building.

(h) The Borrower does not own any buildings or structures that are proximate to the Project, other than those buildings or structures comprising the Project, that are being financed pursuant to a common plan under which the Project is also being financed.

(i) Upon the completion of the Project, the Borrower shall submit to the Authority, the Servicer and the Trustee a certificate of completion containing the following: (i) the Borrower’s statement that the Project has been substantially completed and is ready and available for occupancy and that at least one unit in the Project has been initially occupied as of a specified date (“Completion Date”), (ii) the Borrower’s statement, of the aggregate amount of disbursements of the Project Loan up to and including the Completion Date; (iii) the Borrower’s certification that not less than ninety five percent (95%) of the net proceeds of the Project Loan have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs and that one hundred percent (100%) of the proceeds have been applied to pay or reimburse the Borrower for the payment of Project Costs. A form of completion certificate is attached hereto as Exhibit B. The certificate delivered by the Borrower shall also document compliance with the rehabilitation requirements of Section 147(d) of the Code.

Section 3: Residential Rental Property. The Authority and the Borrower hereby declare their understanding and intent that, during the term of this Agreement, the Project is to be owned, managed and operated, as a “project for residential rental property” as such phrase is utilized in Section 142(d) of the Code and as a “qualifying housing development” as defined in Section 159.603(6), Florida Statutes. To that end, the Borrower hereby represents, covenants, warrants and agrees that:

(a) The Project will be acquired, constructed and equipped for the purpose of providing multifamily “residential rental property” as such phrase is used in Section 142(d) of the Code, (ii) the Borrower shall own the entire Project for federal tax purposes, and (iii) the Project shall be owned, managed and operated as a multifamily residential rental property comprised of a building or structure or several buildings or structures containing similarly

constructed units, together with any functionally related and subordinate facilities and no other facilities, in accordance with Section 142(d) of the Code and Sections 1.103-8(b)(4) and 1.103-8(a)(3) of the Regulations (as modified by Section 142(d) of the Code), and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) The Project will comprise one or more similarly constructed residential rental units, 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, refrigerator and sink.

(c) None of the residential rental units in the Project will at any time be utilized on a transient basis or will be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or trailer park.

(d) All of the residential rental units will be similarly constructed and will be rented or available for rent on a continuous basis to members of the general public and, except as provided above, or as otherwise required under any Section 8 assistance under the United States Housing Act of 1937, as amended, or the Borrower will not give preference to any particular class or group in renting the units in the Project except that it is intended by the Borrower that the Project will be marketed only to Elderly Tenants and except to the extent that residential rental units are required to be rented to Low-Income Tenants [and the handicapped]. Low-Income Tenants will have equal access to and enjoyment of all common facilities of the Project.

(e) The Land consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream, other water body or similar property, and the Project comprises buildings, structures and facilities that are proximate and financed pursuant to a common plan.

(f) The Borrower or any related person (within the meaning of the Code) shall not occupy any of the residential rental units in the Project; provided, however, that the Borrower may occupy a unit in a building or structure that contains five or more units if the Borrower or a related person is a resident manager or other necessary employee (e.g., maintenance and security personnel).

(g) In the case of a “mixed-use” project wherein part of the building or structure, together with any facilities functionally related and subordinate thereto, contains one or more similarly constructed residential rental units that in the aggregate, meet the Low-Income Tenant occupancy requirements of Section 4 of this Agreement (the “residential rental units”) and the rest of the building is devoted to use unrelated to such units (the “nonqualifying property”), the term “residential rental project” shall mean only the residential rental units and the other portions of the Project allocable to such units, including the allocable portion of the property benefiting both the residential rental units and the nonqualifying property (e.g., the common elements), and all property benefiting only the residential rental units. The allocation of the costs of the common elements shall be made according to a method that properly reflects the

proportionate benefit derived, directly or indirectly, by the residential rental units and the nonqualifying property.

(h) If the Project is receiving Section 8 assistance, the Borrower will comply with all Section 8 requirements in administering these restrictions.

The requirements of this Section 3 shall terminate at the end of the Qualified Project Period, except as otherwise provided in Section 10 hereof.

Section 4: Low-Income Tenants 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 completed units shall be occupied by Low-Income Tenants.

(b) At all times during the Qualified Project Period, those residential rental units that are not occupied by Low-Income Tenants and are available for rental to tenants other than Low-Income Tenants in accordance with Section 4(a) hereof will be rented to or available for rent by Eligible Persons.

(c) The determination of whether the income of a resident or residents of a residential rental unit exceeds the applicable income limit shall be made at least annually on the basis of the current income of such resident or residents. For purposes of paragraphs (a), (b) and (c) of this Section 4, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Low-Income Tenant (or Eligible Person) shall be counted as occupied by a Low-Income Tenant (or Eligible Person) during such individual's or family's tenancy in such residential rental unit, even though such individual or family ceases to be a Low-Income Tenant (or Eligible Person) unless the income of this individual or family, after adjustment for family size, exceeds 140 percent of the applicable income limit, if after such determination, but before the next determination, any residential rental unit of comparable or smaller size in the building (within the meaning of Section 42 of the Code) in which such person or family resides is occupied by a new resident whose income exceeds the applicable income limit. In addition, a residential rental unit that was occupied by a Low-Income Tenant (or Eligible Person) shall be counted as occupied by a Low-Income Tenant (or Eligible Person) until it is reoccupied for a period in excess of thirty-one (31) days, at which time the unit shall be considered to be occupied by a Low-Income Tenant (or Eligible Person) only if the individual or family then occupying the unit satisfies the definition of a Low-Income Tenant (or Eligible Person).

(d) Leases shall provide for termination and eviction if a tenant has certified that he or she is a Low-Income Tenant, and has failed to so qualify, at the time of commencement of the occupancy. The form of lease to be utilized by the Borrower in renting all residential rental units in the Project shall be subject to the Authority's approval. The lease must comply with all applicable Section 8 requirements if the Project is receiving a subsidy pursuant to Section 8 of the United States Housing Act of 1937.

Section 5: Reporting Requirements.

(a) During the Qualified Project Period, the Borrower shall obtain from each Low-Income Tenant, at the time of such tenant's initial occupancy in the Project, an Income Certification dated immediately prior to the initial occupancy of such Low-Income Tenant in the Project, in the form and containing the information required by Section 1.167(k)-3(b) of the Regulations, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Attached hereto as Exhibit C is the form of the initial Income Certification to be used by the Borrower. The Borrower shall give written notice to the Authority if it intends to use a different Income Certification found acceptable by Qualified Tax Counsel.

(b) During the period commencing on the date that the first residential rental unit in the Project is occupied and continuing until the end of the Qualified Project Period, the Borrower shall obtain from each Low-Income Tenant or Eligible Person residing in the Project, at the time of such person's or family's initial occupancy in the Project, and on an annual basis thereafter, an Income Certification acceptable to the Authority. Notwithstanding the foregoing annual income recertifications shall not be required if 100% of the units are occupied by Low-Income Tenants.

(c) The Borrower shall file with the Authority and the Trustee (but only if the Authority is not in existence and no entity has been appointed to perform compliance monitoring hereunder), not later than the fifteenth (15th) day of each month, copies of the Income Certifications specified in Sections 5(a) and (b) hereof obtained by the Borrower during the previous month.

(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 Low-Income Tenants and Eligible Persons residing in the Project, and shall permit, upon five (5) Business Days' written notice to the Borrower, any duly authorized representative of the Authority, of the Servicer, if any, or of 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 Project. The Trustee shall not be required to inspect the incomes or rental records maintained by the Borrower pursuant hereto unless directed in writing by the Authority.

(e) The Borrower shall prepare and submit to the Authority not later than the fifteenth (15th) day of each month, rent rolls and a Certificate of Continuing Program Compliance executed by the Borrower stating (i) the percentage of units that were occupied by Low-Income Tenants and Eligible Persons, respectively, as of the end of the previous month, (ii) that at all times during the previous month at least 40% of the units were occupied by Low-Income Tenants (as determined in accordance with Section 4 of this Agreement or, if not, how any non-compliance has been or is being corrected), and (iii) that to Borrower's knowledge, 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 Borrower has taken or proposes to take to correct such default. Attached hereto as Exhibit D is the initial Certificate of Continuing Compliance to be used by the

Borrower. The Borrower shall provide a copy of each Certificate of Continuing Program Compliance to the Trustee at the same time such certificate is required to be provided to the Authority.

(f) To the extent required by law, the Borrower will certify annually to the Secretary of the Treasury (with a copy to the Authority) whether or not the Project continues to satisfy the requirements imposed by Sections 2, 3, 4, 5 and 6(b) of this Agreement. To that end, on or before each January 10 during the Qualified Project Period, the Borrower will submit to the Authority a draft of the completed Internal Revenue Code Form 8703 – Annual Certification of a Residential Rental Project or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. On or before each February 15 during the Qualified Project Period the Borrower will submit such completed form to the Secretary of the Treasury.

(g) The Borrower covenants that it will, when applicable, complete and deliver, to the Authority, the Servicer, if any, and the Trustee, the Certificate attached hereto as Exhibit E regarding the commencement of the Qualified Project Period.

(h) The Borrower covenants to provide to the Authority copies of its audited financial statements within 90 days after each fiscal year of the Borrower commencing with the Borrower's fiscal year ended **[December 31, 2018.]**

Section 6: Tax-Exempt Status of Bonds.

(a) The Authority hereby represents, covenants and agrees as follows:

(i) That it will not knowingly take or fail to take or permit any action to be taken that would adversely affect the exclusion from gross income under Section 103 of the Code of the interest on the Bonds and, if it should take or permit any such action, the Authority shall take all lawful actions that it can take to rescind such actions promptly upon having knowledge thereof;

(ii) that it may not make any advance (i) which would cause the amount of net proceeds of the Bonds used to finance costs of issuance to exceed two percent (2%) of the sale proceeds of the Bonds or (ii) which is for costs other than Qualified Project Costs unless, immediately after such advance, at least ninety five percent (95%) of all advances, taking into account costs of issuing the Bonds as costs which are not Qualified Project Costs, shall have been applied to finance Qualified Project Costs, provided that, with respect to the use of an advance, the Authority may conclusively rely on the Borrower's certification as to the use of the proceeds of such advance; and

(iii) that the Authority will take such action or actions (at the expense of the Borrower), as may be necessary in the opinion of Qualified Tax Counsel, to comply fully

with all applicable rules, rulings, regulations, policies, procedures or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142(d) of the Code.

(b) The Borrower hereby covenants, represents and agrees as follows:

(i) That the Borrower will not knowingly take or fail to take or permit any action to be taken which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, and, if it should take or permit any such action, the Borrower shall take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof;

(ii) that the Borrower, in order to preserve the exclusion from gross income under Section 103 of the Code of interest on the Bonds, shall not, without the written consent of the Authority, request any advance (a) which would cause the amount of net proceeds of the Bonds used to finance costs of issuance to exceed two percent (2%) of the sale proceeds on the Bonds or (b) which is for costs other than Qualified Project Costs unless, immediately after such advance, at least ninety five percent (95%) of all advances, taking into account costs of issuing the Bonds as costs which are not Qualified Project Costs to the extent paid for with the Bonds, shall have been applied to finance Qualified Project Costs; and

(iii) that the Borrower will take such action or actions as may be necessary in the opinion of Qualified Tax Counsel, to comply fully with all applicable rules, rulings, regulations, policies, procedures or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142(d) of the Code affecting the Project or the Project Loan.

Section 7: Fair Housing Laws. The Borrower will comply with all fair housing laws, rules, regulations or orders applicable to the Project.

Section 8: Covenants to Run with the Land. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 10 hereof, shall pass to and be binding upon the Borrower's assigns and successors in interest to the leasehold title to the Land or title to the Project; 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 10 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof 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 Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project. Borrower, at its cost and expense, shall cause this Agreement to be duly recorded or filed and re-recorded or refiled in such places, and shall pay or cause to be paid all recording, filing, or other taxes, fees and charges, and shall comply with all such statutes and regulations as may be required by law in order to establish, preserve and protect the ability of the Authority to enforce this Agreement.

Section 9: Indemnification of Authority and Trustee. The Borrower hereby covenants and agrees that it shall indemnify and hold harmless the Authority and the Trustee and its officers, directors, officials and employees from and against (i) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees

or licensees, in connection with the Project Loan or the Project except for the payment of principal and interest on the Project Loan or the Bonds; (ii) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding specified in (i) above brought thereon and (iii) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with the enforcement of the provisions of this Agreement. In the event that any action or proceeding is brought against the Authority or the Trustee or any of its officers, directors, officials or employees with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party (which notice shall be timely given so as to not prejudice the rights of the Borrower), shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. Any indemnified party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof, and the Borrower shall pay the fees and expenses of such separate counsel, provided that the applicable indemnified party shall make a good faith effort to notify the Borrower of the engagement of such separate counsel and is provided a good faith estimate of the probable costs associated therewith. The Borrower's obligations under this Section 9 shall exist only for its own acts and omissions (including those of its agents, contractors, servants, employees and licensees), whether or not the right to indemnification arises after a change in ownership of the Project, and the Borrower shall not be liable for the acts or omissions of any other successor during such time that such successor is the owner of the Project provided such successor has agreed to be bound by the provisions of this Section 9 applicable to the Borrower. Notwithstanding the foregoing, the Borrower's obligation to indemnify the Authority and the Trustee shall not apply to actions arising from the gross negligence or willful misconduct of the Authority or the Trustee.

Section 10: Term.

(a) Subject to the rights of the Authority and the Trustee pursuant to Section 9 hereof, this Agreement shall remain in full force and effect until the "Term of this Agreement", which shall be the later of (i) the payment in full of the Bonds (or any debt obligation of the authority refunding the Bonds), or (ii) the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions of this Agreement may survive the termination of the Financing Agreement and the Indenture if repayment of the Project Loan occurs prior to the later of such events. Upon the termination of this Agreement, upon request of any party hereto, the Authority, the Trustee, the Borrower and any successor party hereto shall execute a recordable document prepared by the Authority or its counsel (at the expense of the Borrower) further evidencing such termination. Notwithstanding anything contained in this Agreement or any other document relating to the Bonds of the Project Loan (collectively, the "Loan Documents") to the contrary, the Borrower covenants to pay the Issuer Fee described herein for the Term of this Agreement.

(b) Notwithstanding Section 10(a), the terms and provisions of this Agreement (other than Section 9, to the extent applicable) shall, subject to the provisions of the last sentence in this Section 10(b), automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure to an entity other than the Borrower or a related person (within the meaning of the Code) of the Borrower, change in a federal law or an action of a federal authority after the date the Bonds are issued which prevents compliance with the covenants expressed herein, or

condemnation or similar event (as determined by the Authority upon the advice of Qualified Tax Counsel), but only if, within a reasonable period, either (i) the Bonds are redeemed and paid in full and all obligations under the Indenture and Financing Agreement and Indenture are paid in full, or (ii) amounts received as a consequence of such event are applied to provide a project that meets and is subject to the requirements of the Code and applicable Regulations thereunder. In such event, upon the request of the Borrower and at the expense of the Borrower, the parties hereto shall execute an appropriate document in recordable form prepared by the Authority or its counsel to evidence such automatic termination, but the failure to execute or record such document shall not affect the automatic termination. This Section 10(b) shall not apply (and the restrictions contained in Sections 3 and 4 shall thereafter apply) to the Project in the event that, subsequent to any involuntary noncompliance as described in this Section 10(b) but prior to the expiration of the Term of this Agreement, an obligor on the acquired purpose investment (as defined in Section 1.148-1(b) of the Regulations) or a related person (as defined in Section 147(a) of the Code) obtains an ownership interest in the Project for tax purposes.

(c) Notwithstanding any other provisions of this Agreement, this entire Agreement, or any of the provisions or Sections hereof, may be terminated with the written consent of the Authority if there shall have been received an opinion of Qualified Tax Counsel delivered to the Authority, the Borrower, the Trustee and Servicer, if any, that such termination will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Section 11: Correction of Noncompliance. The failure of the Borrower to comply with any of the provisions of either Section 3 or 4 of this Agreement shall not be deemed a default hereunder unless such failure has not been corrected within a period of sixty (60) days following the date that any of the parties hereto received written notice of such failure, unless additional time to cure or correct such failure to comply has been requested by the Borrower and has been granted by the Authority. Not later than the Business Day next succeeding the day on which the Trustee or the Authority learns of such failure, the Trustee, the Servicer, if any, or the Issuer shall attempt with reasonable diligence to notify the Borrower of such failure by telephonic communication to be confirmed in writing.

Section 12: Modification of Tax Covenants. To the extent any amendments, modifications or changes to the Regulations or the Code shall, in the written opinion of Qualified Tax Counsel filed with the Authority 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, this Agreement shall be amended and modified in accordance with such requirements to the extent necessary to maintain the tax-exempt status of the Bonds. 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 Qualified Tax Counsel to effectuate the intent of this Section 12.

Section 13: Reliance. The Authority and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by the other parties to the Loan Documents and all past, present and future owners of the Bonds interested in the legality and validity of the Bonds and in the exemption from federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Authority and

the Trustee may rely upon statements and certificates of the Borrower and the Low-Income Tenants that are believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project.

Section 14: Trustee to Monitor Compliance. The Trustee, when directed by the Authority in writing to receive reports, certifications and other documents, shall examine all such reports, certifications and other documents then required to be delivered to the Trustee hereunder and shall notify the Authority, the Servicer, if any, and the Borrower promptly if any such documents contain evidence or any indication of non-compliance with the requirements of this Agreement. In addition, and, if applicable as set forth in Section 5 hereof, the Trustee, when directed by the Authority in writing, shall deliver to the Authority on or prior to the twenty-fifth day of each month a statement as to (i) whether the Trustee has received the Income Certifications and the Certificate of Continuing Program Compliance required to be delivered by the Borrower by the fifteenth day of such month and (ii) whether any of the information contained in such documents indicates that the Borrower has failed to comply with any of the requirements contained in this Agreement. Initially the Authority assumes responsibility, acting through its agents or contractors, to monitor the Borrower's compliance with this Agreement and therefore shall not require the Trustee to receive such reports, certificates and other documents other than the Certificate of Continuing Compliance.

Section 15: Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project.

Section 16: Transfer of Project; Covenants to Run with the Land.

(a) Except as specifically authorized pursuant and subject to the terms and provisions of the Loan Documents, the Borrower shall not (a) sell, lease, exchange, assign, convey, transfer or otherwise dispose (collectively, a "Disposition") of all or substantially all of the Project or (b) place any mortgage lien, assignment of leases and rents or security interests on or pertaining to the Project, without in each instance the prior written consent of the Authority and the Majority Owner. The Authority shall not unreasonably withhold its written consent to a Disposition, as long as the requirements of this Section 16 are fully satisfied. It is expressly agreed that, in connection with determining whether to grant or withhold such consent, the Authority may (but is not obligated to), among other things: (i) consider the creditworthiness of the party to whom such Disposition will be made and such party's management ability with respect to the Project; (ii) consider whether or not the security for repayment of the Project Loan and other payment obligations under the Indenture and other Loan Documents, and the performance of the covenants and other obligations under this Agreement (without regard to whether any of the Bonds are outstanding) or the Authority's ability to enforce its rights, remedies and recourses with respect to such security or performance will be impaired in any way or to any degree by the proposed Disposition; (iii) require that the Authority be reimbursed for all reasonable costs and expenses incurred by the Authority, to the extent applicable, in connection with investigating the creditworthiness and management ability of the party to whom such Disposition will be made in determining whether the Authority's security will be impaired by the proposed Disposition; (iv) require the payment of all payment obligations of the Borrower under the Financing Agreement, including but not limited to accrued obligations not yet payable

and, in the event of a Disposition in connection with a redemption of the Bonds prior to the termination of the Qualified Project Period, an undertaking to pay the Issuer Fee for the balance of the Qualified Project Period; (v) require the payment of the Authority's reasonable attorneys' fees and expenses in connection with such Disposition; (vi) require the express, unconditional assumption of all payment obligations and all performance obligations under this Agreement and to the extent same remain in effect, the Financing Agreement and any other document, agreement or instrument evidencing or securing the Borrower's obligations under the Financing Agreement by the party to whom such Disposition will be made (with or without the release of the transferor Borrower from liability for such obligations), which assumption shall be in form and substance satisfactory to the Authority and its counsel, and require the recording of such assumption document; (vii) require the execution of modification agreements, supplemental mortgage documents, financing statements and such other documents, agreements and instruments as the Authority or its counsel may require, and (viii) require endorsements to any existing Authority's or Trustee's title insurance policies insuring the Authority's or the Owner's liens and security interests covering the Project. The Authority may, in its discretion, release the Borrower from liability under this Agreement without releasing the Borrower from liability under any other agreement relating to the Project and may limit any such release from liability to events and occurrences arising after such Disposition, whether or not the Authority has knowledge of prior events or occurrences creating such liability at the time of the Disposition.

(b) The restrictions contained in Section 16(a) shall not be applicable to any of the following: (i) any sale, transfer, assignment, encumbrance or addition, deletion or exchange of interests in the Borrower, including, but not limited to, the interests of the investor members of the Borrower, provided such sale, transfer, assignment, encumbrance or addition does not constitute a change in ownership of the Project for federal income tax purposes, as certified in writing by the Borrower to the Authority, the Servicer, if any, and the Trustee; (ii) grants of utility-related easements and governmental easements and any other easement and use agreements and service-related leases or easements, such as laundry service leases or television cable easements, over portions of the Project, provided, however, the same are granted in the ordinary course of business in connection with the operation of the Project as contemplated by this Agreement; (iii) leases of apartment units to tenants, including Low-Income Tenants and Eligible Persons, in accordance with the requirements of this Agreement; (iv) any sale or conveyance to a condemning governmental authority as a direct result of a condemnation or a governmental taking or a threat thereof; (v) the placing of a subordinate mortgage lien, assignment of leases and rents or security interests on or pertaining to the Project if made expressly subject and subordinate to this Agreement and the Indenture and provided that such subordinate mortgage lien, assignment of leases and rents or security interests is permitted by the Security Instrument; or (vi) any change in allocations or preferred return of capital, depreciation or losses or any final adjustment in capital accounts (all of which may be freely transferred or adjusted by the Borrower pursuant to the Borrower's creation documents); provided, however, the Authority may require the mortgagee or any person acquiring the Project through foreclosure or by deed in lieu of foreclosure to assume expressly and unconditionally all payment obligations (in the same manner as provided in the Financing Agreement with respect to the Borrower) and all performance obligations under this Agreement, and the Financing Agreement relating to the Project and any other document, agreement or instrument evidencing or securing the Borrower's obligations under the Financing Agreement by the mortgagee or person acquiring the Project,

which assumption shall be in form and substance satisfactory to the Authority and its counsel, and require the recording of such assumption document.

(c) The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 10 hereof, shall pass to and be binding upon the Borrower's assigns, and successors in title to the leasehold interest in the Land or the Project; 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 10 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof 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 Project are conveyed, all such covenants, reservations and restrictions shall run to each portion of the Project.

Section 17: Burden and Benefit. The Authority, the Trustee and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Borrower's legal leasehold interest in the Land and the Project is rendered less valuable thereby. The Authority, the Trustee 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 leasehold interest in the Land and the Project by Low-Income Tenants and Eligible Persons, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds are to be issued.

Section 18: Remedies; Enforceability. If a violation of any of the provisions hereof occurs or is attempted and continues beyond the expiration of any applicable cure or grace period, the Authority and its successor and assigns may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, to compel specific performance hereunder to recover monetary damages caused by such violation or attempted violation. The provisions hereof are imposed upon and made applicable to the leasehold interest in the Land and shall run with the leasehold interest in the Land and shall be enforceable against the Borrower or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions 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 similar breach or violation hereof at any later time or times. With the exception of the obligations of the Borrower to the Authority and the Trustee set forth in Section 9 of this Agreement, the liability of the Borrower under this Agreement is and shall be limited to the interest of the Borrower in the Project, it being specifically understood and agreed that the Borrower shall not have any personal liability with respect to the obligations of the Borrower set forth herein, and that any party seeking to enforce personal liability against the Borrower shall look only to said interest of the Borrower for the satisfaction of such liability.

Notwithstanding anything contained in this Agreement to the contrary, the Authority, the Trustee or any person under their control shall not exercise any remedies or direct any proceeding hereunder other than to enforce rights of specific performance hereunder, provided that such enforcement shall not include seeking monetary damages.

Section 19: Governing Law. This Agreement shall be governed by the laws of the State.

Section 20: Filing. This Agreement shall be duly recorded in the Office of the Clerk of the Circuit Court for Palm Beach County, Florida prior to the recording of the Security Instrument.

Section 21: Amendments. This Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto and duly recorded in the Office of the Clerk of the Circuit Court for Palm Beach County, Florida. The Authority's consent to any such amendment, revision or termination shall be given only in accordance with the Indenture.

Section 22: Notice. Any written notice required or permitted to be given hereunder shall be given by (i) personal delivery, (ii) registered U.S. mail or (iii) registered expedited service at the addresses set forth below or at such other addresses as may be specified in writing by the parties hereto. Any such notice shall be deemed received on (i) the date of delivery, if given by personal delivery or by expedited delivery service, or (ii) upon the earlier of the third (3rd) Business Day after the date of mailing or upon actual receipt, if sent by registered U.S. mail.

Issuer: Housing Finance Authority of Palm Beach County, Florida
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406
Attention: David Brandt, Executive Director

with a copy to: Morris G. (Skip) Miller, Esq.
Greenspoon Marder, LLC
525 Okeechobee Blvd., Suite 900
West Palm Beach, Florida 33401

The Trustee: U.S. Bank National Association
550 W. Cypress Creek Rd, Suite 380
Fort Lauderdale, FL 33309
Attention: Corporate Trust

Borrower: HTG Heron Estates Senior, LLC
c/o Housing Trust Group
3225 Aviation Avenue, Suite 602
Coconut Grove, Florida 33133
Attention: Matthew Rieger

with a copy to: Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami Beach, Florida 33130
Attention: Brian J. McDonough, Esq.

with a copy to: CREA Heron Estates, LLC
c/o CREA, LLC
30 South Meridian Street, Suite 400
Indianapolis, IN 46204

and

Saxon Gilmore & Carraway, P.A.
201 E. Kennedy Blvd., Suite 600
Tampa, Florida 33602
Attention: Bernice S. Saxon, Esq.

with a copy to: CREA Heron Estates, LLC
c/o CREA, LLC
30 South Meridian Street, Suite 400
Indianapolis, IN 46204

with a copy to: Jones Day
100 High Street, 21st Floor
Boston, Massachusetts 02110
Attention: John D. Kelley, Esq.

Section 23: 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 24: 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 25: Fees and Expenses of Trustee. The Borrower agrees to pay the reasonable fees and expenses of the Trustee, if the Trustee is required by the provisions of Section 5 or Section 14 hereof to monitor compliance hereunder.

[Signature pages follow]

[LAND USE RESTRICTION AGREEMENT -- Heron Estates Senior Project]

IN WITNESS WHEREOF, the Authority, the Trustee and the Borrower have executed this Agreement by duly authorized representatives, all as of the date first written hereinabove.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: _____
Name: _____
Title Secretary

By: _____
Name: _____
Title: Chairperson

WITNESS:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Print Name: _____

By: _____
Name: Amanda Kumar
Title: Assistant Vice President

By: _____
Print Name: _____

WITNESS:

HTG HERON ESTATES SENIOR, LLC,
a Florida limited liability company

By: HTG Heron Estates Senior Manager,
LLC, a Florida limited liability
company, as Manager

By: _____
Print Name: _____

By: _____
Name: Matthew Rieger
Title: Manager

By: _____
Print Name: _____

STATE OF FLORIDA)
)SS:
COUNTY OF PALM BEACH)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____ and _____, known to me to be the same persons whose names are subscribed to the foregoing instrument as Chairperson and Secretary, respectively, of the Housing Finance Authority of Palm Beach County, Florida (the "Authority") appeared before me this day in person and acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Authority, and delivered the said instrument as the free and voluntary act of said Authority and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of March, 2018.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

STATE OF FLORIDA)
)SS:
COUNTY OF PALM BEACH)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Amanda Kumar, known to me to be the same person whose name is subscribed to the foregoing instrument as Assistant Vice President of U.S. Bank National Association, appeared before me this day in person and acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said bank and delivered the said instrument as the free and voluntary act of said bank and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of March, 2018.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

STATE OF FLORIDA)
)SS:
COUNTY OF PALM BEACH)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Matthew Rieger, known to me to be the same person whose name is subscribed to the foregoing instrument as Manager of HTG Heron Estates Senior Manager, LLC, a Florida limited liability company, and Manager of HTG Heron Estates Senior, LLC, a Florida limited liability company, appeared before me this day in person and acknowledged that he, being thereunto duly authorized, signed and delivered the said instrument as the free and voluntary act of said entity and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of March, 2018.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in Palm Beach County, Florida, described as follows:

EXHIBIT B

FORM OF CERTIFICATE CONCERNING COMPLETION OF THE PROJECT

THIS CERTIFICATE is being executed pursuant to the provisions of the Land Use Agreement, dated as of March 1, 2018, and recorded in the Public Records of Palm Beach County, Florida (the "County"), in Official Records Book _____, Page _____, (the "Agreement), among the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), U.S. Bank National Association (the "Trustee") and HTG Heron Estates Senior, LLC (the "Borrower") in connection with the financing by the Authority of the acquisition, of a leasehold interest in the Land and the construction and equipping of the Heron Estates Senior Apartments (the "Project") in the City of Riviera Beach, Florida located on real property described on Exhibit "A" of the Agreement, through the issuance of the Authority's \$_____ Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) and its \$_____ Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) (collectively, the "Bonds").

The Borrower hereby certifies as follows:

1. The Project has been substantially completed and is ready and available for occupancy and at least one unit in the Project has been initially occupied as of _____, 20____.

2. The use of the Project Loan (as defined in the Agreement) and other sources of funds for the Project Cost budget as a final allocation of proceeds for purposes of Regulation § 1.148-6(d) of the aggregate amount of disbursements of the Project Loan up to and including the Completion Date were as follows:

See Schedule A

3. Not less than ninety five percent (95%) of net proceeds of the Bonds have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs and one hundred percent (100%) of the proceeds of the Bonds have been applied to pay or reimburse the Borrower for the payment of the Project Costs.

WITNESS:

HTG HERON ESTATES SENIOR, LLC,
a Florida limited liability company

By: HTG Heron Estates Senior Manager,
LLC, a Florida limited liability
company, as Manager

By: _____
Print Name: _____

By: _____
Name: Matthew Rieger
Title: Manager

By: _____
Print Name: _____

STATE OF FLORIDA)
)SS:
COUNTY OF _____)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Matthew Rieger, known to me to be the same person whose name is subscribed to the foregoing instrument as Manager of HTG Heron Estates Senior Manager, LLC, a Florida limited liability company, and Manager of HTG Heron Estates Senior, LLC, a Florida limited liability company, appeared before me this day in person and acknowledged that he, being thereunto duly authorized, signed and delivered the said instrument as the free and voluntary act of said entity and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of March, 2018.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

SCHEDULE A

EXHIBIT C

INCOME CERTIFICATION

The undersigned hereby (certify) (certifies) that:

1. This Income Certification is being delivered in connection with the undersigned's application for occupancy of Apartment # _____ in Heron Estates Senior Apartments, in Palm Beach County, Florida.

2. List all the occupants of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is any individual who has been, or will be, a full-time student at an educational institution during each of five calendar months of the year in which this application is submitted, other than correspondence school, with regular facilities and students).

	<u>Occupant</u>	<u>Relationship</u>	<u>Age</u>	<u>Student</u> <u>(Yes or No)</u>
(a)	_____	_____	_____	_____
(b)	_____	_____	_____	_____
(c)	_____	_____	_____	_____
(d)	_____	_____	_____	_____
(e)	_____	_____	_____	_____

3. Are any of the students listed in paragraph 2:

- (1) a student and receiving assistance under title IV of the Social Security Act,
- (2) a student who was previously under the care and placement responsibility of the State agency responsible for administering a plan under part B or part E of Title IV of the Social Security Act, or
- (3) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or local laws; or
- (4) a single head of household parent who lives with her/his children who are such parent's dependents, or
- (5) married and files a joint return.

Yes _____ No _____

4. The total anticipated income for each person listed in paragraph 2 above including the head of the family and spouse (even if temporarily absent) during the 12 month period commencing with the date occupancy will begin includes the:

full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, bonuses and other compensation for personal services; net income from

operation of a business or profession; withdrawals of cash or assets from the operation of a business or profession; interest and dividends and other net income from real or personal property; the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; public assistance income, where payments include amounts specifically designated for shelter and utilities; period and determinable allowances such as alimony and child support, and regular contributions or gifts from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces and any earned income tax credit to the extent it exceeds income tax liability:

but shall exclude:

temporary, or non-recurring income (including sporadic or irregular gifts; amounts which are specifically for reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payment (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment; special pay to a family member exposed to hostile fire; amounts received in other publicly assisted programs which are specifically for reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; payments received pursuant to participation in ACTION volunteer programs; and income from the employment of children (including foster children) under the age of 18 years;

is as follows:

	<u>Occupant</u>	<u>Anticipated Annual Income</u>
(a)	_____	\$ _____
(b)	_____	\$ _____
(c)	_____	\$ _____
(d)	_____	\$ _____
(e)	_____	\$ _____
	Total	\$ _____

5. If any of the occupants listed in paragraph 2 above has any savings, bonds, equity in real property, or other form of capital investment (but do not include necessary items such as furniture or automobiles, and the value of a trust fund assuming the trust is not revocable by or

under the control of any member of the household)¹, enter the following amounts (see instructions):

(a) (i) the total value of all such assets owned by all such persons:

\$ _____,

(ii) a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD: (applicable passbook savings rate _____ %):

\$ _____,

(b) the amount of income expected to be derived from such assets in the 12-month period commencing with the occupancy of the unit: \$ _____, and

(c) the amount of such income in 5(a)(ii) which is included in 4 (see instructions).

[Remainder of page intentionally left blank.]

¹Include the value over and above actual consideration received, except in a foreclosure or bankruptcy, of any asset disposed of for less than fair market value within two years of the date of this Income Certification. A disposition as part of a separation or divorce settlement will not be considered to be for less than fair market value if applicant receives important consideration not measurable in dollar terms.

6. RESIDENT'S STATEMENT: The information on this form is to be used to determine maximum income for eligibility. I/we have provided, for each person set forth in paragraph 2, (i) if the owner/Borrower is seeking to qualify such persons as "Low-Income Tenants" (as defined in the Land Use Restriction Agreement by and among the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA (the "Authority"), the Trustee and the owner/Borrower, either (a) an Employer's Verification of current anticipated annual income, if the occupant is currently employed, or (b) if the occupant is currently unemployed, an unemployed applicant affidavit or such other evidence of current anticipated income as is acceptable to the Authority and is consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended, or (ii) if the owner/Borrower is seeking to qualify such persons as "Eligible Persons" (as defined in the Regulatory Agreement), either (a) an Employer's Verification of current anticipated annual income' if the occupant is currently employed, an unemployed applicant affidavit or (b) if the occupant is currently unemployed, such other evidence of current anticipated income as is acceptable to the Authority and is consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended, or (c) copies of their most recent Federal income tax return, if a return was filed for the most recent year. I/We certify that the statements above are true and complete to the best of my/our knowledge and belief on the date hereof and are given under the penalty of perjury. In the event this Income Certification is executed more than five (5) days prior to the date I/we intend to occupy the unit, I/we hereby agree to update and recertify the accuracy of the information herein provided as of the date I/we first occupy the unit.

- (a) _____ Date: _____
- (b) _____
- (c) _____
- (d) _____
- (e) _____

STATE OF FLORIDA)
) SS
COUNTY OF PALM BEACH)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day, personally appeared _____ known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and notarial seal this _____ day of _____, _____.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

7. OWNER/BORROWER'S STATEMENT: The family or individual(s) named in paragraph 2 of this Income Certification is/are eligible under the provisions of the Regulatory Agreement, to live in a unit in the Project, and, based upon the aggregate anticipated annual income from paragraph 4 and, if applicable, the greater of the amounts stated in paragraph 5(a)(i) or 5(a)(ii) less the amount shown in paragraph 5(b), which in the aggregate will be \$_____. The family or individual(s) constitute(s):

- a. A Low-Income Tenant (current maximum income adjusted for a family size of _____ is \$_____)
- b. An Eligible Person other than a Low-Income Tenant (current maximum income is \$_____)

Signature of Owner/Borrower's
Authorized Representative

Date

STATE OF FLORIDA)
) SS
COUNTY OF PALM BEACH)

The foregoing paragraph 7 was acknowledged before me, the undersigned, a Notary Public in and for said County and State, on this day, by _____.

GIVEN under my hand and notarial seal this _____ day of _____, _____.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

8. If this Income Certification was executed by me/us more than five (5) days prior to my/our occupancy of the unit, I/we hereby update and recertify the accuracy of the information herein provided as of _____, _____ and state:

- a. No additional information required to be provided to make this Income Certification true and correct on the date of this certification; or
- b. The following information is provided to update the information previously provided in this Income Certification:

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing paragraph 8 was acknowledged before me, the undersigned, a Notary Public in and for said County and State, on this day, by _____.

GIVEN under my hand and notarial seal this _____ day of _____, _____.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

9. OWNER/BORROWER'S STATEMENT: The family or individual(s) named in paragraph 2 of this Income Certification have, pursuant to paragraph 6 hereof, updated and recertified the information heretofore provided as specifically set forth in paragraph 8 hereof.

Signature of Owner/Borrower's
Authorized Representative

Date

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing paragraph 9 was acknowledged before me, the undersigned, a Notary Public in and for said County and State, on this day, by _____.

GIVEN under my hand and notarial seal this _____ day of _____, _____.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

INFORMATION CONCERNING INCOME CERTIFICATION

In order for interest on the Authority's \$6,700,000 Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) and its \$5,300,000 Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) to qualify as an "exempt facility bond" under Section 142(d) of the Internal Revenue Code, forty percent (40%) of the units in each multifamily residential project must be occupied by Low-Income Tenants. In addition, unless the Authority imposes a greater set aside, State law requires that at least sixty percent (60%) of the units in such project be occupied by eligible persons. The purpose of the Income Certification (the "Certification") is to assist in determining whether the occupants of a particular unit are Low-Income Tenants for federal tax purposes or income-eligible for State law purposes.

Paragraph 2 of the Certification asks the occupants to list their names, relationship, ages, and whether they are students. Paragraph 3 of the Certification asks whether any of the students listed in paragraph 2 are able to file a joint return for federal income tax purposes (i.e., are they married). Paragraph 4 of the Certifications asks each occupant to list his/her anticipated annual income, as defined. Finally, paragraph 5 asks the occupants to estimate the value of all "capital investments" (excluding "necessary items"), the estimated amount of income expected to be derived from these "capital investments," and the amount of income (that has already been included in paragraph 4 of the Certification) expected to be derived from those "capital investments."

The information provided in paragraphs 2 through 5 of the Certification should be sufficient to determine whether an individual(s) or the family constitutes a Low-Income Tenant for federal income tax purposes, and whether the individual(s) or the family constitutes an eligible tenant for State law purposes, if applicable.

The Regulations provide that the occupants of a unit shall not be considered of "low or moderate income" if all of the occupants are students determined using rules similar to Section 42(i)(3)(D) of the Code (i.e., the low income housing tax credit student rule which is set forth in the Certification). Thus, if paragraph 2 of the Certification indicates that all or the occupants are students, and if paragraph 3 of the Certification indicates that none of the students meet the listed exceptions, the occupants, are not Low-Income Tenants even if the occupants have no income. It should be noted, however, that even though the occupants may not qualify as Low-Income Tenants for federal income tax purposes, they may, in fact, qualify as "eligible tenants" for State purposes.

Assuming the occupants of the units are not all non-qualifying students, the next step in filing out the Certification is to determine the "anticipated annual income" of the occupants of the unit for the "certification year." The "certification year is the twelve-month period of time that begins on the date the unit is first occupied. Thus, if the Certification is completed before the prospective tenants move in, the occupants are required to recertify the Certification not more than five days prior to the date they actually move into the unit so that you may determine whether they continue to qualify as Low-Income Tenants.

All payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household excluding only the income from

employment of children (including foster children) under the age of 18 years that are members of the household should be included in “anticipated annual income.” For example, if a 17-year old son or daughter has a part- or full-time job that pays \$5,000 per year and has income from bank deposits of \$100 per year, only the \$100 should be listed. Paragraph 2 of the Certification indicates the various relationships of the occupants in a household and their ages.

Once the anticipated annual income in paragraph 4 of the Certification has been totaled, you should determine whether the occupants have “capital investments,” including capital investments of any children in the family, of more than \$5,000 listed in paragraph 5(a) of the Certification. If the “capital investments” exceed \$5,000, “anticipated annual income” will be the sum of the amount totaled in paragraph 4 of the Certification and the greater of, if any, (a) the actual amount of income in paragraph 5(b), minus the amount of income enumerated in paragraph 5(c), if any, or (b) the “imputed amount of income” minus the amount of income enumerated in paragraph 5(c), if any. The “imputed amount of income” is the value of the assets listed in paragraph 5(a) of the Certification multiplied by the “current passbook savings rate” as determined by the United States Department of Housing and Urban Development. (The “current passbook savings rate” will vary from time to time and will first be available around January 1 of each year; if the “current passbook savings rate” is unavailable, you should multiply the value of the assets by 10%). For example, if the prospective occupants list assets of \$7,000 in paragraph 5(a) of the Certification, and the “current passbook savings rate” is 3%, the “imputed amount of income” is \$210.

The “anticipated annual income” of paragraph 4 of the Certification plus, if the capital investments exceed \$5,000, the necessary adjustments of paragraph 5 of the Certification, as discussed in the preceding paragraph, should be entered in the blank in paragraph 7 of the Certification. If the amount entered into the blank in paragraph 7 of the Certification does not exceed sixty percent (60%) of the median gross income for the area, the occupants qualify as Low-Income Tenants and paragraph 7(a) of the Certification should be checked. If the amount entered in the blank in paragraph 7 of the Certification exceeds sixty percent (60%) of the median gross income of the area, the occupants do not qualify as Low-Income Tenants. In such case, the occupants still may qualify as “eligible tenants” for State law purposes and paragraph 7(b) of the Certification should be checked if they so qualify.

The Low-Income Tenants requirement must be met for the “qualified project period.” Thus, forty percent (40%) of the units must be occupied by occupants tenants qualifying as Low-Income Tenants beginning at the time when at least ten percent (10%) of the units are first occupied. For example, if a project contains 100 units, the low-income restrictions need not be met until at least 10 units have been occupied. However, as soon as at least 10 units have been occupied, 4 units must actually be occupied by Low-Income Tenants, i.e., it is not sufficient that 4 units are reserved for Low-Income Tenants.

It should be noted that a unit occupied by an individual or family who at the commencement of such occupancy is a Low-Income Tenant is treated as occupied by such an individual or family during their occupancy of such unit, unless the income of this individual or family, after adjustment for family size, exceeds 140 percent of the applicable income limit, if after such determination, but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the applicable

income-limit. Further, if a tenant has occupied a unit for a length of time and decides to add a roommate, the “anticipated annual income” of the new tenant when he/she first occupies the unit, and the “anticipated annual income” of the existing tenant when he/she first occupied the unit must be aggregated to determine whether the unit may continue to be certified as being occupied by a Low-Income Tenant and a new Income Certification be obtained listing all tenants at such time. If, however, the occupants of a unit move into another unit in the Project, the second unit will be treated as occupied by a Low-Income Tenant only if the occupant qualified as a Low-Income Tenant at the time of the move. Moreover, if a Low-Income Tenant moves out of a unit, such unit is treated as occupied by a Low-Income Tenant until reoccupied at which time the character of the unit shall be determined.

Finally, if in paragraph 6 of the Certification an occupant is unable to provide an Employer Verification because he/she is currently unemployed, such occupant must provide such evidence of income as would be acceptable to prove income under Section 8 of the United States Housing Act of 1937, as amended, or such occupant may not be included as a Low-Income Tenant; such occupant may nevertheless be included as an eligible tenant (assuming her/her anticipated income is within the applicable limits) if such tenant provides his/her most recent federal income tax return or other proof of income that would be acceptable evidence under guidelines applicable to Section 8 of the United States Housing Act of 1937, as amended.

EXHIBIT D

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE

WITNESSETH that on this _____ day of _____, the undersigned, having borrowed certain funds through the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA (the "Authority") for the purpose of financing the cost of acquiring, constructing and equipping the HERON ESTATES SENIOR PROJECT, a multifamily rental housing project (the "Project"), does hereby certify that such Project is in continuing compliance with the Land Use Restriction Agreement (herein, the "Regulatory Agreement") executed by the undersigned and filed in the official public records of Palm Beach County, Florida (including the requirement that all units be and remain rental units), that an Income Certification has been submitted for each new tenant in such Project since the filing of the last such certification and that the same are true and correct to the best of the undersigned's knowledge and belief. As of the date of this Certificate, the following percentages of the residential units in the Project are occupied by Low-Income Tenants (as such term is defined in the Regulatory Agreement), Eligible Persons (as such term is defined in the Regulatory Agreement), Non-Revenue Units, Elderly Tenants (as such term is defined in the Regulatory Agreement) for each rental unit, and Vacant Units:

Total number of units available for occupancy as of the last day of the month of _____.

	Percentage	Number
Low-Income Tenants	_____ %	_____
Eligible Persons	_____ %	_____
Non-Revenue Units	_____ %	_____
Vacant Units	_____ %	_____
TOTAL	100%	_____

The total number of units occupied by Elderly Tenants as of the last day of the month: _____

HTG HERON ESTATES SENIOR, LLC,
a Florida limited liability company

By: HTG Heron Estates Senior Manager,
LLC, a limited liability company, as
Manager

By: _____
Name: Matthew Rieger
Title: Manager

Total Number of 1-Bedroom
Units

Number of Occupied by
Low-Income Tenants

% of 1-Bedroom Units
Occupied by Low-Income
Tenants

(A)_____

(B)_____

(B/A)_____

Total Number of 2-Bedroom
Units

Number of Occupied by
Low-Income Tenants

% of 2-Bedroom Units
Occupied by Low-Income
Tenants

(A)_____

(B)_____

(B/A)_____

EXHIBIT E

FORM OF CERTIFICATE CONCERNING COMMENCEMENT AND TERMINATION OF QUALIFIED PROJECT PERIOD

THIS CERTIFICATE is being executed pursuant to the provisions of the Land Use Agreement, dated as of March 1, 2018, and recorded in the Public Records of Palm Beach County, Florida (the "County"), in Official Records Book _____, Page _____, (the "Agreement"), among the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), U.S. Bank National Association (the "Trustee") and HTG Heron Estates Senior, LLC (the "Borrower") in connection with the financing by the Authority of the Heron Estates Project (the "Development") in the incorporated area of Riviera Beach, Florida located on real property described on Exhibit "A" of the Agreement, through the issuance of the Authority's \$6,700,000 Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) and its \$5,300,000 Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) (collectively, the "Bonds").

The period for which the restrictions set forth in the Agreement are applicable to the Development is referred to as the "Qualified Project Period" and is defined in the Agreement as follows:

"Qualified Project Period" shall mean that period, beginning on the first day on which at least ten percent (10%) of the residential units in the Development are first occupied and ending on the latest of (i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Development are first occupied; or (ii) the first day on which no tax-exempt private activity bond (including but not limited to the Bonds) issued with respect to the Development is outstanding; or (iii) the date on which any assistance provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates; provided, however, that the Qualified Project Period shall earlier terminate on the day on which an opinion of Qualified Tax Counsel is delivered to the Trustee, the Authority and the Servicer, if any, to the effect that the termination of the restrictions set forth in this Agreement on such date shall not adversely affect the exclusion of interest paid on the Bonds from gross income of Bondholders for federal income tax purposes.

To evidence the Qualified Project Period with respect to the Development, the Borrower certified to the following:

1. The Bonds in the amount of \$ _____ were issued on a draw-down basis on March ____, 2018 (the "Closing Date").
2. The first day on which at least ten percent (10%) of the units in the Development were first occupied was _____.
3. The date on which at least fifty percent (50%) of the units in the Development were first occupied was _____.
4. The date of initial occupancy of any unit in the Development was _____.

Prior to the recording of this Certificate in the land records of the County, the Borrower has supplied the Authority with documentation to establish the facts relating to the Development set forth in this Certificate, which documentation has been found satisfactory to all parties. Nothing in this Certificate is intended to modify the requirement that all units in the Development be rented as residential rental property for the term during which the Bonds are outstanding.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower has caused this Certificate to be executed by its duly authorized representative, and the Authority has caused this Certificate to be accepted by its duly authorized representative as of this _____ day of _____, 20__.

WITNESS:

HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA

By: _____
Print Name: _____

By: _____
Name: _____
Title: _____

By: _____
Print Name: _____

WITNESS:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Print Name: _____

By: _____
Name: _____
Title: _____

By: _____
Print Name: _____

WITNESS:

HTG HERON ESTATES SENIOR, LLC, a
Florida limited liability company

By: HTG Heron Estates Senior Manager,
LLC, a limited liability company, as
Manager

By: _____
Print Name: _____

By: _____
Name: Matthew Rieger
Title: Manager

By: _____
Print Name: _____

STATE OF FLORIDA)
)SS:
COUNTY OF PALM BEACH)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____, known to me to be the same person whose name is subscribed to the foregoing instrument as _____ of the Housing Finance Authority of Palm Beach County, Florida (the "Authority") appeared before me this day in person and acknowledged that he/she, being thereunto duly authorized, signed, sealed with the seal of said Authority, and delivered the said instrument as the free and voluntary act of said Authority and as his/her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, 20__.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

STATE OF FLORIDA)
)SS:
COUNTY OF PALM BEACH)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____, known to me to be the same person whose name is subscribed to the foregoing instrument as _____ of U.S. Bank National Association, appeared before me this day in person and acknowledged that she, being thereunto duly authorized, signed, sealed with the seal of said bank and delivered the said instrument as the free and voluntary act of said bank and as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 20__.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
- Produced identification:

(Type of Identification Produced)

STATE OF FLORIDA)
)SS:
COUNTY OF PALM BEACH)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Matthew Rieger, known to me to be the same person whose name is subscribed to the foregoing instrument as Manager of HTG Heron Estates Senior Manager, LLC, a Florida limited liability company, and Manager of HTG Heron Estates Senior, LLC, a Florida limited liability company, appeared before me this day in person and acknowledged that he, being thereunto duly authorized, signed and delivered the said instrument as the free and voluntary act of said entity and as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 20__.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or
Type as Commissioned)

- Personally known to me, or
 Produced identification:

(Type of Identification Produced)

**FEE GUARANTY AND ENVIRONMENTAL
INDEMNITY AGREEMENT**

THIS FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT (herein the “Agreement”) is made and entered into on March 1, 2018, by and among the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, a public body corporate and politic of the State of Florida (together with its successors and assigns, the “Issuer”), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States and having a designated corporate trust office located in Fort Lauderdale, Florida (together with its permitted successors and assigns, the “Trustee”), HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company (“Owner”), HTG HERON ESTATES SENIOR MANAGER, LLC, a Florida limited liability company, as manager (the “Manager”), HERON ESTATES ELDERLY LLC, a Florida limited liability company, as member of the Owner (the “Member”), HTG AFFORDABLE, LLC, a Florida limited liability company, BALOGH FAMILY PARTNERSHIP, LLC, a Florida limited liability company (the “Partnership”), RANDY E. RIEGER, an individual and MATTHEW RIEGER, an individual (each individually, including the Owner, referred to herein as an “Indemnitor” and collectively referred to as the “Indemnitors”).

W I T N E S S E T H:

WHEREAS, pursuant to the terms and provisions of that certain Financing Agreement dated as of March 1, 2018 (the “Financing Agreement”), by and among the Issuer, the Owner and the Trustee, the Issuer shall make a mortgage loan in the initial principal amount of \$12,000,000 (the “Project Loan”) and shall loan the proceeds received therefrom to the Owner pursuant to the terms of the herein referred to Trust Indenture to be used for the purpose of financing a portion of the costs of the Project (as such term is defined in the Financing Agreement) located on the property described on Exhibit A attached hereto (the “Property”); and

WHEREAS, pursuant to the terms and provisions of that certain Trust Indenture dated as of March 1, 2018 (the “Trust Indenture”), by and between the Issuer and the Trustee, the Issuer intends to issue its Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Senior Project) in the aggregate principal amount of \$6,700,000 (the “Series 2018A Bonds”) and its Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Senior Project) in the aggregate principal amount of \$5,300,000 (the “Series 2018B Bonds,” and together with the Series 2018A Bonds, the “Bonds”) to generate the proceeds necessary to make the Project Loan; and

WHEREAS, in connection with the issuance of the Project Loan, the Owner shall enter into that certain Land Use Restriction Agreement, dated as of March 1, 2018 (the “Restriction Agreement”), by and among the Owner, the Issuer and the Trustee; and

WHEREAS, the Restriction Agreement requires the Owner to set aside and rent a number of units in the Project financed with the Project Loan to low-income tenants as required by the Internal Revenue Code of 1986, as amended, during the Qualified Project Period (as such term is defined in the Restriction Agreement); and

WHEREAS, for as long as the Restriction Agreement shall remain in effect, the Owner is obligated to pay the Issuer Fee, an annual fee of equal to 15 basis points on the initial par amount of the Project Loan per annum (\$18,000), payable semi-annually in arrears on each March 1 and September 1 commencing September 1, 2018; for the period commencing from the Effective Date; and

WHEREAS, as a condition of the Issuer making the Project Loan and loaning the proceeds to the Owner, the Issuer requires the Indemnitors to enter into this Agreement for the benefit of the Issuer and the Trustee; and

WHEREAS, any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Trust Indenture, the Restriction Agreement or Financing Agreement, as applicable.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Indemnification.

A. Notwithstanding any other provision in any of the Loan Documents to the contrary, the Indemnitors, hereby agree, on a joint and several basis, to indemnify and hold harmless the Issuer and the Trustee, their respective officers, employees, agents, successors and assigns (collectively, the “Indemnified Parties” and, individually, an “Indemnified Party”) from and against all claims, demands, losses, costs, fines, penalties, judgments, suits, proceedings, orders, forfeitures, damages (including, without limitation, consequential damages suffered by a third party claimant) and expenses of every kind and nature whatsoever, whether joint or several, that arise out of or relate to any Hazardous Materials (as herein defined) at, on, in, under, affecting, emanating or otherwise related to any portion of the Project.

The foregoing indemnity includes, but is not limited to, the following: reasonable out-of-pocket attorneys’ and consultants’ fees and court costs (including those incurred at the appellate level); all actual out-of-pocket costs of removing, remediating, and implementing corrective action required by due applicable governmental authority with respect to, abating or otherwise responding to Hazardous Materials relating to the Project; costs incurred to avoid the imposition of, or to discharge, a lien on the Project arising out of any environmental law, regulation, order or cleanup; all actual out-of-pocket costs of determining whether the Project is, and causing the Property to be, in compliance with all applicable environmental laws, regulations and orders; and all actual out-of-pocket costs associated with claims for injury to persons, property or natural resources.

For purposes herein, “Hazardous Material” means (i) any “hazardous substance” defined as such in (or for the purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601(14), as amended from time to time, or any so-called “superfund” or “superlien” law, including the judicial interpretation thereof, (ii) any “pollutant or contaminant” as defined in 42 U.S.C.A. § 9601(33), as amended from time to time, (iii) any material now defined as “hazardous waste” pursuant to 40 C.F.R. Part 260, (iv) any petroleum, including crude oil or any fraction thereof, (v) any natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, (vi) any “hazardous chemical” as defined

pursuant to 29 C.F.R. Part 1910, as amended from time to time, and (vii) any other substance, regardless of physical form, that is subject to any other law or other past, present or future requirement of any governmental authority regulating, relating to, or imposing obligations, liability or standards of conduct concerning the protection of human health, plant life, animal life, natural resources, property or the reasonable enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy, from whatever source; provided however that the term "Hazardous Materials" shall not apply to substances in quantities that are generally recognized to be appropriate to normal residential uses and to the maintenance of property of a size and use comparable to the Property.

B. In the event that any Indemnified Party receives notice that any action or proceeding has been brought against such Indemnified Party with respect to which indemnity may be sought hereunder, such Indemnified Party shall, as a condition of such indemnification, give written notice thereof to any of the Indemnitors within 30 days after receipt of such notice. The Indemnitors, upon timely written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnitors, subject to the approval of the Indemnified Party, which approval shall not be unreasonably withheld in such party's reasonable discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Issuer and the Trustee shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not unreasonably be conditioned, delayed or denied. In the event of a conflict of interest either between any of the Indemnitors and any Indemnified Party or among any Indemnified Parties, each Indemnified Party with respect to which such conflict of interest exists shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Indemnitors shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed under the circumstances described above, the Indemnitors shall not be required to pay the fees and expenses of such separate counsel.

C. Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Restriction Agreement and the other Loan Documents, the Indemnitors shall remain obligated to indemnify each Indemnified Party pursuant to this Agreement with respect to acts and occurrences which arose during the Owner's Ownership of the Project. Notwithstanding anything to the contrary contained herein, the Indemnitors shall have no liability with respect to acts and occurrences not arising during the Owner's ownership of the Project.

D. Except as otherwise provided herein, the obligations of the Indemnitors under this Agreement shall survive, and shall in no way be limited, impaired or otherwise affected by the foreclosure of the Project or acceptance by any person of a deed in lieu of foreclosure and shall be independent of the obligations of the Owner to the Issuer and the Trustee under the Restriction Agreement and Financing Agreement.

E. Any amount claimed hereunder, accompanied by appropriate backup information by an Indemnified Party and an explanation of the amounts claimed, not paid by the

Indemnitors within thirty (30) days after written demand from such Indemnified Party shall bear interest at the prime rate of U.S. Bank National Association, plus 2.00%.

F. The liability of the Indemnitors under this Section 1 shall in no way be limited, impaired or otherwise affected by, and Indemnitors hereby consent to and agree to be bound by, any amendment or modification of the provisions of the Restriction Agreement or Financing Agreement made with the consent of the Owner in accordance with the terms thereof. In addition, except as otherwise provided herein, the liability of the Indemnitors under this Section 1 shall in no way be limited, impaired or otherwise affected by (i) any extensions of time for or waivers of performance of any covenants or obligations set forth in the Restriction Agreement or any of the other Loan Documents, (ii) any sale, assignment or transfer of the Project, (iii) the release of the Owner or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Restriction Agreement or any of the other Loan Documents or by operation of law, the Issuer's or the Trustee's voluntary act, or otherwise, or (iv) any delay or omission by the Issuer or the Trustee in its choice of remedies under the Restriction Agreement or any of the other Loan Documents, which with the passage of time and events may or may not prove to have been the best choice to maximize recovery by the Issuer or the Trustee at the lowest cost to the Indemnitors, it being understood that such choice of remedies will necessarily be and should properly be a matter of business judgment.

G. To the extent allowed by law, each of the Indemnitors hereby waives (i) any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (ii) any defense, right of set-off or other claim which any Indemnitor may have against any Indemnified Party, or (iii) any and all formalities which otherwise might be legally required to charge the Indemnitors with liability hereunder; provided, however, that the Indemnitors shall have no liability hereunder unless the Indemnitors receive timely written notice as set forth in paragraph B hereof.

H. No modification or waiver of any of the provisions of this Section 1 shall be binding upon any party hereto except as expressly set forth in a writing duly signed and delivered on behalf of such party.

I. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given if given in accordance with the terms of Section 8.7 of the Financing Agreement.

J. In the event of any inconsistencies or conflicts between the terms of this Section 1 and the terms of any of the Loan Documents (including any exculpatory language contained therein), the terms of this Section shall control, provided however, that it is not the intention of the parties hereto to change directly or indirectly the nature of the Indemnitors' nonrecourse obligation with respect to payment of the Project Loan under the Financing Agreement.

K. Notwithstanding anything to the contrary contained herein, the Indemnitors shall have no liability to an Indemnified Party, or, as appropriate, liability shall be reduced by any applicable comparative negligence statutes, in connection with a specific claim

for indemnity by an Indemnified Party if a court of competent jurisdiction shall determine that such claim for damages arises out of or was caused by the gross negligence or willful misconduct or intentional acts of such Indemnified Party. The Indemnitors shall have no further liability under this Agreement for any acts or omissions occurring after a foreclosure or deed in lieu of foreclosure whereby as a result therefrom neither the Owner nor a related party to the Owner has any interest in the Project.

L. The rights of the Issuer and the Trustee under this Agreement shall be in addition to, and not in lieu of, any other rights and remedies of the Issuer and the Trustee under the Trust Indenture or any of the Loan Documents.

Section 2. Fee Guaranty of Issuer's Fee and Trustee Fees. Notwithstanding any provision in any Loan Document or any other resolution or document to the contrary, the Indemnitors agree to pay the Issuer's fees (including, but not limited to, the fees described in Section 10 of the Restriction Agreement), Trustee fees and all fees and reasonable out of pocket expenses incurred by the Issuer, its counsel, Bond Counsel and the Trustee and its counsel in connection with the transactions contemplated under the Financing Agreement. Until the agreements set forth herein are completely performed, this Section 2 shall survive the payment in full of the Project Loan and the disposition of the Project.

Section 3. Limitation of Liability. Notwithstanding anything to the contrary set forth in this Agreement, the obligations of the Member are limited to eligible non-public housing assets (e.g., assets not subject to a declaration of trust and/or not acquired or merged with assets acquired with public housing funding under the United States Housing Act of 1937, as amended). Any Indemnified Parties shall have no legal right of recourse under this Agreement against:

- (i) any public housing project of the Riviera Beach Housing Authority;
- (ii) any operating receipts of the Riviera Beach Housing Authority derived from its public housing property; or
- (iii) any public housing operating reserve of the Riviera Beach Housing Authority reflected in its annual operating budget.

Further, notwithstanding anything to the contrary set forth in this Agreement, nothing in this Agreement shall be deemed or construed as a waiver of any privilege, immunity or other protection available to the Member under the doctrine of sovereign immunity or the limitations of liability contained in Section 768.28, Florida Statutes. Likewise, any claim for indemnity against the Member brought under this Agreement shall comply with the procedural requirements and pre-suit conditions contained in Section 768.28, Florida Statutes.

Section 4. Termination. This Agreement shall terminate on the later of the date that (i) the Bonds are no longer outstanding, (ii) the Restriction Agreement terminates pursuant to Section 10(a) thereof, or (iii) the final rebate calculation has been made and any rebate that is owed by the Owner has been paid; provided, however, that this Agreement shall continue and the Indemnitors shall remain obligated hereunder for any causes arising or accruing prior to such termination.

Section 5. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same agreement, and in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflict of law principles. The provisions of Section 8.15 of the Financing Agreement shall be applicable to the enforcement of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Guaranty and Environmental Indemnity Agreement to be executed as of the ___ day of March, 2018.

[SEAL]

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, as the Issuer

Attest:

By: _____
Name: _____
Title: Secretary

By: _____
Name: _____
Title: Chairperson

U.S. BANK NATIONAL ASSOCIATION, as the Trustee

By: _____
Name: Amanda Kumar
Title: Assistant Vice President

HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company, as the Owner

By: HTG Heron Estates Senior Manager, LLC, a Florida limited liability company, its Managing Member

By: _____
Name: Matthew Rieger
Title: Manager

HTG HERON ESTATES SENIOR MANAGER, LLC, a Florida limited liability company, as Manager of the Owner

By: _____
Name: Matthew Rieger
Title: Manager

HERON ESTATES ELDERLY LLC, a
Florida limited liability company, as
Member of Owner

By: Heron Estates, Inc., a Florida not-
for-profit corporation, its Manager

By: _____
Name: John W. Hurt
Title: Secretary

HTG AFFORDABLE, LLC, a Florida limited
liability company

By: _____
Name: _____
Title: _____

BALOGH FAMILY PARTNERSHIP, LLC, a
Florida limited liability company

By: _____
Name: Orli Techetbaun
Title: Manager

RANDY E. RIEGER, individually

MATTHEW RIEGER, individually

EXHIBIT A
LEGAL DESCRIPTION

WPB/384034106v8/007132.102600

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

HTG HERON ESTATES SENIOR, LLC

AND

JPMORGAN CHASE BANK, N.A.

BOND PURCHASE AGREEMENT

Dated _____, 2018

RELATING TO \$6,700,000 HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018A (HERON ESTATES SENIOR PROJECT)] AND \$5,300,000 HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA MULTIFAMILY MORTGAGE REVENUE BONDS, SERIES 2018B (HERON ESTATES SENIOR PROJECT)

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(This Table of Contents is not part of the Bond Purchase Agreement
and is for convenience of reference only.)

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BOND PURCHASE AGREEMENT

THIS BOND PURCHASE AGREEMENT (this “Bond Purchase Agreement”) is dated _____, 2018 and is by and among (A) HOUSING FINANCE AUTHORITY OF PALM BEACH 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 “Authority”), (B) HTG HERON ESTATES SENIOR, LLC, a Florida limited liability company (together with its permitted successors and assigns, the “Borrower”), and (C) JPMORGAN CHASE BANK, N.A., a national banking association organized and existing under the laws of the United States of America (together with its successors and assigns, the “Purchaser”).

WITNESSETH:

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PURCHASE OF THE BONDS BY THE PURCHASER, AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS, TO WIT:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. All of the capitalized terms used in this Bond Purchase Agreement shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Exhibit A and made a part hereof and to the extent not otherwise defined, as set forth in the Financing Agreement.

SECTION 1.02. Interpretation.

(A) In this Bond Purchase Agreement, unless the context otherwise requires:

(1) the terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Bond Purchase Agreement, refer to this Bond Purchase Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Bond Purchase Agreement;

(2) words of masculine gender shall mean and include correlative words of the feminine and neuter genders;

(3) words importing the singular number shall mean and include the plural number, and vice versa;

(4) any headings preceding the texts of the several Articles and Sections of this Bond Purchase Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and

shall neither constitute a part of this Bond Purchase Agreement nor affect its meaning, construction or effect;

(5) unless otherwise stipulated, all references to time in this document refer to New York City time;

(6) any certificates, letters or opinions required to be given pursuant to this Bond Purchase Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Bond Purchase Agreement; and

(7) in any case where the date of payment of interest on or principal of the Bonds, or the date fixed for redemption of any portion of the Bonds, 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 Business Day with the same force and effect as if made on the date of payment or the date fixed for redemption or purchase, and no interest shall accrue for the period after such date.

(B) All conditions and requirements of this Bond Purchase Agreement relating to the obligations of the Purchaser to advance the proceeds of the Bonds are for the sole benefit of the Purchaser and no other person or party shall have the right to rely on the satisfaction of such conditions and requirements by the Borrower as a condition precedent to the Purchaser making any advance, or for any other purpose.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. Representations of and Warranties by the Authority. The Authority represents and warrants to the Purchaser and the Borrower as follows:

(A) The Authority is a public body corporate and politic of the State. Under the provisions of the Act, the Authority has the power to (1) enter into this Bond Purchase Agreement and the other Financing Documents entered into by it and (2) carry out its obligations hereunder and thereunder.

(B) The Authority has approved the Loan and the issuance and sale of the Bonds. By proper action, the Authority has duly authorized the issuance, execution and delivery of the Bonds and the execution and delivery of this Bond Purchase Agreement and each of the other Financing Documents executed and delivered by the Authority.

(C) No board member or employee of the Authority has an interest in the Bonds, the Financing Documents, the Borrower or the Project.

(D) With the exception of the Financing Documents and contracts entered into by the Authority, the Authority has not entered into any contract or arrangement of any

kind the performance of which by the party thereto would give rise to a superior Lien on the Project.

(E) All approvals, consents and orders of each Governmental Authority, board or agency having jurisdiction which would constitute a condition precedent to the performance by the Authority of its obligations hereunder and under the Indenture, the Bonds, the Loan Agreement and the Regulatory Agreement have been obtained and the Authority has taken all actions and obtained all approvals required by the Act.

(F) The Bonds, when issued and delivered in accordance with the Indenture and purchased by the Purchaser as provided herein, will be the validly issued and outstanding obligations of the Authority enforceable in accordance with their respective terms (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity) and entitled to the benefits of the Indenture as provided herein.

(G) The Authority has not been notified of any listing by the Internal Revenue Service to the effect that the Authority is an issuer of tax-exempt obligations whose arbitrage certifications may not be relied upon.

SECTION 2.02. Covenants of the Authority With the Purchaser and the Borrower. The Authority covenants with the Purchaser and the Borrower as follows:

(A) The Authority will take no action, and, to the extent of its ability to do so, will suffer no action to be taken, to terminate its existence.

(B) The Authority will take all action and do all things which is authorized by law to take and do and which are permitted under this Bond Purchase Agreement and the other Financing Documents to do (1) in order to perform and observe all covenants and agreements on its part to be performed and observed under this Bond Purchase Agreement and the other Financing Documents to which the Authority is a party and (2) in order to provide for and to assure payment of the principal of, and the premium, if any, and interest on, the Bonds when due in accordance with the terms thereof.

(C) The Authority will not, without the prior written consent of the Purchaser, create any assignment, mortgage, deed of trust, pledge, security interest or other lien, encumbrance or charge on (1) the Project, other than Permitted Encumbrances, or (2) any revenues derived or to be derived from the Project, other than as permitted by the Financing Documents, or (3) the Bond Proceeds, other than as permitted by the Financing Documents.

(D) The Authority will not issue any other bonds payable in whole or in part from the payments payable under the Notes without the prior written approval of the Purchaser.

(E) The Authority will promptly notify the Purchaser and the Trustee of the occurrence of any Event of Default of which it has actual knowledge.

SECTION 2.03. Representations of and Warranties By the Borrower. The Borrower represents and warrants to the Purchaser and the Authority as follows:

(A) The Borrower (1) is a limited liability company duly organized and validly existing and in good standing under the laws of the State and is duly authorized to do business in the State, (2) has full power and authority to execute and deliver the Financing Documents to which the Borrower is a party and to enter into and perform its obligations under the Financing Documents to which the Borrower is a party, (3) has duly authorized, executed and delivered the Financing Documents to which the Borrower is a party and (4) represents and warrants that such documents constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, subject to bankruptcy laws and general equitable principles.

(B) The representations and warranties contained in Section 2.2 of the Financing Agreement are true in all material respects, and by this reference such representations and warranties are incorporated into this Bond Purchase Agreement.

(C) Except as set forth in the certificate of the Borrower executed in connection with the issuance of the Bonds, there are no actions, suits or proceedings at law or in equity, or before or by any Governmental Authority, pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the Project or which may materially adversely affect the financial condition of the Borrower, or involving the validity or enforceability of any of the Financing Documents or the priority of the Liens thereof, and, to the Borrower's knowledge, neither is the Borrower in default with respect to any order, writ, judgment, decree or demand of any court or any Governmental Authority.

(D) Neither the execution and delivery of the Financing Documents to which the Borrower is a party, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will (1) result in a breach of or conflict with any term or provision in the articles of organization or Operating Agreement of the Borrower, (2) require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Borrower is a party or by which the Borrower or any Property of the Borrower may be bound or affected, or (3) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Borrower or any of the Property of the Borrower.

(E) The Borrower is and will be the sole and beneficial owner of the leasehold estate in the Mortgaged Property in its own right, subject only to the Permitted Encumbrances, and except for tenants under residential leases of a term of one year or less, no party other than the Authority and the Borrower has any beneficial or equitable right, title or interest in the Project or any part thereof.

(F) No approval or other action by any Governmental Authority (other than the consent of HUD in connection with the ACC Amendment) is required in connection with the execution or performance by the Borrower of the Financing Documents to which the Borrower is a party.

(G) The Borrower has not made any contract or arrangement of any kind (which remains unpaid) the performance of which by the other party thereto would give rise to a Lien on the Project except for the Financing Documents, Permitted Encumbrances and contracts with materialmen and subcontractors, and neither is the Borrower in default under the Financing Documents.

(H) There is no default under any Financing Document and no event has occurred and is continuing which with notice or the passage of time or both would constitute a default under any Financing Document.

(I) All proceeds of the Bonds advanced to or upon the order of the Borrower (1) shall be used solely for paying the Project Costs and Costs of Issuance, and (2) not less than 50% of the aggregate basis of the Improvements and the Premises will be financed with Bond Proceeds.

(J) The Borrower will comply with all of the terms, conditions and provisions of the Regulatory Agreements. All of the representations, certifications, statements of reasonable expectation and covenants made by the Borrower in the Regulatory Agreements are hereby declared to be for the benefit of, among others, the Authority and the Purchaser and, by this reference, are incorporated by this reference as though set forth in full herein.

(K) The Plans and Specifications have been approved by all applicable Governmental Authorities, and upon completion in accordance with the Plans and Specifications, the Improvements and the use and occupancy thereof will comply in all material respects with all applicable Legal Requirements. Neither the zoning or any other right to construct, use or operate the Improvements is to any extent dependent upon or related to any real estate other than the Mortgaged Property. All approvals, licenses and permits required from Governmental Authorities under applicable Legal Requirements in connection with the current phase of the construction of the Improvements have been obtained and the Borrower has no knowledge of any information suggesting that approvals, licenses and permits for future phases of construction will not be received in a timely manner.

(L) The Budget accurately reflects all costs to construct the Improvements and place the Project in service.

(M) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its subsidiaries and their respective partners, members, directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and

agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any subsidiary or to the knowledge of the Borrower or such subsidiary any of their respective partners, members, directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing, use of proceeds or other transaction contemplated by the Financing Agreement will violate Anti-Corruption Laws or applicable Sanctions.

SECTION 2.04. Covenants of the Borrower. The Borrower covenants and agrees with the Authority and the Purchaser for the benefit of the Authority, the Purchaser and any subsequent holders from time to time of the Bonds as follows:

(A) The Borrower will promptly notify the Authority, the Trustee and the Purchaser of the occurrence of any Event of Default of which it has knowledge.

(B) The Borrower has acquired or will acquire a leasehold interest in the Premises pursuant to the terms of the Ground Lease, and will construct and/or reconstruct the Improvements and acquire and install the Equipment in the Improvements or elsewhere on the Premises substantially in accordance with the Plans and Specifications.

(C) The advances of the Loan received under the Notes pursuant to the terms hereof and of the Financing Agreement and the right to receive such advances will be used for the purpose of paying for the construction of the Improvements. The Borrower will not request any advance of the Loan and the Borrower shall not use, and shall assure that its subsidiaries and its or their respective directors, officers, partners, members, employees and agents shall not use, the proceeds of the Loan (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, businesses or transactions will be prohibited by Sanctions if conducted by a corporation incorporated in the United States, or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(D) The covenants set forth in the Financing Agreement will be observed, and such covenants are incorporated into this Bond Purchase Agreement.

(E) The Borrower shall not create, assume or suffer to exist any assignment, mortgage, pledge, security interest or other lien, encumbrance or charge upon its interest in the Project, other than as described herein and other than Permitted Encumbrances, nor shall it assign its interest in the Project, without the prior written approval of the Purchaser.

(F) Except for Permitted Encumbrances and as described herein and as permitted in the Security Instrument and the other Financing Documents, the Borrower will not convey or encumber its interest in the Project or any portion thereof or interest

therein nor assign this Bond Purchase Agreement or the proceeds derived from the sale of the Bonds, or to be advanced, to or upon the order of the Borrower.

(G) The Borrower will permit the Purchaser and/or its representatives to enter upon the Premises and inspect the Improvements and the Equipment and to examine all detailed plans and shop drawings which are or may be kept at the site at reasonable times upon reasonable notice.

(H) The Borrower will cause the acquisition, construction and installation of the Project to be prosecuted with diligence and continuity and will complete the same substantially in accordance with the Plans and Specifications on or before the Construction Completion Date, free and clear of unbonded Liens (other than Permitted Encumbrances) or claims for Liens for material supplied and for labor or services performed in connection with the acquisition, construction and installation of the Project.

(I) The Borrower will indemnify the Purchaser, the Trustee and the Authority from claims of brokers arising by reason of the execution hereof or the consummation of transactions contemplated hereby and from expenses incurred by the Purchaser, the Trustee or the Authority in connection with any such claims (including reasonable attorneys' fees).

(J) The Borrower will deliver to the Purchaser, on demand, copies of any contracts, bills of sale, statements, receipted vouchers or agreements, under which the Borrower, the Authority or the Trustee claim title to any materials, fixtures or articles constituting part of the Equipment or incorporated in the Improvements or subject to the Lien of the Security Instrument.

(K) The Borrower will, upon demand of the Purchaser, enforce its rights against the General Contractor and other third parties to correct any structural defect in the Improvements or any material departure from the Plans and Specifications not approved by the Purchaser in writing; the advance of any proceeds shall not constitute a waiver of the Purchaser's right to require compliance with this covenant with respect to such defects or departures from the Plans and Specifications not previously discovered by, or called to the attention of, the Purchaser.

(L) The Borrower will, upon request of the Purchaser, furnish the Purchaser with evidence satisfactory to the Purchaser, showing payment of all bills and charges for which advances of the proceeds of the Loan have been previously made. It shall also deliver to the Purchaser, upon request, such bills, receipts, invoices and other evidence as may be reasonably required by the Purchaser to substantiate the actual incurrence by the Borrower of items constituting the Project Costs.

(M) The Borrower will comply promptly with all Legal Requirements (including, without limitation, obtaining a certificate of occupancy) with respect to the Improvements.

(N) The Borrower shall not (1) be or become subject at any time to any law, regulation or list of any government agency, including without limitation, the U.S. Office of Foreign Asset Control that prohibits or limits the Purchaser from making any advance, loan or extension of credit to or for the benefit of the Borrower or from otherwise conducting business with the Borrower, or (2) fail to provide documentary or other evidence of the Borrower's identity as may be requested by the Purchaser at any time to enable the Purchaser to verify the Borrower's identity or to comply with any applicable law or regulation, including without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318 (the "Patriot Act").

(O) The Borrower shall not, without the prior written consent of the Purchaser, modify, amend, supplement or terminate or agree to modify, supplement or terminate (1) its articles of organization or Operating Agreement in any way which would decrease the amount or lengthen the time or alter the use of Capital Contributions, or (2) make any material change in its structure as a limited liability company, except in connection with any Permitted Transfer.

(P) The Borrower covenants and agrees that it has not and shall not:

(1) engage in any business or activity other than the acquisition, leasing, operation and maintenance of the Project, and activities incidental thereto;

(2) acquire or own any material asset other than (a) the Project, and (b) such incidental personal property as may be necessary for the operation of the Project;

(3) except in connection with Permitted Transfers, merge into or consolidate with any Person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case Purchaser's consent;

(4) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the Legal Requirements of the jurisdiction of its organization or formation;

(5) own any subsidiary or make any investment in or acquire the obligations or securities of any other Person or entity without the consent of the Purchaser;

(6) commingle its assets with the assets of any of its members, Affiliates, or of any other Person or entity or transfer any assets to any such Person or entity other than distributions on account of equity interests in the Borrower permitted under the Operating Agreement and properly accounted for;

(7) incur any Indebtedness, secured or unsecured other than unsecured advances made by the member of the Borrower pursuant to the terms of the

Operating Agreement, direct or contingent (including guaranteeing any obligation), other than under the Notes and Subordinate Loan Documents, except unsecured trade and operational debt incurred with trade creditors in the ordinary course of its business of leasing and operating the Project in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid when due and provided in any event the outstanding principal balance of such debt shall not exceed at any one time two (2) months Operating Expenses;

(8) allow any Person or entity (except a Guarantor or Key Principal) to pay its debts and liabilities or fail to pay its debts and liabilities solely from its own assets;

(9) fail to maintain its records, books of account and bank accounts separate and apart from those of the shareholders, partners, members, principals and Affiliates of Borrower, the Affiliates of a shareholder, partner or member of Borrower, and any other Person or entity fail to prepare and maintain its own financial statements in accordance with generally accepted accounting principles and susceptible to audit;

(10) excepting the Construction Contract, Development Agreement and management agreement with respect to the Project, enter into any contract or agreement with any shareholder, partner, member, principal or Affiliate of the Borrower, Managing Member, any Guarantor, any Key Principal, or any shareholder, partner, member, principal or Affiliate thereof, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or Affiliate of the Borrower, Managing Member, any Guarantor, any Key Principal, or any shareholder, partner, member, principal or Affiliate thereof;

(11) seek dissolution or winding up, in whole or in part;

(12) fail to correct any known misunderstandings regarding the separate identity of the Borrower;

(13) hold itself out to be responsible or pledge its assets or credit worthiness for the debts of another Person or entity or allow any Person or entity to hold itself out to be responsible or pledge its assets or credit worthiness for the debts of the Borrower (except for a Guarantor or Key Principal);

(14) make any loans or advances to any third party, including any shareholder, partner member, principal or Affiliate of the Borrower, or any shareholder, partner, member, principal or Affiliate thereof;

(15) fail to file its own tax returns;

(16) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or Person or to conduct its business solely in its own name in order not (a) to mislead others as to the entity with which such other party is transacting business, or (b) to suggest that the Borrower is responsible for the debts of any third party (including any shareholder, partner, member, principal or Affiliate of the Borrower, or any shareholder, partner, member, principal or Affiliate thereof);

(17) fail to allocate fairly and reasonably among the Borrower and any third party (including, without limitation, any Guarantor or Key Principal) any overhead for common employees, shared office space or other overhead and administrative expenses;

(18) allow any Person or entity to pay the salaries of its own employees or fail to maintain a sufficient number of employees for its contemplated business operations;

(19) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(20) file a voluntary petition or otherwise initiate proceedings to have the Borrower or the Managing Member, adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Borrower or the Managing Member, or file a petition seeking or consenting to reorganization or relief of the Borrower or the Managing Member, as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Borrower or the Managing Member; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequester, custodian, liquidator (or other similar official) of the Borrower or the Managing Member, or of all or any substantial part of the properties and assets of the Borrower or the Managing Member, or make any general assignment for the benefit of creditors of the Borrower or the Managing Member, or admit in writing the inability to the Borrower or any general partner, manager or managing member of the Borrower to pay its debts generally as they become due or declare or effect a moratorium on the Borrower or the Managing Member, debt or take any action in furtherance of any such action;

(21) share any common logo with or hold itself out as or be considered as a department or division of (a) any shareholder, partner, principal, member or Affiliate of the Borrower, (b) any Affiliate of a shareholder, partner, principal, member or Affiliate of the Borrower, or (c) any other Person or entity or allow any Person or entity to identify the Borrower as a department or division of that Person or entity; or

(22) conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud creditors of the Borrower or the creditors of any other Person or entity.

(Q) The Purchaser shall have the right to order new Appraisals for the Project from time to time. Each Appraisal is subject to review and approval by the Purchaser. The Borrower's obligation to pay for the cost and expenses of such Appraisals shall be limited to one additional Appraisal unless by reason of an Event of Default or it is required by law or regulation. If at any time during the Construction Term only the Purchaser's most recent Appraisal ordered by reason of an amendment to any of the Financing Documents or an Event of Default, or otherwise required by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 or other applicable Legal Requirements reveals that (1) the amount of the Loan will exceed eighty percent (80%) of the appraised value of the Project (on an as completed and stabilized basis giving effect to the contributory value of the Tax Credits) during the Construction Term, or (2) the amount of the Target Permanent Loan Amount will exceed eighty percent (80%) of the appraised value of the Project (on a rent restricted stabilized basis) for the Permanent Term, the Borrower shall make a deposit with the Purchaser as security in an amount equal to such excess, which amount shall be available for any Pre-Conversion Equalization Payment.

(R) The Borrower shall furnish or cause to be furnished to the Purchaser:

(1) As soon as available, and in any event within one hundred twenty (120) days after the close of each Fiscal Year commencing with the fiscal year ending on December 31, 2019, audited financial statements for the Borrower, in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position, examined and reported upon by an independent certified public accounting firm of recognized standing selected by the Borrower and acceptable to the Purchaser, prepared in accordance with generally accepted accounting principles consistently applied.

(2) As soon as available, and in any event within one hundred twenty (120) days after the close of each Fiscal Year during the Construction Term commencing with the Fiscal Year ending on December 31, 2017, reviewed management prepared financial statements for each Entity Guarantor, in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position, prepared in accordance with sound accounting principles consistently applied.

(3) As soon as available, and in any event within one hundred twenty (120) days after the close of each Fiscal Year, commencing with the Fiscal Year ending on December 31, 2017, personal financial statements of the Individual Guarantor.

(4) At the request of the Purchaser, as soon as available and in any event within one hundred twenty (120) days after the close of each Fiscal Year

during the Permanent Term, reviewed financial statements (both consolidated and consolidating) for the Balogh Family Partnership, LLC, in reasonable detail, including balance sheets and statements of operations and earnings and changes in financial position prepared by an independent certified public accounting firm of recognized standing selected by the Balogh Family Partnership, LLC and acceptable to the Purchaser, prepared in accordance with generally accepted accounting principles consistently applied.

(5) At the request of the Purchaser, within thirty (30) days of the date of filing, full copies of the signed federal income tax returns for the Borrower, or if applicable, Form 990, including all schedules.

(6) If requested by the Purchaser, within one hundred twenty (120) days after the close of each Fiscal Year during the Construction Term, full copies of the signed federal income tax returns, or if applicable, Form 990, for each Entity Guarantor, including all schedules.

(7) At the request of the Purchaser, within thirty (30) days of the date of filing, full copies of the signed federal income tax returns for the Individual Guarantor, including all schedules

(8) If requested by the Purchaser, within one hundred twenty (120) days after the close of each Fiscal Year during the Permanent Term, full copies of the signed federal income tax returns for the Balogh Family Partnership, LLC, including all schedules.

(9) Within thirty (30) days after the end of each calendar month starting ninety (90) days after leasing has commenced and until the Conversion Date, a monthly operating statement on a cash basis for the Project, including a report of monthly rent collections, rent roll identifying tenants by name and the unit of occupancy, a report detailing the total number of units occupied and vacant as of the end of that calendar month, the budget for the current month, year-to-date activity, year-to-date budget and reconciliation of Net Operating Income for that month.

(10) Within thirty (30) days after the end of each Fiscal Year during the Permanent Term, a certified rent roll for the Project in form and detail satisfactory to the Purchaser. If at any time the Debt Service Coverage Ratio is less than 1.05 to 1.0, the Borrower shall provide within thirty (30) days after the end of each quarter, an operating statement on a cash basis for the Project, Borrower certified rent roll and reports detailing the Borrower's efforts to improve operating performance. Quarterly reporting shall continue until such time as the Debt Service Coverage Ratio exceeds 1.05 to 1.0 for twelve (12) consecutive months.

(11) Such other information regarding the condition or operations, financial or otherwise, of the Borrower, the Guarantor, Key Principal (to the

extent not also a Guarantor) and the Project as the Purchaser may from time to time reasonably request.

(S) The Operating Reserve shall be maintained in accordance with the terms of the Operating Agreement for a period of not less than five years during the Permanent Term, commencing not later than the Conversion Date and will be subject to replenishment in full from Cash Flow (as defined in the Operating Agreement). The Purchaser's requirement with respect to the Operating Reserve shall terminate upon the full payment or redemption of all Bonds outstanding. If the Project has not achieved a Total Debt Service Coverage Ratio of at least 1.15 to 1.0 during the fifth year of the Permanent Term, the Operating Reserve will remain in effect until the year following the year in which the Project achieves a Total Debt Service Coverage Ratio of at least 1.15 to 1.0. If for any reason the Operating Reserve is not maintained pursuant to the terms of the Operating Agreement at any time or does not meet the Purchaser's minimum requirements, the Borrower will enter into an operating reserve agreement with the Purchaser which will be subject to replenishment from available cash flow and will be on other terms and conditions acceptable to the Purchaser.

(T) The Tax and Insurance Escrow Reserve shall be maintained throughout the Permanent Term with sufficient funds to pay all real property taxes and insurance with respect to the Project as the same become due and payable.

(U) The Borrower shall maintain JPMorgan Chase Bank, N.A. as its principal depository bank for reserve and escrow accounts.

(V) During the Permanent Term, in the event that the Debt Service Coverage Ratio is less than 1.05 to 1.0 for six (6) consecutive months, no distributions to members shall be permitted thereafter until a minimum Debt Service Coverage Ratio of 1.05 to 1.0 has been achieved for twelve (12) consecutive months.

(W) The Borrower will maintain in effect and in force policies and procedures designated to ensure compliance by the Borrower, its subsidiaries and their respective partners, members, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(X) The Borrower shall cause the proceeds of the third and fourth Capital Contributions and if needed, proceeds of Subordinate Loans to be deposited in an aggregate amount of \$5,300,000 with the Trustee and used for the redemption of the Series 2018B Bonds.

SECTION 2.05. Representations and Covenants of the Purchaser. The Purchaser represents to and covenants and agrees with the Authority as follows:

(A) The Purchaser has had an opportunity to make such investigations and has had access to such information with respect to the Borrower and its affairs and condition, financial or otherwise, which the Purchaser has deemed necessary in connection with and as a basis for the purchase of the Bonds, and any and all information relating to the

Borrower and its affairs which the Purchaser has requested has been provided to the Purchaser.

(B) The Purchaser is purchasing the Bonds (1) for its own account and not with a view to the distribution or resale thereof and (2) not for the account of others. The Purchaser has not offered, offered to sell, offered for sale or sold the Bonds by means of any form of general solicitation or general advertising, and will not sell the Bonds without registration under the Securities Laws or exemption therefrom.

(C) The Purchaser understands that (1) the Bonds are a special obligation of the Authority payable solely from the Notes and revenues and receipts derived by the Authority from or in connection with the Project, and (2) neither the Authority nor any board member, officer, agent or employee of the Authority has made or will make any representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Project, or the suitability of the Project for the Borrower's purposes or needs, or the extent to which the proceeds derived from the sale of the Bonds and other committed and available funding sources will be sufficient to pay the cost of undertaking or completing the Project.

(D) The Purchaser has received from the Borrower and not the Authority or Trustee whatever information requested with respect to the Borrower and the Project which the Purchaser deems, as a reasonable investor, important in reaching its decision to purchase the Bonds. The Purchaser acknowledges that the Authority, its counsel and Bond Counsel do not make any representation to the Purchaser with respect to the adequacy, sufficiency or accuracy of any financial statements or other information provided to the Purchaser by the Borrower, or with respect to the ability of the Borrower to pay the Notes or fulfill its obligations with respect to the transactions contemplated in connection therewith.

(E) The Purchaser has made its own independent investigation and evaluation of the financial position and business condition of the Borrower, or has caused such investigation and evaluation of the Borrower to be made by Persons it deemed competent to do so, and the Purchaser hereby expressly waives the right to receive such information from the Authority and relieves the Authority and any officer, board member, agent (other than the Borrower) or employee thereof of any liability for failure to provide such information or for the inclusion in any of the documents, representations or certifications to be provided by the Borrower to the Purchaser in connection with the Bonds of any untrue fact or for the failure to include therein any fact.

(F) For a proposed Transfer that does not constitute a Permitted Transfer, the Purchaser will consent thereto conditioned upon the satisfaction of each of the following requirements prior to Transfer: (1) the submission to the Purchaser of all information reasonably required by the Purchaser to make the determination required by this Section 2.05(F), (2) no Event of Default shall have occurred and is continuing, (3) the Project at the time of the proposed Transfer, meets all standards as to its physical condition that are customarily applied by the Purchaser at the time of the proposed Transfer to the approval

of properties in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by the Purchaser in exchange for such additional conditions as the Purchaser may require, (4) if the transferor or any other Person has obligations under any Financing Document, the execution by the transferee or one or more individuals or entities acceptable to the Purchaser of an assumption agreement acceptable to the Purchaser and that, among other things, requires the transferee to perform all of the obligations of the transferor or such Person set forth in the Financing Documents, and may require that the transferee comply with any provisions of the Financing Documents which previously may have been waived by the Purchaser, (5) if a guaranty has been executed and delivered in connection with the other Financing Documents, the Borrower causes one or more individuals or entities acceptable to the Purchaser to execute and deliver to the Purchaser a substitute guaranty in form and substance acceptable to the Purchaser, (6) the Purchaser has received all of the following: (a) a non-refundable Review Fee and Transfer Fee, provided, however, no Transfer Fee will be charged if the Managing Member has been removed for cause as provided in the Operating Agreement, and (b) the Borrower's reimbursement of all the Purchaser's out-of-pocket costs (including reasonable attorney's fees) incurred in reviewing the Transfer request and (7) the Borrower has agreed to the Purchaser's conditions to approve such Transfer, which may include, but are not limited to (a) providing additional collateral, guarantees or other credit support to mitigate any risk concerning the proposed transferee or the performance or condition of the Mortgaged Property and (b) amending the Financing Documents to delete any specifically negotiated terms or provisions previously granted for the exclusive benefit of the transferor and/or modify (or required if not in place) the Operating Reserve, Replacement Reserve Agreement and covenants contained in the Financing Documents which may be personal to the transferor or otherwise not capable of being complied with by the transferee. Nothing in this Section shall exempt a Transfer, including a Permitted Transfer, from complying with the applicable requirements set forth in the Financing Documents.

ARTICLE III

PURCHASE AND SALE OF THE BONDS

SECTION 3.01. Closing Date. Upon satisfaction of the conditions set forth in Section 3.02 hereof, the Purchaser will purchase the Bonds from the Authority, and the Authority will sell the Bonds to the Purchaser, on the Closing Date. The purchase price for the Bonds shall be the sum of (1) the principal amount of the Initial Advance (which shall be payable in immediately available funds) advanced by the Purchaser on the Closing Date, together with (2) all additional amounts thereafter advanced by the Purchaser pursuant to the terms of this Bond Purchase Agreement.

SECTION 3.02. Conditions Precedent to the Closing. The Purchaser shall not be obligated hereunder to purchase the Bonds unless the following conditions shall have been satisfied or waived by the Purchaser:

(A) The Purchaser shall have received (and approved as appropriate) at or prior to the Closing Date:

(1) a commitment fee in the amount of \$108,000.00 with respect to the Construction Term and \$50,250.00 with respect to the Permanent Term and the fees of the Purchaser's counsel payable on the Closing Date, together with any other costs incurred by the Purchaser prior to the Closing Date;

(2) the executed Bonds, executed counterparts of the Indenture and all of the Financing Documents;

(3) the certificates (and policies, if available) of the insurance required by this Bond Purchase Agreement, the Financing Agreement and Security Instrument, accompanied by evidence of the payment of the premiums therefor;

(4) an opinion of counsel to the Authority in form and substance satisfactory to the Purchaser and its counsel;

(5) an opinion of Bond Counsel in form and substance satisfactory to the Purchaser and its counsel;

(6) opinions of counsel to the Borrower, the Managing Member, the Guarantors (including the Key Principal) and the Developer, in form and substance satisfactory to the Purchaser and its counsel additionally addressed to the Purchaser or accompanied by a reliance letter to the Purchaser;

(7) UCC-1 financing statements or comparable security instruments to evidence or perfect the security interests created or purported to be created by the Financing Documents;

(8) evidence that the Project is not located in an area that has been identified by the Secretary of Housing and Urban Development as having special flood hazards, or that the Borrower has obtained the flood hazard insurance required by the National Flood Insurance Act of 1968, as amended by Flood Disaster Protection Act of 1973 (42 USC 4013, et seq.);

(9) evidence satisfactory to the Purchaser that the construction, installation and occupancy of the Project shall comply with all Legal Requirements;

(10) a report from the Construction Consultant, in form and substance satisfactory to the Purchaser, indicating that the Construction Consultant has reviewed the Plans and Specifications and costs and is satisfied with same;

(11) a Request for Advance relating to the Initial Advance;

(12) a current Appraisal (including an “as is” land value, a value of the Project at completion and a value of the Project at stabilization), in form and content satisfactory to the Purchaser, prepared for the Purchaser by an appraiser approved by the Purchaser, certifying that the amount of the Loan is no more than 80% of the Appraised Value of the Project (on an as-completed and stabilized basis giving effect to the contributory value of the Tax Credits) and that the amount of the Series 2018A Note will not exceed 80% of the Appraised Value of the Project on a rent-restricted stabilized basis, as determined by the Purchaser from the Appraisal;

(13) evidence satisfactory to the Purchaser that the Borrower has sufficient funds with which to complete the construction of the Improvements and the acquisition and installation of the Equipment;

(14) the final Plans and Specifications;

(15) a current environmental survey, in form and content satisfactory to the Purchaser, prepared by an environmental consultant acceptable to the Purchaser;

(16) approval by the Purchaser of the insurance policies or binders required by this Bond Purchaser Agreement, the Security Instrument and Financing Agreement;

(17) completed and executed Form 8038 or evidence of filing thereof with the Secretary of the Treasury;

(18) evidence that the issuance of the Bonds for the purpose of financing the Project has been approved by the Applicable Elected Representative after a public hearing held upon reasonable notice;

(19) copies of executed Subordinate Loan Documents;

(20) duplicate original Payment and Performance Bonds with a dual obligee rider naming the Purchaser as an additional obligee;

(21) copy of the fully executed Ground Lease in form and content satisfactory to the Purchaser together with an estoppel certificate with respect thereto; and

(22) such other or further documents, data or information with respect to the Borrower, the Managing Member, the Developer, the Guarantors, the Key Principal, the General Contractor and/or the Project as the Purchaser or its counsel may reasonably request.

(B) The Purchaser and its counsel shall have received (and approved as appropriate) or waived its right to receive:

- (1) a copy of the Bond Resolution;
- (2) a copy of the fully executed organizational documents of the Borrower (and the appropriate organization document relating to the Managing Member), in form and substance satisfactory to the Purchaser, and, to the extent applicable, certificates of good standing relating to the Borrower and the Managing Member;
- (3) a resolution (or unanimous written consent) of the appropriate governing body of the Managing Member approving and authorizing the execution and delivery of the Financing Documents to which the Borrower or the Managing Member is a party and the encumbrance of the Project, in form and substance satisfactory to the Purchaser;
- (4) a certified copy of the organizational documents of each Guarantor (other than a natural person) and Key Principal (to the extent not also a Guarantor), in form and substance satisfactory to the Purchaser together with certificates of good standing for each;
- (5) a resolution (or unanimous written consent) of the appropriate governing body of each Guarantor (other than a natural person), and each Key Principal (if not also a Guarantor), approving and authorizing the execution and delivery of the Guaranties in form and substance satisfactory to the Purchaser;
- (6) evidence satisfactory to the Purchaser that the zoning of the Premises permits the use and operation of the Project as proposed;
- (7) copies of all authorizations, certificates and permits, if any, required by any Governmental Authority for the construction of the Improvements and the operation of the Project for the purposes contemplated by the Plans and Specifications which in the opinion of the Purchaser's counsel must be obtained from all Governmental Authorities, and which are presently procurable, including any authorizations required with respect to applicable environmental protection regulations and/or laws which are presently procurable;
- (8) a paid title insurance policy (or proforma) in form and substance satisfactory to the Purchaser and its counsel, in an amount equal to the principal amount of the Bonds, insuring the Security Instrument to be a valid first priority Lien on the leasehold estate in the Project, free and clear of all defects and encumbrances except Permitted Encumbrances and such other defects and encumbrances as Purchaser and its counsel shall approve;
- (9) an original current ALTA/NSPS survey certified to the Purchaser, the Purchaser's counsel, the Authority, the Trustee, and the Title Insurer, and showing the Premises and all improvements thereon and easements, rights-of-way, adjoining sites and encroachments (and the extent thereof) affecting the Premises;

(10) a site plan for the Project with all required municipal approvals;

(11) letters, or other evidence, from local utility companies or municipal authorities stating that electric, gas, sewer, telephone and water facilities will be or are presently available upon the completion of the Project and satisfactory proof of ingress/egress to public roads;

(12) satisfactory evidence that (a) all real estate taxes, assessments and water and sewer charges levied or assessed against the Premises and/or the Improvements have been paid in full, and (b) there is not then pending by or against the Borrower, Managing Member or any Guarantor or Key Principal, any petition for reorganization or arrangement under any bankruptcy or insolvency law, or any other action brought under such laws;

(13) evidence satisfactory to the Purchaser of the execution and delivery of the Financing Documents on terms and conditions acceptable to the Purchaser;

(14) evidence satisfactory to the Purchaser of the closing on the Subordinate Loans on terms and conditions acceptable to the Purchaser;

(15) evidence satisfactory to the Purchaser of the subordination of the Subordinate Loans to the Loan and the subordination of the Lien of Subordinate Loan Documents to the Lien of the Security Instrument;

(16) evidence satisfactory to the Purchaser confirming the availability of Tax Credits in an amount of not less than [\$885,200] per year for ten years;

(17) receipt of a true copy of the signed Operating Agreement which, inter alia, requires that the Investor Member invest not less than [\$10,051,000] in the Borrower, at the times and in the amounts set forth on Exhibit B hereto, and the Operating Agreement shall be in full force and effect;

(18) the Ground Lease, the Regulatory Agreements and the ACC Amendment shall be in full force and effect, no default of the Borrower thereunder shall have occurred and is continuing, and the Purchaser shall have received a true copy thereof, together with HUD's approval letter with respect to the R & O Agreements and the ACC Amendment; and

(19) such other or further documents, data or information with respect to the Borrower or the Project as the Purchaser or its counsel may reasonably request.

(C) A portion of the Loan proceeds in the amount of \$738,015 shall be reserved in the Budget to cover the payment of hard cost contingencies incurred in connection with the construction of the Improvements (hereinafter referred as the "Contingency Reserve"), including, without limitation, the payment of additional and

unanticipated costs incurred with respect to particular line items and additional costs incurred in connection with change orders, and shall not be advanced for any other purpose prior to the completion of the construction of the Improvements and once agreed to the contrary by the Purchaser.

(D) A portion of the Budget in the amount of \$776,000 (the “Interest Reserve”) shall be reserved in the Budget for the disbursements to cover the payment of interest as it accrues or becomes due and payable on the Bonds during the Construction Term. The Interest Reserve shall not be disbursed for any other purpose other than the payment of interest on the Bonds until the Conversion Date or unless otherwise agreed to the contrary by the Purchaser.

SECTION 3.03. Registered Bond.

(A) The Bonds shall be in fully registered form and shall be payable in accordance with the provisions of the Bonds to the registered owner thereof as shown on the records maintained by the Authority for the registration and transfer of the Bonds. The Trustee shall act as Bond Registrar with respect to the Bonds.

(B) The Bonds shall be transferable only upon compliance with the requirements of the Indenture and the form of investor letter appearing as Exhibit C thereto, and then only upon the books of the Authority, which shall be kept for that purpose at the office of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or such person’s attorney duly authorized in writing. Upon the transfer of any Bonds in compliance with the Indenture, the Authority shall issue in the name of the transferee a new Bond of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond.

(C) The Authority, the Trustee and the Borrower shall deem and treat the Person in whose name any unpaid Bonds shall be registered upon the bond register as the absolute owner of such Bonds, whether such Bonds shall be overdue or not, for all purposes, and neither the Authority nor the Borrower shall be affected by any notice to the contrary. The term “Bond” shall include a Bond issued by the Authority in exchange for or upon transfer of any Bond.

SECTION 3.04. Specific Details of the Bonds.

(A) The Series 2018A Bonds shall be in substantially the form of Exhibit A to the Indenture and the Series 2018B Bonds shall be in substantially the form of Exhibit B to the Indenture, each with such variations, omissions and insertions as are permitted or required by the Indenture and this Bond Purchase Agreement. The Bonds shall be dated the Closing Date and shall mature on the respective Maturity Date. The Bonds shall be issued as a fully registered bond without coupons, registered in the name of the Purchaser.

(B) Each advance of the Bonds which is a CBFR Borrowing shall bear interest at the Tax Exempt CB Floating Rate and each advance of the Bonds which is a Eurodollar Borrowing shall bear interest at the Tax Exempt Eurodollar Rate for the Interest Period in effect for such Borrowing. From and after the Rate Conversion Date, the Series 2018A Bonds shall bear interest at the Fixed Rate.

(C) Following an Event of Default, the Bonds shall bear interest at the Default Rate and following a Determination of Taxability, the Bonds shall bear interest at the Taxable Rate.

(D) Notwithstanding anything herein to the contrary, the interest rate borne by the Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law. The determination of the interest rate by the Purchaser pursuant to and in accordance with the provisions of this Bond Purchase Agreement shall be conclusive and binding on the Authority and the Borrower.

(E) During the Construction Term, interest on the outstanding principal balance of the Bonds accrued through the end of the preceding calendar month shall be due and payable on each Payment Date. During the Permanent Term, constant monthly payments of principal and interest shall be due and payable on the Series 2018A Bonds on each Payment Date in an amount required to amortize the unpaid principal balance of the Series 2018A Bonds over a term of thirty-five (35) years at the Fixed Rate.

(F) Any time after eighteen (18) months from the Closing Date, but not prior to the time at which the Conditions to Conversion have been satisfied, the Borrower may submit to the Purchaser, the Authority and the Trustee its Conversion Certificate requesting a Conversion Date, which date shall not be sooner than the 1st day of the month next following the eighteenth (18th) month after the Closing Date.

(G) If prior to the commencement of any Interest Period prior to the Conversion Date, the Purchaser determines (which determination shall be conclusive absent manifest error) that (1) adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or (2) the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost of making or maintaining the Bonds for such Interest Period; then the Purchaser shall give notice thereof to the Authority, the Trustee and the Borrower by Electronic Means as promptly as practical thereafter and, until the Purchaser notifies the Authority, the Trustee and the Borrower that the circumstances giving rise to such notice no longer exist (i) any interest election request that requests the conversion of any Borrowing to, or continuation of any Borrowing as a Eurodollar Borrowing shall be ineffective, and (ii) any request for a new Eurodollar Borrowing shall be made as a CB Floating Rate Borrowing with interest calculated at the CB Floating Rate minus [] Basis Points.

(H) If any Change in Law shall: (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Purchaser (except any such reserve requirement reflected in the Adjusted LIBO Rate); or (2) impose on the Purchaser or the London

interbank market any other condition affecting the Bonds made by the Purchaser; and the result of any of the foregoing shall be to increase the cost to the Purchaser of making or maintaining any Eurodollar Borrowing (or of maintaining its obligation to make any such Borrowing) or to increase the cost or to reduce the amount of any sum received or receivable by the Purchaser (whether of principal, interest or otherwise), then the Borrower will pay to the Purchaser such additional amount or amounts as will compensate the Purchaser for such additional costs incurred or reduction suffered.

(I) If the Purchaser determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on the Purchaser's capital or on the capital of the Purchaser's holding company, if any, as a consequence of this Bond Purchase Agreement or the purchase of the Bonds made by the Purchaser to a level below that which the Purchaser or the Purchaser's holding company could have achieved but for such Change in Law (taking into consideration the Purchaser's policies with respect to capital adequacy), then from time to time the Borrower will pay to the Purchaser, such additional amount or amounts as will compensate the Purchaser or the Purchaser's holding company for any such reduction suffered.

(J) A certificate of the Purchaser setting forth the amount or amounts necessary to compensate the Purchaser or its holding company, as the case may be, as specified in paragraph (G), (H) or (I) of this Section shall be delivered to the Authority, the Trustee and the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(K) The Bonds are subject to optional and mandatory redemption and prepayment prior to the Maturity Date as provided in Section 5.02 of this Bond Purchase Agreement and Section 4.01 of the Indenture.

(L) Interest on the Bonds shall be computed for the actual days elapsed on the basis of a year of 360 days. The applicable Prime Rate, Adjusted LIBO Rate, or Fixed Rate shall be determined by the Purchaser and such determination shall be conclusive absent manifest error.

ARTICLE IV

ADVANCES BY THE BONDHOLDER; ADVANCES OF BOND PROCEEDS AND CONDITIONS PRECEDENT

SECTION 4.01. Advances.

(A) Subject to the provisions of subsection (B) hereof, the Purchaser will make (1) the Initial Advance in immediately available funds upon satisfaction of the conditions set forth in Section 3.02 and Section 4.02 hereof and (2) Further Advances upon the conditions set forth in Section 4.03 hereof. All such advances shall be funded to the Trustee net of Retainage (which shall not be advanced until the requirements of Section

4.03(D) are satisfied) for deposit in the appropriate fund under the Indenture and shall be in an amount equal to the amount approved by the Purchaser with respect to the corresponding Request for Advance.

(B) The Borrower shall use the Bond Proceeds only (1) to pay the Project Costs and (2) in accordance with the Budget and its covenants respecting the use of Bond Proceeds contained in this Bond Purchase Agreement and the Financing Agreement.

(C) Subject to the conditions precedent set forth in this Bond Purchase Agreement and, with respect to the Loan, the applicable provisions of the Financing Agreement, upon receipt by the Trustee of a Request for Advance from the Borrower (or the Developer on behalf of the Borrower), in a form approved by the Purchaser, certified to by an Authorized Representative of the Borrower (or the Developer, on behalf of the Borrower) and approved by the Purchaser, the Purchaser will make an advance for the purchase of the Bonds, which advance will also constitute an advance of the Loan, to or on behalf of the Borrower, and the Trustee will note the amount of the advance in its records.

(D) Each Request for Advance shall be in writing and shall be submitted by the Borrower (or the Developer, on behalf of the Borrower) to the Purchaser at its office at 700 North Pearl Street, 13th Floor, Mail Code TX1-2625, Dallas, Texas 75201, or at such other place as may be designated by the Purchaser, and to the Construction Consultant not less than ten (10) Business Days (or such longer period as may be required by the Trustee and/or Authority under the Financing Agreement) prior to the date upon which an advance is requested. Each Request for Advance shall be in form required under the Financing Agreement and for construction items shall be accompanied by AIA Forms G702 and G703 executed by the Architect, the Borrower and the General Contractor and items other than construction items shall be accompanied by invoices, bills or other proof to substantiate the amount requested.

(E) Notwithstanding anything to the contrary contained in this Section 4.01, the Purchaser, in its sole discretion, may delay advancing monies for the purchase of the Bonds relating to construction items until the Purchaser shall have (1) caused an inspection of the Improvements to be made by the Construction Consultant to confirm that the construction items in any Request for Advance are properly payable and the work has been completed substantially in accordance with the Plans and Specifications and (2) requested and obtained releases of liens with respect to the prior draw from the General Contractor and any subcontractors designated by the Purchaser.

(F) Other than advances to pay interest on the Bonds the Purchaser shall have no obligation to make advances of the purchase price of the Bonds or authorize advances of the Bond Proceeds more frequently than once each month, and shall not be required to authorize advances of the Bond Proceeds for costs incurred by the Borrower with respect to materials stored on or off the Premises except as may be permitted under the Financing Agreement.

(G) Each Request for Advance shall constitute a Borrowing under the Notes and a corresponding draw on the Bonds and during the Construction Term (1) the Initial Advance shall be a Eurodollar Borrowing, (2) each Borrowing subsequent to the Initial Advance (a) if at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a Eurodollar Borrowing and (b) if not at the end of the Interest Period applicable to the previous Eurodollar Borrowing(s), shall be a CBFR Borrowing, (3) any CBFR Borrowing(s) shall be converted to a Eurodollar Borrowing having a one month Interest Period upon commencement of the next one month Interest Period next succeeding any such CBFR Borrowing, (4) unless such Borrowing is not repaid at the end of such Interest Period, such Borrowing shall be renewed as a Eurodollar Borrowing having the same Interest Period as the Eurodollar Borrowing, the Interest Period of which has just expired (unless such renewal would result in an Interest Period extending after the Outside Conversion Date, in which case such Borrowing shall be converted to a CBFR Borrowing), and (5) from and after the Rate Conversion Date, all Borrowing(s) shall be at the Fixed Rate.

(H) Except for the Initial Advance to be made on the Closing Date, which shall be in an amount of _____ Dollars (\$_____) with respect to the Series 2018A Bonds and [_____ Dollars (\$_____)] with respect to the Series 2018B Bonds, each Request for Advance shall be with respect to the Series 2018A Bonds prior to a Request for Advance under the Series 2018B Bonds. If not sooner advanced, the Series 2018A Bonds shall be fully advanced on the Rate Conversion Date. Notwithstanding any other provision herein, no advance for the purchase of the Series 2018A Bonds shall be made within two (2) Business Days prior to the Conversion Date.

SECTION 4.02. Conditions Precedent to the Initial Advance. The Borrower and the Purchaser have agreed that the moneys to be advanced under the Bonds shall be advanced in monthly advances corresponding with the amount set forth in the Request for Advance authorized by the Purchaser. The Purchaser shall not be obligated to make any advance of the purchase price of the Bonds until the conditions set forth in Section 3.02 and Section 4.01 hereof and the following further conditions shall have been satisfied:

(A) As of the date of the advance, the representations and warranties of the Borrower made in Article II hereof shall be true and correct in all material respects, there shall be no Event of Default under any of the Financing Documents and there shall be no event that with the passage of time or the giving of notice or both would ripen into an Event of Default;

(B) The Improvements shall not have been materially injured or damaged by fire or other casualty, unless the Purchaser shall have received insurance proceeds and if necessary additional funds sufficient, in the reasonable judgment of the Purchaser, to effect the satisfactory restoration of the Improvements and to permit the completion thereof prior to the Construction Completion Date;

(C) The Purchaser shall have received:

(1) proof that, as of the date of the advance, a search of the public records by an abstract or title company satisfactory to the Purchaser discloses no unbonded vendors', mechanics' or other Liens, judgments, conditional sales contracts, chattel mortgages, leases of personalty, financing statements or title retention agreements filed and/or recorded against the Borrower or the Project other than Permitted Encumbrances;

(2) all authorizations, certificates and permits, if any, which, in the opinion of the Purchaser, are required by any Governmental Authority for the construction, installation and operation of the Project as contemplated by the Plans and Specifications and which are currently procurable, including any authorizations required with respect to applicable environmental protection regulations and laws which are currently procurable;

(3) the Title Insurer insures that the Borrower is the owner of a leasehold interest in the Premises, subject to no exceptions except for Permitted Encumbrances and those approved by the Purchaser and Purchaser's counsel, and that the Security Instrument is a first Lien on the Project for all amounts advanced under the Bonds, including the amount to be advanced pursuant to the Request for Advance under consideration;

(4) a written inspection report from the Construction Consultant in form and content satisfactory to the Purchaser;

(5) a detailed project budget including sources and uses, construction schedule, trade cost breakdown and itemization of construction and non-construction expenses, showing all costs required to complete the Project according to the Plans and Specifications;

(6) an agreement by the General Contractor to continue to perform for the Purchaser the services the General Contractor has contracted to perform for the Borrower;

(7) an agreement by the Architect to perform for the Purchaser the Architect's contract with the Borrower and the Architect's certification that the Improvements, when completed according to the Plans and Specifications, will comply with all Legal Requirements, regulations and ordinances; and

(8) building permits for the construction of the Improvements issued by the municipality in which the Premises is located and copies of all use, planning and zoning approvals, actions, resolutions and variances preceding the building permit.

SECTION 4.03. Conditions Precedent to Advances After the Initial Advance. The Purchaser's obligation to make any advance of the purchase price of the Bonds after the Initial Advance shall be subject to satisfaction of the following conditions:

(A) The conditions specified in subparagraphs (1), (2), (5) and (6) of paragraph (C) of Section 4.02 hereof shall be satisfied as of the date of each advance after the Initial Advance.

(B) The Purchaser shall have received the following:

(1) a certificate signed by an Authorized Representative of the Borrower (or the Developer, on behalf of the Borrower) that all suppliers and materialmen have been paid or payment has been provided for through the date of the advance (or that payment is being disputed in good faith); and

(2) an executed lien waiver from the General Contractor and any subcontractors designated by the Purchaser as to all amounts previously advanced.

(C) Construction of the Improvements shall be completed substantially in accordance with the Plans and Specifications and the provisions of this Bond Purchase Agreement on or before the Construction Completion Date. For the purposes of this Bond Purchase Agreement, the Improvements shall not be deemed to have been completed and the Final Advance shall not be made until (1) the Improvements have, in the opinion of the Purchaser and the Construction Consultant, been completed (exclusive of punch list items and tenant finish work in unleased space in the Improvements and not otherwise constituting part of the base Improvements) substantially in accordance with the Plans and Specifications and the Borrower has delivered an “as built” survey of the Project and a certificate of substantial completion from the Architect, (2) the Improvements shall contain all furniture, fixtures and equipment required for the use and operation of the Improvements (other than furniture, fixtures and equipment constituting part of tenant finish work in unleased space in the Improvements and not otherwise constituting part of the base Improvements), or which may be required by any Governmental Authority or by any law, regulation or rule of any Governmental Authority, (3) all required certificates of occupancy (or their local equivalent) and all other certificates, licenses, consents and approvals required for the use and operation of the Improvements, including any offsite access roads or other components of the Project (but not including unleased space in the Improvements and not otherwise constituting part of the base Improvements) shall have been issued by or obtained from the appropriate Governmental Authorities, (4) except for punchlist items and items to be paid with the final advance, all direct construction costs, and other costs and expenses incurred in connection with the rehabilitation and equipping of the Improvements shall have been paid in full and the Borrower shall have delivered affidavits of payment and/or lien waivers from the General Contractor, and all subcontractors as required by the Purchaser; and (5) the final title policy, if not previously issued, shall be delivered to the Purchaser. Upon completion of the Improvements, all remaining Retainage shall be released except for that amount which equals the higher of 150% of the value of the “punchlist” as estimated by the Construction Consultant or the amount provided for in the Construction Contract. As to all such permits, approvals and certificates, no appeal or other action or proceeding challenging any such permit, approval or certificate shall have been filed or,

if filed and decided, there shall have been no appeal (or further appeal) taken and all other statutory appeal periods must have expired. In addition, as to all of such permits, approvals and certificates having statutory, regulatory or otherwise expressly specified and determinable appeal periods, such periods (if any) must have expired without an appeal having been taken (or any such appeal shall have been denied or shall have affirmed the granting of such permit, approval or certificate).

(D) The Purchaser shall not be obligated to make any advances for the purchase price of the Bonds, if in the opinion of the Purchaser, the aggregate of (1) the balance of the Capital Contributions, if any, remaining to be invested in the Project for the construction of the Improvements, (2) the balance of the Loan yet to be advanced and (3) any other committed and available funding sources for the construction of the Improvements are at any time less than (the amount by which it is less being referred to as the "Deficiency") the actual sum, as estimated by the Purchaser, which will be required to (a) complete the construction of the Improvements in accordance with the Plans and Specifications and this Bond Purchase Agreement to pay the construction and other costs and expenses of any nature whatsoever which will be incurred in connection with the completion of the construction of the Improvements in placing it in service, (b) to cover the payment of all incurred and reasonably anticipated costs of leasing the Improvements, including, without limitation, tenant improvements and brokerage commissions (if any) and (c) to cover the payment of all operating deficits of the Project (inclusive of debt service on the Loan) to the date which the Purchaser reasonably anticipates the actual gross cash flow of the Project will be sufficient to cover all operating expenses of the Project, inclusive of debt service on the Loan. The Borrower shall, within ten (10) days after being notified by the Purchaser that there is or will be a Deficiency, deposit with the Purchaser an amount sufficient to eliminate the Deficiency. Any amounts deposited by the Borrower with the Purchaser to cover Deficiencies shall be disbursed by the Purchaser to the Borrower and shall be applied by the Borrower to cover the payment of construction costs and other costs incurred in connection with the construction of the Improvements.

(E) The Purchaser shall not be obligated to make any advances for the purchase of the Bonds unless the Purchaser is satisfied that the conditions precedent to the making of such advances set forth in this Bond Purchase Agreement have been satisfied by the Borrower. If the Purchaser in good faith determines that any work or materials do not conform with the approved Plans and Specifications or sound building practices in any material respect, or otherwise depart from any of the requirements of this Bond Purchase Agreement in any material respect, the Purchaser may require the work be stopped and withhold advances for the purchase of the Bonds until the matter is corrected. In such event, the Borrower shall promptly cause the work to be corrected to the Purchaser's reasonable satisfaction. No such action by the Purchaser shall affect the Borrower's obligation to complete the Improvements on or before the Construction Completion Date. Anything in this Bond Purchase Agreement or any other agreement to the contrary notwithstanding, any advance for the purchase of the Bonds or approval or acceptance given by the Purchaser or the Construction Consultant, herein or therein, whether or not before or after a site observation of the Improvements by the Construction

Consultant or otherwise, shall not be deemed to be an approval or acceptance by the Purchaser or the Construction Consultant of any work performed thereon or approval or acceptance by the Purchaser or the Construction Consultant of any work or materials done or furnished with respect thereto or representation by the Purchaser or the Construction Consultant as to the fitness of such work and materials.

(F) In the event that the Borrower shall be unable to comply with the conditions set forth in Section 4.03(C) hereof on or prior to the Construction Completion Date, the Purchaser shall have no further obligation to make any advances of the purchase price of the Bonds.

ARTICLE V

REPAYMENT AND REDEMPTION

SECTION 5.01. Payment of Principal, Premium, if any, and Interest.

(A) Subject to the limitations set forth in Section 5.04 hereof, the Authority shall pay the principal of, and the premium, if any, and interest on, the Bonds in accordance with the provisions thereof.

(B) In the event any payment of the principal of, or premium, if any, or interest on, the Bonds is not paid within ten (10) days of the date when due, the Authority, subject to the limitations contained in Section 5.04 hereof, shall pay the same, together with a late charge in an amount equal to five percent (5.0%) of any such overdue payment.

(C) Unless otherwise directed by the Purchaser (with notice to the Authority, the Trustee and the Borrower), the Borrower shall pay to the Purchaser on the date set forth in the Notes, to the payment address specified by the Purchaser or by wire transfer pursuant to instructions of the Purchaser, all amounts due under the Notes for principal, premium, if any, interest and other charges. The Borrower shall also remit to the Purchaser any other amounts required to be paid to the Purchaser as principal, premium, if any, and interest on the Bonds before each Payment Date. Such amounts as are required to be paid to the Purchaser, unless payment is made by wire transfer, in which case such payments may be sent on the Payment Date that is it is due, and such amount shall be applied against the Borrower's obligation under the Notes. Unless otherwise agreed to in writing by the Purchaser or otherwise required by applicable law, payments received by the Purchaser shall be applied first to accrued and unpaid interest, then to principal and any remaining amounts to late charges and other charges due.

(D) The Borrower covenants to maintain at all times, a demand deposit account with the Purchaser which shall be sufficiently funded so as to permit the automatic deduction by the Purchaser of the monthly payments due under the Notes on the date such payments are due according to the terms of the Notes and hereby irrevocably authorizes the Purchaser to make debit entries from such account in the amount of the payments due. The collected balance of the account shall at all times be an

amount estimated by the Purchaser to be three (3) months interest payments on the Notes during the Construction Term and during the Permanent Term the collected balance of such account shall be sufficient to pay the monthly principal and interest payment due on the Series 2018A Note when due.

SECTION 5.02. Redemption of the Bonds. The Bonds shall be subject to mandatory redemption (or purchase in lieu thereof pursuant to Article IV of the Indenture):

SECTION 5.03. [Reserved].

SECTION 5.04. Special Obligations.

(A) THE BONDS ARE ISSUED PURSUANT TO THE ACT, ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, AND THE PRINCIPAL OF, AND THE PREMIUM, IF ANY, AND INTEREST ON, THE BONDS AND ALL OTHER CHARGES OF ANY KIND PAYABLE BY THE AUTHORITY PURSUANT TO THIS BOND PURCHASE AGREEMENT AND SUCH OTHER FINANCING DOCUMENTS SHALL BE PAYABLE SOLELY FROM THE REVENUES OF THE AUTHORITY DERIVED AND TO BE DERIVED FROM THE FINANCING AGREEMENT (EXCEPT FOR REVENUES DERIVED AND TO BE DERIVED IN CONNECTION WITH THE RESERVED RIGHTS), AND ANY SALE OR OTHER DISPOSITION OF THE PROJECT.

(B) NEITHER THE BOARD MEMBERS, OFFICERS, AGENTS, SERVANTS OR EMPLOYEES OF THE AUTHORITY, NOR ANY PERSON EXECUTING THE BONDS, SHALL BE LIABLE PERSONALLY THEREON OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE, SALE OR DELIVERY THEREOF OR BE LIABLE PERSONALLY HEREON OR THEREON OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BASED HEREON OR THEREON. THE BONDS, AND THE PREMIUM, IF ANY, AND INTEREST THEREON, ARE NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, A DEBT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY), AND NEITHER THE STATE OF FLORIDA NOR ANY SUCH POLITICAL SUBDIVISION (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON. THE AUTHORITY HAS NO TAXING POWER.

(C) All payments made by or on behalf of the Borrower to the Purchaser or to its successors or assigns as holder of the Bonds, or upon its or their order, pursuant to this Bond Purchase Agreement or any other Financing Document or any other security for the Bonds shall, to the extent of the sum or sums so paid, satisfy and discharge the liability of the Authority for monies payable upon the Bonds or pursuant to this Bond Purchase Agreement and the other Financing Documents, as the case may be. The Purchaser agrees, within ten (10) days after the receipt of a request for same, to provide the Authority, the Trustee and the Borrower with a written statement of the then current unpaid principal balance of the Bonds.

SECTION 5.05. Additional Amounts Payable Following a Determination of Taxability.

(A) If a Determination of Taxability shall occur, the Authority shall, subject to the limitations contained in Section 5.04 and Section 7.07 hereof, pay to the Purchaser the following additional amounts with respect to the Bonds:

(1) Until payment of the Bonds in full, on or before each Payment Date, the Authority shall pay accrued interest on the Bonds calculated at the Taxable Rate.

(2) Within seven (7) Business Days after written demand by the Purchaser, regardless of whether such demand shall be made prior to or at the maturity of the Bonds or subsequent to payment in full of the Bonds, the Authority shall pay the following additional amounts:

(a) an amount equal to the difference between (i) the interest payments that would have been payable on the Bonds had such interest payments been calculated from the date such interest was deemed to be includable in the gross income of the Purchaser for federal income tax purposes at the Taxable Rate, as such Taxable Rate may have varied from time to time during such period, and (ii) the amount of such interest payments actually made, plus

(b) the amount of penalties, additions to tax or interest assessed against the Purchaser on account of the inclusion of the interest payments on the Bonds in the Purchaser's gross income for federal income tax purposes.

(B) If a Determination of Taxability shall occur following the payment in full of the principal of, premium, if any, and interest on the Bonds, the Purchaser shall give notice to the Borrower of such Determination of Taxability and, within thirty (30) days after receipt thereof, the Borrower shall pay to the Purchaser an amount equal to 100% of all amounts payable by the Authority to the Purchaser pursuant to subsection (A) hereof.

(C) The obligations of the Authority and the Borrower under this Section shall survive the payment in full of all sums due under the Bonds and this Section and shall continue in full force and effect until sixty (60) days after all applicable statutes of limitation have run (after taking into account all extensions and suspensions thereof) in respect of any taxable year during which any payment of interest on the Bonds was received or accrued.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

SECTION 6.01. Events of Default Defined.

(A) The following shall constitute Events of Default hereunder:

(1) The nonpayment of principal, interest and premium, if any, continues for ten (10) days from the date due or, any other sum due on the Bonds or any other amounts specified to be paid herein continues for ten (10) days after written notice to the Authority, Trustee and the Borrower by the Purchaser of nonpayment;

(2) Any representation or warranty made by the Authority or the Borrower herein or in any other instrument or document delivered by the Authority or the Borrower to the Purchaser in connection with the sale of the Bonds proves to be false or misleading in any material respect at the time it was made;

(3) An Event of Default shall occur and continue beyond any applicable notice and/or cure period under any of the other Financing Documents;

(4) Except for Permitted Encumbrances and Permitted Transfers (a) any sale, conveyance, lease agreement or any other change of ownership of the Project, whether occurring voluntarily or involuntarily, or by operation of law or otherwise, by the Authority or the Borrower of their respective interest in the Project or any part thereof or (b) the granting of any easements or restrictions or the permitting of any encroachments encumbering any part of the Project;

(5) (a) The filing by the Borrower, Managing Member or any Guarantor (during the Construction Term) or Key Principal (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute, (b) the failure by the Borrower, Managing Member or any Guarantor (during the Construction Term) or Key Principal within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Borrower's ability to carry out its obligations hereunder, (c) the commencement of a case under Title 11 of the United States Code against the Borrower, Managing Member or any Guarantor (during the Construction Term) or Key Principal as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Borrower, Managing Member or any Guarantor (during the Construction Term) or Key Principal and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days, (d) the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Borrower, Managing Member or any Guarantor (during the Construction Term) or Key Principal, or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the of the Borrower, Managing Member or any Guarantor (during the Construction Term) or Key Principal, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment;

(6) Except for a Permitted Transfer, if there is any sale, assignment or other Transfer of (a) a membership interest in the Borrower, (b) a Controlling interest in the Managing Member, Entity Guarantor or Key Principal other than a natural person, or (c) Control in the Investor Member;

(7) If (a) the Borrower or any Guarantor (during the Construction Term) or Key Principal sells or otherwise transfers all or a material portion of its assets without fair and adequate consideration, (b) there is a change in Control (other than by reason of death) of an Entity Guarantor or Key Principal other than a natural Person, (c) any Individual Guarantor or Key Principal which is a natural Person dies and is not replaced with a Person in the same capacity fully satisfying all of the Purchaser's then-applicable Guarantor eligibility, credit, management on other loan underwriting standards (including any standards with respect to previous relationships between the Purchaser and the proposed new Person in the organization of the new Person) within ninety (90) days of the date of death;

(8) If without obtaining the prior consent of the Purchaser (a) the Operating Agreement shall be terminated for any reason whatsoever, or (b) except as to amendments or modifications related to Permitted Transfers or which do not otherwise decrease the amount or affect the time or use of Capital Contributions, if the Borrower shall agree to any material amendments or modifications of the Operating Agreement;

(9) One or more judgments, decrees or orders for the payment of money in excess of \$100,000.00 in the aggregate shall be rendered against the Borrower, or the Managing Member, or in excess of \$250,000.00 with respect to any Guarantor or Key Principal, and such judgment, decree or order shall continue unsatisfied for a period of thirty (30) consecutive days without being vacated, discharged, satisfied or stayed or bonded pending appeal; or

(10) Upon the occurrence or existence of any default by the Borrower, or an event of default by the Borrower or other similar condition or event (however described) with respect to any Rate Management Transaction beyond any applicable notice and/or cure period, whether or not the Purchaser or an Affiliate of the Purchaser is a party thereto.

(11) Upon an event of default by the Borrower or other similar condition or event (however described) with respect to the Ground Lease or HAP Contract beyond any applicable notice and/or cure period.

(B) The Borrower will furnish to the Purchaser, within seven (7) days after becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default, written notice specifying the nature and period of existence thereof and the action which the Borrower is taking or proposes to take with respect thereto.

SECTION 6.02. Remedies on Default.

(A) Whenever any Event of Default shall have occurred, the Purchaser may, in its sole discretion, by written notice to the Authority, the Trustee and the Borrower, (1) terminate the obligation of the Purchaser to advance money for the purchase of the Bonds, and/or (2) purchase materials, employ workmen to protect the Improvements and/or complete the Improvements according to the Plans and Specifications, and/or (3) instruct the Trustee to declare the unpaid principal of and the interest on the Bonds and

Notes to be forthwith due and payable, together with any premium payable thereon, whereupon the same shall become forthwith due and payable without protest, presentment, notice or demand, all of which, to the extent permitted by law, are expressly waived by the Authority and the Borrower, and/or (4) exercise any of the remedies available to the Purchaser under the terms of the Financing Documents or the Act or in law or at equity. All Bond Proceeds paid or expended under this Section 6.02 shall be deemed advances to the Borrower and shall be secured by the Financing Documents.

(B) Whenever any Event of Default shall have occurred, interest on the Bonds shall accrue at the Default Rate.

(C) If any payment is not made to the Purchaser within (10) days after the date which it is due, the Purchaser shall be entitled to receive, upon demand, an amount equal to five percent (5.0%) of such unpaid payment.

(D) Any sums paid to the Authority as a consequence of any action taken pursuant to this Section 6.02 (excepting sums payable to the Authority as a consequence of action taken to enforce the Reserved Rights) shall be paid to the Purchaser and applied in accordance with the provisions of the Financing Documents.

(E) All costs and expenses incurred by the Purchaser (including reasonable attorney's fees) in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by the Borrower to the Purchaser upon demand, with interest at the Default Rate for the period after notice from the Purchaser that such costs or expenses were incurred to the date of payment to the Purchaser.

(F) No action taken pursuant to this Section 6.02 shall relieve the Borrower from its obligations to make all payments required by this Bond Purchase Agreement, the Notes and/or the other Financing Documents.

SECTION 6.03. Remedies Cumulative. No remedy herein conferred upon or reserved to the Purchaser is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Bond Purchase 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 or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 6.04. Waivers; No Additional Waiver Implied By One Waiver. The parties hereto may at any time and from time to time waive any one or more of the conditions contained herein, but any such waiver shall be deemed to be made in pursuance hereof and not in modification hereof; and any such waiver in any instance or under any particular circumstances shall not be considered a waiver of such condition in any other instance or any other circumstances.

SECTION 6.05. Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Bond Purchase Agreement or other Financing Documents and the Authority, the Trustee or the Purchaser should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Borrower herein contained, the Borrower shall, on demand therefor, pay to the Authority or the Purchaser, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

SECTION 6.06. Cure Right. The Purchaser and the Authority hereby agree to accept performance on the part of the Investor Member, Special Member, or an Affiliate of the Investor Member or Special Member as though the same had been performed by the Borrower under any of the Financing Documents. The Investor Member, Special Member, or an Affiliate will be allowed (1) ten (10) days after the Investor Member has been given notice to cure a monetary default under the Financing Documents other than the payment due at maturity and (2) except as to Section 6.01(a)(5), up to thirty (30) days after the receipt of notice to cure any non-monetary default under the Financing Documents, provided, however, that in the in event of a non-monetary default that is not susceptible to being cured within such thirty (30) day period, the Investor Member, Special Member, or an Affiliate will be allowed an additional period of up to sixty (60) days to cure such default, provided that the Investor Member or Special Member or an Affiliate has commenced to cure such default and is diligently and continuously proceeding to cure such default through the end of the sixty (60) day period. If the Investor Member, Special Member or an Affiliate makes any such payment or otherwise offers cure of a default, the Purchaser and Authority will accept or reject such action as curing such default on the same basis as if payment or cure were made directly by the Borrower.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01. Borrower to Pay Expenses.

(A) In addition to the commitment fee referred to in Section 3.02(A)(1) hereof, the Borrower shall pay all costs and expenses in connection with the transactions contemplated herein, including, but not limited to: (1) the reasonable legal fees and disbursements of Purchaser's counsel, Authority's counsel, Trustee's counsel and Bond Counsel; (2) all survey costs; (3) all charges of the Title Insurer; (4) all recording and/or filing fees for all documents which Purchaser's counsel may require to be recorded or filed; (5) all fees of the Construction Consultant; and (6) mortgage, intangible and similar taxes, if any, relating to the execution or recording of any of the Financing Documents.

(B) Additionally, the Borrower shall pay for all out-of-pocket expenses incurred by the Authority, the Purchaser and the Trustee, including reasonable fees, charges and disbursements of any counsel in connection with the enforcement or protection of its rights with respect to this Bond Purchase Agreement or the other Financing Documents, including all such out-of-pocket expenses incurred during any

workout, restructuring or negotiations, as well as costs of collection upon the occurrence of an Event of Default, whether or not any action or proceeding is commenced.

SECTION 7.02. Notices.

(A) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by registered or certified mail, return receipt requested, Electronic Means, overnight courier, commercial delivery service, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

(B) The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

If to the Borrower:

HTG Heron Estates Senior, LLC
c/o Housing Trust Group, LLC
3225 Aviation Avenue, Suite 602
Miami, Florida 33133
Attention: Matthew Rieger
Email: matthewr@htgf.com

With a copy to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
Museum Tower
150 W. Flagler Street, Suite 2200
Miami, Florida 33130
Attention: Brian McDonough, Esq.
Email: bmcdonough@stearnsweaver.com

Saxon Gilmore & Carraway, P.A.
201 E. Kennedy Blvd., Suite 600
Tampa, Florida 33602
Attention: Bernice Saxon, Esq.
Email: bsaxon@saxongilmore.com

CREA Heron Estates, LLC
c/o CREA LLC
30 South Meridian Street, Suite 400
Indianapolis, Indiana 46204
Attention:
Email: _____

and

Jones Day
100 High Street, 21st Floor
Boston, Massachusetts 02110
Attention: John Kelley, Esq.
Email: jkelley@jonesday.com

If to the Authority:

Housing Finance Authority of Palm Beach County, Florida
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406
Attention: David Brandt
Email: dbrandt@pbcgov.com

With copies to:

Greenspoon Marder LLP
City Place Tower, Suite 900
525 Okeechobee Boulevard
West Palm Beach, Florida 33401
Attention: Skip Miller, Esq.
Email: skip.miller@gmlaw.com

If to the Purchaser:

JPMorgan Chase Bank, N.A.
Community Development Banking
100 North Tampa Street, Suite 3300
Mail Code: FL2-6001
Tampa, Florida 33602-5854
Attention: Tammy Haylock-Moore, Executive Director
Email: tammy.haylock-moore@chase.com

With a copy to:

JPMorgan Chase Bank, N.A.
Legal Department
4 New York Plaza, 21st Floor
Mail Code: NY1-E089
New York, New York 10004-2413
Attention: Michael R. Zients, Executive Director
and Assistant General Counsel
Email: michael.r.zients@chase.com

If to the Trustee:

U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309
Attention: Amanda Kumar
Telephone: (954) 938-2473
Facsimile: (954) 202-2082
Email: amanda.kumar@usbank.com

With a copy to:

Liebler, Gonzalez & Portuondo, P.A.
Courthouse Tower, 25th Floor
44 West Flagler Street, Miami, FL 33130
Attention: Bernardo Portuondo, Esq.
Email: bap@lgplaw.com

it being understood and agreed that each party will use reasonable efforts to send copies of any notices to the addresses marked "With a copy to" hereinabove set forth, provided, however, that failure to deliver such copy or copies shall have no consequence whatsoever as to any notice made to any of the other parties hereto.

(C) The Authority, the Borrower, the Purchaser and the Investor Member may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

SECTION 7.03. Amendment. This Bond Purchase Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and delivered by the parties hereto.

SECTION 7.04. Binding Effect. This Bond Purchase Agreement shall be binding upon and inure to the benefit of the Authority, the Borrower and the Purchaser and their respective successors and assigns.

SECTION 7.05. Execution of Counterparts.

(A) This Bond Purchase 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. Delivery of an executed counterpart of a signature page of this Bond Purchase Agreement by Electronic Means that reproduces an image of the actual executed signature page shall be effective as delivery of manually executed counterpart.

(B) The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any documents to be signed in connection with this

Agreement and the transactions contemplated by this Agreement shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Florida Electronic Signature Act of 1996, or any similar state laws based on the Uniform Electronic Transactions Act.

SECTION 7.06. Applicable Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 7.07. No Recourse; Special Obligation.

(A) All covenants, stipulations, promises, agreements and obligations of the Authority contained in this Bond Purchase Agreement, the Bonds, and the other Financing Documents executed by the Authority and in the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any board member, director, officer, agent, servant or employee of the Authority in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future board member, director, officer, agent, servant or employee, as such, of the Authority or of any successor public corporation or political subdivision or any individual executing any of the Financing Documents on behalf of the Authority, either directly or through the Authority or any successor public corporation or political subdivision or any individual so executing any of the Financing Documents on behalf of the Authority, it being expressly understood that the Financing Documents and the Bonds issued thereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such board member, director, officer, agent, servant or employee of the Authority or of any successor public corporation or political subdivision or any individual so executing any of the Financing Documents on behalf of the Authority because of the creation of the indebtedness thereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such board member, director, officer, agent, servant or employee because of the creation of the indebtedness authorized by the Financing Documents, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution by the Authority of the Financing Documents and the issuance, sale and delivery of the Bonds.

(B) The Borrower's personal liability for payment and performance and for obligations to be performed by it under this Bond Purchase Agreement is limited in the same manner and to the same extent, as provided in the Series 2018A Note.

SECTION 7.08. Headings and Table of Contents. The table of contents and the headings of the several sections in this Bond Purchase Agreement have been prepared for the convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Bond Purchase Agreement.

SECTION 7.09. Severability.

(A) If any provision of this Bond Purchase Agreement shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstances shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained on any provision of any of the other Financing Documents inoperative or unenforceable.

(B) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Bond Purchase Agreement shall not affect the remaining portion of this Bond Purchase Agreement or any part thereof.

SECTION 7.10. Survival of Obligations. This Bond Purchase Agreement shall survive the purchase and sale of the Bonds and shall remain in full force and effect until the principal of the Bonds, together with the premium, if any, and interest thereon and all amounts payable under this Bond Purchase Agreement and the other Financing Documents, shall have been irrevocably paid in full. At the written request of the Authority or the Borrower, the Purchaser will confirm the termination of this Bond Purchase Agreement.

SECTION 7.11. Recording and Filing.

(A) The Borrower shall record or file or cause to be recorded or filed, as the case may be, at the Borrower's expense, the Security Instrument and all other security instruments and financing statements reasonably requested by the Purchaser with respect to the Bonds in such manner and in such places as may be required by law to perfect the liens and security interests contemplated herein and therein.

(B) The Purchaser is authorized to file all security instruments, including without limitation financing statements and continuation statements under the Uniform Commercial Code of the State, in such manner and in such places as may be required by law to protect and maintain in force all such liens and security interests. The Authority, the Trustee and the Borrower hereby authorize the Purchaser to file such instruments and statements without execution thereof by the Authority, the Trustee or the Borrower, and the Authority shall have no liability to Purchaser if any such instrument or statement is not filed when required.

SECTION 7.12. Patriot Act Notices. The Purchaser hereby notifies the Borrower that pursuant to the requirements of Section 326 of the Patriot Act it is required to obtain, verify and record

information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Purchaser to identify the Borrower in accordance with the Patriot Act.

SECTION 7.13. Participation. Notwithstanding any other provision of this Bond Purchase Agreement, the Authority, the Trustee and the Borrower understand that the Purchaser may at any time enter into participation agreements with one or more participating banks, financial institutions, insurance companies or other Persons whereby the Bondholder will allocate to each such participant certain percentages of the payment obligations of the Borrower under this Bond Purchase Agreement and the Bonds. Notwithstanding any such participation, the Borrower, the Authority and the Trustee shall continue to deal solely and directly with the Purchaser in connection with the Purchaser's rights and obligations under this Bond Purchase Agreement and any and all rights of the owner of the Bonds under the Financing Documents may be exercised by Purchaser only.

SECTION 7.14. Right of Set-Off. In addition to the remedies provided above, the Borrower hereby grants the Authority and the Purchaser a continuing lien, security interest, and right of set-off as security for all liabilities and obligations to the Authority and the Purchaser, whether now existing or hereafter arising, upon and against all deposits, credits, collateral, and property, now or hereafter in the possession, custody, safekeeping or control of the Authority, the Purchaser or any entity under the control of the Purchaser and its successors and assigns or in transit to any of them. At any time, following an Event of Default, without demand or notice (any such notice being expressly waived by the Borrower), the Authority or the Purchaser may set off the same or any part thereof and apply the same to any liability or obligation of the Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE THE AUTHORITY OR THE PURCHASER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL THAT SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SET-OFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVED.

SECTION 7.15. Indemnity; Damage Waiver.

(A) The Borrower shall indemnify the Authority, the Purchaser and the Trustee and their respective officers, directors, members, employees and agents (each of the forgoing being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, judgments, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee incurred by or asserted against any Indemnitee arising out of, in connection with or as a result of (1) the execution or delivery of this Bond Purchase Agreement or any agreement or instrument or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the transactions contemplated hereby, (2) the use of the proceeds of the Bonds, or (3) any actual or prospective claim, litigation, investigation or proceeding relating to any of the

foregoing, whether based on contract, tort or any other theory regardless of any Indemnitee is a party thereto.

(B) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Bond Purchase Agreement or any agreement or instrument contemplated hereby or the use of the Bond Proceeds.

SECTION 7.16. Rate Management Transaction. All Rate Management Transactions, if any, between the Borrower and the Purchaser or any Affiliate of the Purchaser are independent agreements governed by the written provisions of the Rate Management Transaction, which shall remain in full force and effect, unaffected by any payment, prepayment, acceleration, reduction, increase or change in the terms of the Financing Documents, except as otherwise expressly provided in the Rate Management Transaction, and any payoff statement from the Purchaser relating to the Bonds shall not apply to a Rate Management Transaction.

SECTION 7.17. Publicity. The Borrower hereby authorizes the Purchaser and its Affiliates without further notice or consent, to use the Borrower's and its Affiliates' name(s), logo(s) and photographs related to the Project in its advertising, marketing and communications materials on a national and/or international basis. Such materials may include webpages, print ads, direct mail and various type of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Purchaser may also discuss at a high level the types of services and solutions the Purchaser has provided the Borrower. This authorization shall remain in effect unless the Borrower notifies the Purchaser in writing in accordance with the notice provisions set forth herein that such authorization is revoked.

SECTION 7.18. Public Housing Provisions. Notwithstanding the provisions set forth in this Agreement to the contrary, the Borrower and the Purchaser acknowledge that eleven (11) of the units to be developed as a part of the Project (the "Public Housing Units") are further subject to the R & O Agreement and constitute a Public Housing Project as defined in the U. S. Housing Act of 1937, 42 U.S.C. Section 1937, as amended (the "Housing Act"). The Public Housing Units and the Premises are subject to all requirements applicable to a Public Housing Project under the Housing Act, including, without limitation, requirements with respect to operating receipts and operating expenditures as contained in the ACC Amendment and are subject to the Regulatory Agreements. In the event of a conflict between the terms of this Agreement and the ACC Amendment, the provisions of the ACC Amendment shall control. The foregoing provision is not intended nor shall be construed to interfere in any way with the exercise by the Purchaser of any rights and remedies the Purchaser has against the Borrower pursuant to this Agreement or any other Financing Documents, except to the extent required to comply with the ACC Amendment and the Regulatory and Operating Agreement.

SECTION 7.19. Inconsistent Provisions. Any irreconcilable inconsistency or conflict between the terms of this Bond Purchase Agreement and the terms of the Indenture or the other Financing Documents, shall be governed and controlled by the terms of this Bond Purchase Agreement.

Provided, however, nothing in this Section 7.19 shall be deemed to modify the terms of the Regulatory Agreements or affect the Authority's or Trustee's rights with respect to Reserved Rights.

SECTION 7.20. Waiver of Special Damages. Except to the extent prohibited by applicable law, the Borrower shall not assert, and hereby waives, any claim against the Authority, the Trustee, the Purchaser and their respective officers, directors, members, employees and agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Bond Purchase Agreement or any agreement or instrument contemplated hereby, the transactions, the Bonds or the use of the proceeds thereof.

SECTION 7.21. WAIVER OF JURY TRIAL. THE BORROWER, THE AUTHORITY AND THE PURCHASER WAIVE, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATING TO THIS BOND PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANOTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS BOND PURCHASE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Signature Pages Follow]

Doc #02-544403.5

IN WITNESS WHEREOF, the Authority, the Purchaser and the Borrower have caused this Bond Purchase Agreement to be executed in their respective names by duly authorized officers thereof, and the parties hereto have caused this Bond Purchase Agreement to be dated as of the day and year first above written.

(SEAL)

HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA

ATTEST:

By: _____
Patrick Franklin, Chairperson

BORROWER:

HTG Heron Estates Senior, LLC
a Florida limited liability company

By: HTG Heron Estates Senior Manager, LLC
a Florida limited liability company
its manager

By: _____
Matthew Rieger, Manager

JPMORGAN CHASE BANK, N.A.

By: _____
Tammy Haylock-Moore, Authorized Officer

EXHIBIT A

SCHEDULE OF DEFINITIONS

The following words and terms used in the attached document shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

“ACC Amendment” as used in this Agreement shall mean the Mixed-Amendment Amendment to the Consolidated Annual Contributions Contract between the Housing Authority and HUD.

“Act” means the Housing Finance Authority Law, Chapter 159, Part IV, of the Florida statutes, as amended and supplemented, Sections 2-181 through 2-191 Code of Ordinances of Palm Beach County, Florida, and all future acts supplemental thereto or amendatory thereof.

“Adjusted LIBO Rate” means with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next one-sixteenth of one percent) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Adjusted One Month LIBO Rate” means an interest rate per annum equal to the sum of (a) 2.5% per annum plus (b) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided, that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 a.m. London time on such day; provided further, that, if the LIBO Screen Rate at such time shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Affiliate” means with respect to a specified Person, another Person that directly, or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with, the Person specified.

“Amortization Schedule” means the amortization schedule provided by and as may be revised from time to time by the Purchaser pursuant to the provisions of the Bond Purchase Agreement and the Indenture.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower and its Affiliates from time to time concerning or relating to bribery or corruption.

“Applicable Elected Representative” means any Person constituting an “Applicable Elected Representative” within the meaning given to such term in Section 147(f)(2)(E) of the Code.

“Applicable Rate” means the Tax Exempt Rate or the Taxable Rate in effect from time to time with respect to Bonds.

“Appraisal” means the written statement setting forth an opinion of the market value of the Project that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by the Purchaser or its agent, (b) complies with all applicable and state laws and regulations dealing with appraisals or valuations of real property and (c) has been reviewed as to form and content and approved by the Purchaser.

“Arbitrage Certificate” means the Tax Exemption Agreement and Non-Arbitrage Certificate dated the Closing Date executed by the Authority, the Borrower and the Trustee.

“Architect” means the architect or the firm of architects selected by the Borrower with respect to the Project and acceptable to the Purchaser.

“Assignment HAP Contract” means the Assignment of Housing Assistance Payments Agreement from the Borrower in favor of the Purchaser, as the same may be amended, supplemented or modified from time to time.

“Assignment of Developer Fees” means the Collateral Assignment and Pledge of Developer Fees and Security Agreement dated as of the date hereof from the Developer in favor of the Purchaser, as may be amended, supplemented or modified from time to time.

“Assignment of Membership Interest” means the Collateral Assignment and Pledge of Membership Interest from the Managing Member in favor of the Purchaser, as may be amended, supplemented or modified from time to time.

“Article” means a specified article hereof, unless otherwise indicated.

“Authority” has the meaning assigned to that term in the introductory paragraph of this Bond Purchase Agreement.

“Authorized Representative” means the Person or Persons at the time designated to act on behalf of the Authority or the Borrower (or the Developer, on behalf of the Borrower), as the case may be, by written certificate furnished to the Purchaser, the Authority, the Trustee and the Borrower containing the specimen signature of each such Person and signed on behalf of (a) the Authority by its Chairperson or Vice Chairperson, or such other person as may be authorized by resolution of the Authority to act on behalf of the Authority, and (b) the Borrower (or the Developer) by its Managing Member or such other person as may be authorized by the Managing Member of the Borrower (or the Developer) to act on behalf of the Borrower (or the Developer).

“Bankruptcy Code” means the United States Bankruptcy Code, constituting Title II of the United States Code, as it is amended from time to time, and any successor statute.

“Basis Point” means one one-hundredth of one percent.

“Bond Counsel” means the law firm of Greenburg Traurig, P.A. or other Independent Counsel or such other attorney or firm of attorneys whose experience in matters relating to the issuance of

obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Authority and the Purchaser.

“Bond Prepayment Date” has the meaning ascribed to such term in Section 5.02(B)(3) of this Bond Purchase Agreement.

“Bond Proceeds” means the proceeds of the Bonds advanced pursuant to the Bond Purchase Agreement.

“Bond Purchase Agreement” means this Bond Purchase Agreement, as amended, supplemented or modified from time to time.

“Bond Resolution” has the meaning ascribed to such term in the Indenture.

“Bonds” means collectively, the Series 2018A Bonds and the Series 2018B Bonds.

“Borrower” has the meaning assigned to that term in the introductory paragraph to this Bond Purchase Agreement.

“Borrowing” means a portion or portions of the Loan, of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

“Break Funding Premium” has the meaning set forth in Section 5.02(C)(2) hereof.

“Budget” means the construction budget for the construction of the Improvements as set forth in the Project Cost Statement prepared by the Purchaser and signed by the Borrower.

“Business Day” or “business day” means any day which is not (a) a Saturday, Sunday or legal holiday in the State, (b) a day on which banking institutions are authorized or obligated by law or executive order to be closed in the State, or in the state in which the principal corporate office of the Trustee for registration and payment functions is located (initially the State of Florida), (c) a day on which the New York Stock Exchange is closed, and (d) when used in connection with the LIBO Rate, the term “Business Day” shall also exclude any day on which banks are not open for dealings in U.S. dollar deposits in the London interbank market.

“Capital Contributions” mean the cash contributions to be made by the Investor Member (or its designee) to the Borrower over time pursuant to the Operating Agreement, and as set forth on Exhibit B hereto.

“CB Floating Rate” means a per annum rate equal to the Prime Rate; provided, that the CB Floating Rate shall never be less than the Adjusted One Month LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBO Rate, respectively.

“Change in Law” means the occurrence after the date of this Bond Purchase Agreement (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule or regulation or treaty or in the interpretation or application thereof by any Governmental Authority, or (c) compliance by the Purchaser (or for purposes of Section 3.04(H), by any lending office of the Purchaser or the Purchaser’s holding company), with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Bond Purchase Agreement; provided, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder issued in connection therewith or implementation thereof and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Purchaser for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

“Closing” means the closing with respect to the purchase of the Bonds by the Purchaser pursuant to the provisions of the Bond Purchase Agreement

“Closing Date” means _____, 2018.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department promulgated thereunder.

“Completion Guaranty” means the Guaranty of Completion dated the date hereof from the Borrower and Guarantor in favor of the Purchaser, guaranteeing the lien free completion of the Improvements, as may be amended, supplemented or modified from time to time.

“Conditions to Conversion” means the satisfaction of each of the following conditions prior to the Outside Conversion Date (unless waived by Purchaser): (a) there shall exist no Event of Default or any event or state of facts which, after notice or the passage of time, or both, could give rise to an Event of Default; (b) the Improvements are Substantially Complete, there has been no deterioration in or damage to the Project that would materially and adversely affect its value as security for the Loan, and all heating, air conditioning, ventilating and other building systems in the Improvements are in good working order; (c) the physical condition of the Project is satisfactory to the Purchaser in its reasonable discretion and there has been no material adverse change to the Project since the date of Substantial Completion; (d) the Borrower has provided the Purchaser with a final Conversion Certificate in form and substance acceptable to the Purchaser; (e) the Borrower has paid any required Pre-Conversion Equalization Payment; (f) the residential units in the Project have met the Occupancy Requirement under legally valid, binding and enforceable lease agreements with bona fide tenants (excluding employees of the Borrower or any Affiliate of the Borrower) who meet the qualifications required for the Tax Credits and providing for initial lease terms of not less than twelve (12) months, nor more than twenty-four (24) months for each of the three (3) months comprising the Three Month Period; (g) the Project has achieved a Debt Service Coverage Ratio of not less than 1.20 to 1.0 for the Three Month Period and a Total Debt Service Coverage Ratio of not less than 1.15 to 1.0 for the Three Month

Period; (h) the Project (i) meets the requirements of a “qualified low income housing project” within the meaning of Section 42(g) of the Code and (ii) is in compliance with all federal, state and local low income housing and other requirements applicable to the Project and any applicable requirements of the Code; (i) the Project is eligible for Tax Credits in the amounts consistent with the requirements of Section 3.02(B)(16) of this Agreement and the Tax Credits have been reserved for and allocated to, the Project in the required amount as evidenced by the Purchaser’s receipt of a copy of Treasury Form 8609 (or in the event Treasury Form 8609 is not obtainable prior to the proposed Conversion Date, the Purchaser will waive the requirement as a Condition to Conversion subject to the Purchaser receiving a copy of the cost certification by Borrower’s accounting firm and copies of all other documents filed by the Borrower for purposes of obtaining Treasury Form 8609); (j) the identity of the Borrower has not changed and there has been no material adverse change in the condition, financial or otherwise, of the Borrower or the Managing Member; (k) the identity of the Key Principal has not changed, there is no reduction in the Key Principals, direct or indirect, ownership interests in Control of the Borrower, except to the extent permitted under the Loan Documents, and there has been no material adverse change in the condition, financial or otherwise, of any Key Principal; (l) the Purchaser has received an as-completed ALTA/NSPS survey of the Project showing the location of the Improvements and showing no encroachments by any of the Improvements upon any boundary line, easement, wetlands, building set-back lines or other restricted area; (m) the Purchaser has received a date down title endorsement showing no Transfer of the Borrower’s title in and to the Project other than a Permitted Transfer and no liens or encumbrances other than Permitted Encumbrances; (n) the Borrower shall provide satisfactory evidence of continuing insurance coverage in accordance with the requirements of this Agreement; (o) evidence satisfactory to the Purchaser that all conditions necessary for the funding of Operating Reserve have been met; (p) evidence satisfactory to the Purchaser that all conditions necessary for the funding of the Replacement Reserve Agreement and required escrows have been met; (q) evidence satisfactory to the Purchaser that all conditions necessary for the funding of not less than 90% of the Capital Contributions from its Investor Member payable under the terms of its Operating Agreement have been met; (r) the Project is in compliance with all environmental laws and any required remediation of asbestos containing materials, lead based paint or other Hazardous Materials to be completed during the Construction Term shall have been completed to the satisfaction of the Purchaser; (s) the Loan shall have been paid down to the Target Permanent Loan amount or such lower amount as a result of a Pre-Conversion Equalization Payment; (t) there must not have been any advance of the Loan during the two (2) Business Days immediately preceding the Conversion Date; (u) all fees payable by the Borrower under this Bond Purchase Agreement or any other Document on or before the Conversion Date shall have been paid; (v) the Borrower shall have entered into the HAP Contract and evidence that at least three (3) months of payments under such HAP Contract have been received by Borrower; (w) the Purchaser shall have received a ten (10) year pro-forma forecast of a Debt Service Coverage ratio of not less than 1.0 to 1.0 based on annual revenue growth of two percent (2.0%) and an expense growth of three percent (3.0%); and (x) the Borrower shall have executed and delivered to the Purchaser such other information, documentation, and certifications as the Purchaser may reasonably request.

“Construction Completion Date” means the date of Substantial Completion of the Improvements, which date shall not be later than (a) _____, 20__ [sixteen (16) months] as may be

extended by force majeure (as such term is defined in the Financing Agreement) or (b) the placed-in-service date required under the Operating Agreement.

“Construction Consultant” means an engineer or architect or firm of engineers or architects selected by the Purchaser to review on behalf of the Purchaser the construction plan and costs and to provide on behalf of the Purchaser inspections during construction.

“Construction Contract” means the contract between the Borrower and the General Contractor for the construction of the Project dated as of October 31, 2017.

“Construction Term” means the period beginning on the Closing Date and ending on (a) if the Conditions to Conversion have been satisfied, the date specified as the Conversion Date in the Purchaser’s Notice of Conversion, or (b) if the Conditions to Conversion have not been satisfied, the Outside Conversion Date.

“Contingency Reserve” has the meaning set forth in Section 3.02(C) hereof.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” shall have meanings correlative thereto.

“Conversion Certificate” means the Borrower’s Conversion Certificate in the form of Exhibit C hereto certifying to the satisfaction of the Conditions to Conversion.

“Conversion Date” means the date on which the Permanent Term commences as specified by the Purchaser in its Notice of Conversion.

“Costs of Issuance” means “issuance costs” with respect to the Bonds within the meaning of Section 147(g) of the Code.

“County Loan” means the subordinate loan from Palm Beach County to the Borrower in the principal amount of \$115,000.

“Debt Service Coverage Ratio” means the ratio of Net Operating Income to the aggregate debt service (principal and interest) for the unpaid principal balance of the Series 2018A Bonds during the Permanent Term.

“Debt Service Payment” means, with respect to any Payment Date, (i) the interest payable on the Bonds on such Payment Date, plus (ii) the principal, if any, payable on the Bonds on such Payment Date, plus (iii) the premium, if any, payable on the Bonds on such Payment Date.

“Default Rate” means (a) when used in connection with the Notes or Bonds, a rate which is 4.0% above the Applicable Rate and (b) when used with respect to any other Financing Documents, the per annum rate equal to the CB Floating Rate plus 4.0%, provided, however, such interest rate shall in no event exceed the maximum interest rate which may be paid by law.

“Deficiency” has the meaning assigned to such term in Section 4.03(D) of this Bond Purchase Agreement.

“Determination of Taxability” has the meaning assigned to such term in the Indenture.

“Developer” means HTG Heron Estates Senior Developer, LLC, a Florida limited liability company.

“Development Agreement” means the Development [Services] Agreement between the Borrower and the Developer dated as of _____, 2018 for development services in connection with the Project.

“Disqualified Person” means any Person that is (a) the subject of any current or prior debarment by the United States Department of Housing and Urban Development or any state house agency (unless fully reinstated), (b) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury and/or any other similar list maintained by the Office of Foreign Assets Control pursuant to any authorizing statute, Executive Order or regulation, (c) a “Designate National” as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515, or a Person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001) issued by the President of the United States, or any related enabling legislation or other similar Executive Order, (d) any Person with whom the Purchaser or the Authority are prohibited from doing business by any Governmental Authority, or (e) any Person that is Controlled or under common Control with any of the foregoing.

“Effective Gross Income” means gross potential rent (including proceeds of rent loss insurance) and other income collected from the residential units at the Project, less a vacancy rate. For restricted units, the Purchaser will underwrite gross potential rent at the lower restricted, actual market rent levels. Unrestricted units will be underwritten at the lower of market or actual rent levels. Gross potential rent will exclude rental income which exceeds market rent for the public housing units and which exceeds eighty-five percent (85%) of market rent for the non-public housing units and rental income from retail or office tenants. A vacancy and collection loss shall be 5.0% with respect to rental units covered under the HAP Contract and 7.0% with respect to all other rental units. Other income shall be on a reoccurring or stabilized basis including income collected from garage, parking, laundry, clubhouse revenues, pet and late fees as determined by the Purchaser in its discretion. Other income shall not include interest income, commercial income, tenant deposits and other non-residential related income.

“Electronic Means” means facsimile transmission, email transmission or other similar means of communication capable of being evidenced by a paper copy.

“Electronic Signature” means any electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“ELI Loan” means the loan from Florida Housing Finance Corporation to the Borrower in the principal amount of \$720,500.

“Entity Guarantor” means each of HTG Heron Estates Senior Manager, LLC, a Florida limited liability company, Heron Estates Elderly LLC, a Florida limited liability company and Balogh Family Partnership, LLC, a Florida limited liability company.

“Environmental Indemnity” means the Environmental Indemnity Agreement dated the date hereof in favor of the Purchaser from the Borrower and the Guarantors as may be amended, supplemented or modified from time to time.

“Equipment” means all equipment, machinery, furnishings and other personal property located on the Premises and all replacements, substitutions, and additions thereto.

“Eurodollar” when used in reference to any Borrowing, refers to whether such Borrowing is bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” means any of those events defined as an Events of Default by the terms of any of the Financing Documents.

“Exceptions to Non-Recourse Guaranty” means the Exceptions to Non-Recourse Guaranty dated as of the date hereof given by the Key Principal for the benefit of the Authority, the Trustee and the Purchaser.

“Extension Conditions” means: (a) the Improvements are substantially complete as evidenced by a temporary certificate of occupancy, receipt of a certificate of substantial completion from the Architect, and concurrence by the Construction Consultant, (b) no Event of Default or event that with notice or passage of time, or both, would constitute an Event of Default thereunder exists under any of the Financing Documents, (c) no default exists beyond any applicable notice and/or cure period under the Operating Agreement, (d) the Subordinate Loan Documents shall be in full force and effect, no default shall exist beyond any applicable notice and/or cure period under any Subordinate Loan Documents and all funding to date has been made thereunder, (e) all loan or other commitments related to the Project remain in full force and effect and no default shall exist beyond any applicable notice and/or cure period, (f) the remaining Interest Reserve, funds deposited in escrow with the Purchaser on or before the commencement of the extension period and/or the projected net operating income for the extension period (the term by the Purchaser by using the most recent three (3) months) are sufficient to pay estimated interest during the entire extension period at the rates in effect at the time of calculation plus 0.25%, (f) that portion of the Capital Contributions due and payable pursuant to the terms of the Operating Agreement as of the date of the extension have been funded, (g) the Purchaser has received at least thirty (30) but not more than ninety (90) days prior written notice and together with that notice an extension fee of .25% of the face amount of the Bonds, (h) the Borrower pays the Purchaser’s legal fees and expenses, and (i) such other documentation or reaffirmations of Borrower and Guarantors as Purchaser may require have been made or provided.

“Final Advance” means the final advance made by the Purchaser under this Bond Purchase Agreement for the purchase of the Bonds.

“Final Reference Swap Rate” has the meaning specified in Section 5.02(C)(1) hereof.

“Financial Institution” means (a) any national bank, banking corporation, national banking association or other banking institution, whether acting in its individual or fiduciary capacity, organized under the laws of the United States, any state, any territory or the State of Florida, the business of which is substantially confined to banking and is supervised by the Comptroller of the Currency or a comparable state or territorial official or agency; (b) an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state, a territory or the State of Florida; (c) an investment company registered under the Investment Company Act of 1940 or a business development company as described in Section 2(a)(48) of that Act; (d) an employee benefit plan, including an individual retirement account, which is subject to the provisions of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company or registered investment company; or (e) institutional investors or other entities who customarily purchase commercial paper or tax-exempt securities in large denominations.

“Financing Agreement” means the Financing Agreement dated as of _____, 2018 by and among the Borrower, the Authority and the Trustee, as may be amended, supplemented or modified from time to time.

“Financing Documents” means the Bond Purchase Agreement, the Bonds, the Indenture, the Security Instrument, the Financing Agreement, the Notes, the Regulatory Agreements, the Purchaser Documents and any other document now or hereafter executed by the Authority or the Borrower in favor of the Trustee and/or the Purchaser which affects the rights of the Trustee in or to the Project, in whole or in part, or which secures or guarantees any sum due under the Bonds, the Notes or any other Financing Document, and all documents related thereto and executed in connection therewith, each as amended, supplemented or modified from time to time.

“Fiscal Year” means the twelve (12) month period beginning on January 1 in any year or such other fiscal year as the Borrower may select from time to time.

“Fixed Rate” means ___% per annum.

“Fund” means any entity Controlled by the Investor Sponsor into which its owners have or will invest in return for a percentage interest in the Tax Credits acquired by the Investor Member under the terms of the Operating Agreement.

“Further Advance” means the second and subsequent advances made by the Purchaser under the Bond Purchase Agreement for the purchase of the Bonds.

“General Contractor” means Gulf Building, LLC, a Florida limited liability company, as general contractor with respect to the construction and equipping of the Improvements.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America, which obligations are held in a custody account by a custodian pursuant to the terms of a custody agreement.

“Governmental Authority” means the United States of America, any other nation or political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Ground Lease” means the Third Amended and Restated Ground Lease dated _____, 2018 between the Housing Authority, as Landlord, and the Borrower, as Tenant.

“Guaranties” means the Guaranty of Payment, the Completion Guaranty, the Exceptions to Non-Recourse Guaranty and the Environmental Indemnity.

“Guarantor” means collectively, the Entity Guarantor and the Individual Guarantor.

“Guaranty of Payment” means the Guaranty of Payment dated the date hereof from the Borrower and Guarantor in favor of the Purchaser guaranteeing the Indebtedness, as may be amended, supplemented or modified from time to time.

“HAP Contract” means the Housing Assistance Payments Contract between HUD and the Borrower covering fifty (50) units at the Project for a term of fifteen (15) years with current rents of not less than \$1,101 per month for a one (1) bedroom unit.

“Hazardous Materials” means all hazardous materials including, without limitation, any flammable explosives, radioactive materials, radon, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), or in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, State or local environmental law, ordinance, rule or regulation.

“Housing Act” has the meaning specified in Section 7.18 hereof.

“Housing Authority” means the Riviera Beach Housing Authority, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes.

“Housing Authority Loan” means the subordinate loan from the Housing Authority to the Borrower in the principal amount of \$1,000,000.

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

“Improvements” means the construction of one hundred one (101) affordable senior units in one three-story building together with related site improvements located at the Premises.

“Indebtedness” means, with respect to the Borrower and the Project, (a) all indebtedness, whether or not represented by bonds, debentures, notes, or other securities, for the repayment of money borrowed, (b) all deferred indebtedness for the payment of the purchase price of properties or assets purchased relating to the Project, (c) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others, (d) all indebtedness secured by a mortgage, pledge, security interest, or lien existing on property owned which is subject to such mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby has been assumed, (e) all capitalized lease obligations, (f) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, (g) all amounts required to be paid by the Borrower as a guaranteed payment to partners or members or a preferred or special dividend, including any mandatory redemption of shares or interests, (h) all unfunded pension funds, or welfare or pension benefit plans or liabilities, and (i) all obligations (calculated on a net basis) of the Borrower under derivatives in the form of interest rate swaps, credit default swaps, total rate of return swaps, caps, floors, collars and other interest hedge agreements, in each case whether the Borrower is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations the Borrower otherwise assures a creditor against loss; provided, however, that for the purpose of computing Indebtedness, there will be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there has been deposited with the proper depository in trust the necessary funds (or Government Obligations not callable or pre-payable by the Authority thereof) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such funds and such Government Obligations so deposited will not be included in any computation of the assets of the Borrower and the income derived from such funds and Government Obligations so deposited will not be included in any computation of the income of the Borrower.

“Indemnitee” has the meaning set forth in Section 7.13(A) hereof.

“Indenture” shall mean the Trust Indenture by and between the Authority and the Trustee dated as of _____, 2018, as may be amended, supplemented or modified from time to time.

“Independent Counsel” shall mean an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not a full-time employee of the Authority, the Trustee or the Borrower.

“Individual Guarantor” means Randy E. Rieger, an individual.

“Initial Advance” means the first advance made by the Purchaser under this Bond Purchase Agreement for the purchase of the Bonds.

“Initial Reference Swap Rate” has the meaning specified in Section 5.02(C)(1) hereof.

“Interest Period” means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month which is one month thereafter, provided (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the next succeeding Business Day would fall on the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (c) no Interest Period shall extend beyond the Maturity Date, and (d) there may not be more than one Interest Period in effect at any one time. For purposes hereof, the date an advance of the Bond Proceeds is initially made and, thereafter, shall be the effective date of the most recent conversion or continuation of such advance.

“Interest Reserve” has the meaning set forth in Section 3.02(D) hereof.

“Interpolated Rate” means, at any time, for any interest period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Lender (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (i) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period and (ii) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

“Investor Equity Assignment” means the Assignment and Security Agreement dated as of the date hereof from the Borrower in favor of the Purchaser, as amended, supplemented or modified from time to time.

“Investor Member” means CREA Heron Estates, LLC, a Delaware limited liability company and its permitted successors and assigns.

“Investor Sponsor” means CREA, LLC.

“Key Principal” means Balogh Family Partnership, LLC, a Florida limited liability company and Randy E. Rieger, an individual.

“Land Use Restriction Agreement” means that certain Land Use Restriction Agreement dated as of _____, 2018 among the Authority, the Trustee and the Borrower.

“Legal Requirements” means any and all judicial decisions, statutes, rulings, directions, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to the Borrower, or the Project, including without limitation, the ownership, division, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof.

“LIBO Rate” means the London interbank offered rate administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars) for a one month period as displayed on pages LIBOR01 or LIBOR02 of the Reuters Screen or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Lender from time to time in its reasonable discretion (in each case, the “**LIBO Screen Rate**” at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such interest period; provided, that, if any LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Note and provided, further, if the LIBO Screen Rate shall not be available at such time for such interest period (an “**Impacted Interest Period**”), then the LIBO Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s and carriers’ liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Loan” or “Loans” means the loans in the aggregate principal sum of up to, but not in excess of, Eleven Million Nine Hundred Thousand Dollars (\$11,900,000) to be advanced to the Borrower on a draw down basis in accordance with the provisions of the Financing Agreement, which loan(s) shall be evidenced by the Notes and secured by the Security Instrument and the other Financing Documents.

“Managing Member” means HTG Heron Estates Senior Manager, LLC, a Florida limited liability company as Authorized Member of the Borrower.

“Maturity Date” means, with respect to the Series 2018A Bonds, _____, 2035, and with respect to the Series 2018B Bonds, _____, 2020.

“Mortgaged Property” means the Project and all other Property which may from time to time be subject to the Lien of the Security Instrument.

“Net Operating Income” means Effective Gross Income less Operating Expenses.

“Notes” means collectively, the Series 2018A Note and the Series 2018B Note.

“Notice of Conversion” means the notice from the Purchaser to the Borrower, with copies to the Authority and the Trustee, confirming that the Conditions to Conversion have been satisfied (or if applicable, waived) and, the amount of any Pre-Conversion Equalization Payment required on the Conversion Date (which date will not be more than forty-five (45) days after the date of the Notice of Conversion).

“Occupancy Requirement” means not less than ninety percent (90%) of the units at the Project have been physically and economically occupied. Physically occupied is measured as the number of units occupied compared to the total units available and economically occupied includes the combined effects on Effective Gross Income of physical vacancy of residential units and credit loss associated with rental concessions, bad debt, and discounted units.

“Operating Agreement” means the Second Amended and Restated Operating Agreement of the Borrower dated as of _____, 2018.

“Operating Expenses” means all recurring line item expenses based on the higher of the following: originally underwritten, historical annualized expenses at the Project and Borrower budget. However, real estate taxes will be adjusted for fully assessed actual taxes based on 100% completion. If abatement applies, taxes will be adjusted to any payment in lieu of taxes that are assessed against the Project. Management fee shall be defined as the greater of the management fee of the existing contract in place or market. A replacement reserve of \$300 per unit will be included in the Operating Expenses estimate.

“Operating Reserve” means the greater of (a) an amount equal to (i) three (3) months Operating Expenses plus (ii) three (3) months debt service with respect to the Series 2018A Note and all other indebtedness requiring mandatory payments of principal and/or interest during the Permanent Term or (b) the amount required by the Operating Agreement to be reserved by the Borrower to fund operating deficits.

“Outside Conversion Date” means _____, 2019, as such date may be extended with the written consent of the Purchaser.

“Patriot Act” has the meaning specified in Section 2.04(N) hereof.

“Payment and Performance Bonds” means one hundred percent (100%) payment and performance bonds with respect to the Construction Contract, issued by a domestic surety with an A.M. Best Rating of A- or better and financial size of VIII or higher and in amounts and form and content satisfactory to the Purchaser, naming the Purchaser as a multiple obligee on the Performance Bonds.

“Payment Date” means (a) the tenth (10) day of each and every calendar month commencing on May 10, 2018 and continuing until the Bonds have been paid in full, (b) any other date on which

payment of principal (including any redemption) is made on the Bonds and (c) the Maturity Date for the Bonds, or, to the extent any of the foregoing dates do not fall on a Business Day, the first Business Day thereafter.

“Permanent Term” means the term commencing on the Conversion Date and ending two hundred ten (210) months from the Closing Date.

“Permitted Encumbrances” means (a) utility, access and other easements, rights of way, restrictions, encroachments and exceptions which benefit or do not materially impair the utility or value of the Project affected thereby for purposes for which it is intended, (b) Liens for taxes, assessments and utility charges (i) to the extent permitted by the Financing Agreement, or (ii) are not delinquent, (c) any Lien on the Project obtained through any Financing Document, (d) any Lien on the Project in favor of the Purchaser or Agency, (e) subordinate Liens created under the Subordinate Loan Documents or in connection with the Permanent Loan, (f) the grant of a leasehold interest in an individual dwelling unit for a term of two (2) years or less not containing an option to purchase, and (g) any Lien permitted by the Purchaser in writing.

“Permitted Transfer” means:

- (a) a Transfer to which the Purchaser has consented, which consent will not be unreasonably withheld;
- (b) prior to the Conversion Date, a Transfer which satisfies the following subparagraphs A and B: (A) that is either: (w) by the Investor Member of all or a portion of its membership interest in the Borrower directly or indirectly to a Fund which has, as its general partner, a manager or managing member, an Affiliate of the Investor Sponsor and seventy-five percent (75%) of the percentage interest in the Fund shall be owned by Rated Institutions or wholly owned subsidiaries of Rated Institutions, (x) a Transfer by a partner or member of the Fund of its partnership or membership interest in the Fund provided that immediately after such Transfer seventy-five percent (75%) of the percentage interests in the Fund are owned by Rated Institutions or wholly owned subsidiaries of Rated Institutions, (y) if the Investor Member is not a Fund, a Transfer in the ownership of the Investor Member that does not constitute a change in Control, or (z) if the Investor Member is not a Fund, a Transfer by the Investor Member of all or a portion of its membership interest in the Borrower to a Rated Institution and (B) the Lender has received at least fifteen (15) days advance written notice of the Transfer (which notice shall include the identity of the transferee and its owners) and Lender shall have received any additional information with respect to the Transfer as reasonably requested by the Lender;
- (c) after the Conversion Date, a Transfer which satisfies the following subparagraphs A, B and C: (A) that is either: (i) by the Investor Member of all or a portion of its limited partnership or membership interest in the Borrower directly or indirectly only to a Fund which has as its, general partner, managing member or manager the Investor Sponsor or an Affiliate of the Investor Sponsor, (ii) by a partner or

member of the Fund of its partnership or membership interest in the Fund provided that, immediately after the Transfer, the general partner or managing member of the Fund is the Investor Sponsor or an Affiliate of the Investor Sponsor, (iii) if the Investor Member is not a Fund, Transfer in the ownership of the Investor Member that does not constitute a change in Control, or (iv) if the Investor Member is not a Fund, the Transfer by the Investor Member of all or a portion of its membership interest in the Borrower to a Rated Institution, (B) a change in Control in the Investor Sponsor so long as the individuals representing the senior management of the Investor Sponsor are in Control of the Investor Sponsor following such Transfer, and (C) the Purchaser has received written notice within thirty (30) days following the Transfer (which notice shall include the identity of the transferee and its owners), together with any other information with respect to the Transfer as reasonably requested by the Purchaser;

- (d) provided the Purchaser has received information with respect to the Transfer in advance thereof, including the identity of the substitute general partner or managing member and any other information reasonably requested by the Purchaser, and has been paid its Review Fee, the removal of the Managing Member for cause as set forth under Section 9.6 of the Operating Agreement so long as any substitute general partner or managing member is an Affiliate of the Investor Sponsor;
- (e) a Transfer that occurs by devise, descent or by operation of law upon the death of a natural person;
- (f) the grant of leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;
- (g) a Transfer of obsolete or worn out personal property or fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the Financing Documents, the Subordinate Loan Documents, or otherwise consented to by the Purchaser;
- (h) a Permitted Encumbrance or other grant of an easement, servitude or restrictive covenant provided that, before such other grant, the Purchaser has determined that the easement, servitude or restrictive covenant will not materially affect the operation or value of the Project or the Purchaser's interest in the Project and the Borrower pays to the Purchaser, within ten (10) days of demand, all costs and expenses incurred by the Purchaser in connection with reviewing the Borrower's request;
- (i) the creation of a tax lien or mechanic's lien or judgment lien against the Project which is bonded off, released of record or otherwise remediated to the Purchaser's satisfaction within thirty (30) days of the date of creation; and

- (j) the execution, delivery and recordation of a put option, purchase option and/or right of first refusal by and between any of the Borrower and the Managing Member, Investor Member or an Affiliate of either, provided that the same is subject, subordinate and inferior to the liens and security interests of the Financing Documents and that the exercise of any rights thereunder shall be subject to the Financing Documents.

“Person” means an individual, partnership, limited liability company, corporation, trust, unincorporated organization or Governmental Authority.

“Plans and Specifications” means any plans and specifications for the construction of the Improvements prepared by the Architect.

“Pre-Conversion Equalization Payment” means the payment of that portion of the Bonds required to be made by the Borrower on or before the Conversion Date in an amount which the outstanding principal balance of the Target Permanent Loan Amount exceeds the amount determined by the Purchaser required to meet (a) the Debt Service Coverage Ratio of 1.20 to 1.0 and a Total Debt Service Coverage Ratio of 1.15 to 1.0 for the Permanent Term, (b) a Total Debt Service Coverage Ratio of 1.0 to 1.0 under the Purchaser’s proforma forecast based on annual revenue growth of 2.0% and annual expense growth of 3.0% during the first ten (10) years of the Permanent Term, and (c) the loan to value ratio of not more than 80% of the stabilized rental value of the Project as set forth in the Purchaser’s most recent Appraisal prior to the Conversion Date.

“Premises” means the parcel of land commonly known and described as Heron Estates Senior, West 17th Court and North Congress Avenue, City of Riviera Beach, Palm Beach County, State of Florida, as more particularly described in the Security Instrument.

“Prepayment Premium” has the meaning specified in Section 5.02(C)(3) hereof.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its office at 270 Park Avenue, New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

“Project” means collectively the Premises, the Improvements and the Equipment.

“Project Costs” means the Qualified Costs of the Project as such term is defined in the Indenture.

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

“Publicly Held Corporation” means a corporation, the outstanding voting stock of which is registered under Section 12(b) or 12(g) of the Securities and Exchange Act of 1934, as amended.

“Public Housing Units” has the meaning specified in Section 7.18 hereof.

“Purchaser” means JPMorgan Chase Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as initial purchaser of the Bonds, and its successors and assigns as holder of the Bonds.

“Purchaser Documents” means the Guarantees, the Investor Equity Assignment, the Assignment of Membership Interest, the Assignment of Developer Fees, the Replacement Reserve Agreement and any other document or instrument, now or hereafter executed by the Authority, the Trustee, the Borrower, Guarantors or the Key Principals in favor of the Purchaser which affects the rights of the Purchaser in or to the Project, in whole or in part, or which secures or guarantees any sum due under the Bonds or the Purchaser Documents.

“Rate Conversion Date” means the earlier of (a) _____, 2020 [24 months from Closing Date] or (b) the Conversion Date.

“Rate Management Transaction” means (A) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between the Borrower and the Purchaser and/or an Affiliate of the Purchaser which is a rate swap, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap, floor, collar, currency swap, cross-currency rate swap, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread, repurchase transaction, reverse purchase transaction, buy/sell-back transaction, securities lending transaction, whether indexed transaction or for a purchase or sale of a security, commodity or other financial instrument or interest (including an option with respect to any of these transactions), or (B) any type of transaction that is similar to any transaction referred to in clause (A) above that is currently, or in the future becomes, recurrently entered into in the financial markets and which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or debt instruments, economic indexes or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of the foregoing transactions.

“Rated Institution” means a Financial Institution or Publicly Held Corporation with a rating of BBB- or better by Standard & Poor’s Financial Services LLC or Baa3 or better by Moody’s Investors Service, Inc.

“Reference Swap” has the meaning specified in Section 5.02(C)(1) hereof.

“Reference Swap Rate” has the meaning specified in Section 5.02(C)(1) hereof.

“Regulatory Agreements” means collectively, the R & O Agreement, the HUD Declaration of Restrictive Covenants and the Land Use Restriction Agreement.

“Replacement Reserve Agreement” means the Replacement Reserve Agreement between the Borrower and the Purchaser dated as of the date of this Agreement, as may be amended, supplemented or modified from time to time.

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

“Request for Advance” means a request from the Borrower stating the amount of the advance of Bond proceeds sought and containing the statements, representations and other items required by the Financing Agreement and by this Bond Purchase Agreement, in the form annexed to the Financing Agreement as Exhibit D.

“Reserved Rights” has the meaning ascribed to such term in the Financing Agreement.

“Retainage” means an amount equal to (a) 10% of the aggregate construction costs actually incurred by the Borrower for work in place in completing the construction of the first 50% of the Improvements as verified from time to time by the Construction Consultant and (b) 0% of the aggregate Construction Costs actually incurred by the Borrower for work in place in completing construction of the last 50% of the Improvements, as verified from time to time by the Construction Consultant, it being the intent that the total Retainage held upon completion of the construction of the Improvements in accordance with the Plans and Specifications shall be equal to 5.0% of the aggregate construction costs actually incurred by the Borrower for work in place. Provided, however, the Retainage shall in no event be less than the amount actually held back by the Borrower from the General Contractor and all subcontractors and materialmen engaged in the construction of the Improvements. The Retainage shall not be released until Substantial Completion.

“Review Fee” means Three Thousand Dollars (\$3,000).

“R & O Agreement” means the Regulatory and Operating Agreement for Mixed-Finance Project between Palm Beach County, Florida and the Borrower.

“Sail Loan” means the loan from Florida Housing Finance Corporation to the Borrower in the principal amount of \$4,971,218.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person Controlled by any such Person.

“Section” means a specified section hereof, unless otherwise indicated.

“Securities Laws” means the Securities Act of 1933, as amended, and all other securities laws of the United States of America or the State to the extent that such laws may now or hereafter be applicable to or affect the issuance, sale and delivery of the Bonds and any transfer or resale thereof.

“Security Instrument” means the Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (Leasehold) dated as of _____, 2018 covering the Project from the Borrower to the Authority, as assigned by the Authority to the Trustee, as may be amended, supplemented or modified from time to time.

“Series 2018A Bonds” means the \$6,700,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018A (Heron Estates Apartments Project).

“Series 2018A Note” means the Series 2018A Note dated as of the Closing Date made by the Borrower as maker to the Authority as payee and assigned to the Trustee, in the principal amount of Six Million Seven Hundred Thousand Dollars (\$6,700,000), as may be amended, supplemented or modified from time to time.

“Series 2018B Bonds” means the \$5,300,000 Housing Finance Authority of Palm Beach County, Florida Multifamily Mortgage Revenue Bonds, Series 2018B (Heron Estates Apartments Project).

“Series 2018B Note” means the Series 2018B Note dated as of the Closing Date made by the Borrower as maker to the Authority as payee and assigned to the Trustee, in the principal amount of Five Million Three Hundred Thousand Dollars (\$5,300,000), as may be amended, supplemented or modified from time to time.

“Shortfall Amount” means the amount, if a positive number, that \$6,030,000 will exceed the principal balance of the Series 2018A Bonds outstanding following the Pre-Conversion Equalization Payment.

“Shortfall Fee” has the meaning specified in Section 5.02(C)(1) hereof.

“Special Member” Heron Estates Elderly LLC, a Florida limited liability company.

“State” means the State of Florida.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors of the Federal Reserve System to which the Purchaser is subject, with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D.

Borrowings requiring reference to the Statutory Reserve Rate shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without the benefit of or credit for proration, exemption or offsets that may be available from time to time under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be automatically adjusted on and as of the effective date of any change in any reserve percentage.

“Subordinate Loans” means the Housing Authority Loan, the ELI Loan, the SAIL Loan and the County Loan.

“Subordinate Loan Documents” means the documents and instruments evidencing and/or securing the Subordinate Loans.

“subsidiary” means with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity, the accounts of which would be consolidated with those of the parent in the parents’ consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

Subsidiary means any subsidiary of the Borrower.

“Substantial Completion” or “Substantially Complete” means the completion of the construction and equipping of the Improvements free and clear of all unbonded Liens other than Permitted Encumbrances substantially in accordance with the Plans and Specifications to the satisfaction of the Authority, the Purchaser and the Construction Consultant, except for such defects or departures which do not, in the reasonable opinion of the Purchaser, adversely affect either the value of the work in place or the full utilization of the applicable portion of the Project for which it is intended, and the issuance and delivery to the Authority and the Purchaser of a Certificate of Substantial Completion by the Architect and copies of all permits and approvals of Governmental Authorities for the occupancy of all units contained in the Improvements, including, and not by way of limitation, a temporary, conditional or permanent certificate of occupancy.

“Substantial User” means any Person constituting a “substantial user” of the Project within the meaning ascribed to such term in Section 147(a) of the Code.

“Target Permanent Loan Amount” means the principal amount of Six Million Seven Hundred Thousand Dollars (\$6,700,000).

“Tax and Insurance Escrow Reserve” means an amount sufficient to pay the real property taxes and insurance premiums with respect to the Project prior to the date due and contained in the Tax and Insurance Account held by the Trustee under the Indenture. If for any reason the Tax and

Insurance Escrow Reserve is not held by the Trustee during the Permanent Term, it shall be held in a controlled account with the Purchaser.

“Tax Credits” means the low income housing tax credits under Section 42 of the Code available with respect to the Project.

“Tax Exempt CB Floating Rate” means the CB Floating Rate minus ___%.

“Tax Exempt Eurodollar Rate” means with respect to the relevant Interest Period a per annum rate equal to the applicable Adjusted LIBO Rate plus 1.75%.

“Tax Exempt Rate” means the applicable Tax Exempt CB Floating Rate, Tax Exempt Eurodollar Rate or Fixed Rate determined in accordance with Section 3.04(B).

“Taxable CB Floating Rate” means the CB Floating Rate minus ___%.

“Taxable Eurodollar Rate” means with respect to the relevant Interest Period, a per annum rate equal to the applicable Adjusted LIBO Rate plus ___%.

“Taxable Fixed Rate means ___% per annum.

“Taxable Rate” means (a) for the Series 2018A Bonds, (i) initially with respect to the relevant Interest Period, a rate equal to the Taxable CB Floating Rate or the Taxable Eurodollar Rate, as applicable, and (ii) from and after the Rate Conversion Date, the Taxable Fixed Rate, and (b) for the Series 2018B Bonds, with respect to the relevant Interest Period, a rate equal to the Taxable CB Floating Rate or the Taxable Eurodollar Rate, as applicable.

“Three Month Period” means three (3) consecutive full calendar months prior to the Conversion Date, the last month of which shall not be more than two (2) months prior to the month in which the Conversion Date will occur.

“Title Insurer” means the issuer of the title insurance policy required by the Purchaser pursuant to Section 3.02(B)(8) hereof.

“Total Debt Service Coverage Ratio” means the ratio of Net Operating Income to the aggregate debt service for the unpaid principal balance of the Series 2018A Note and all other indebtedness requiring mandatory payments of principal and/or interest and which is secured by a Lien on the Project during the Permanent Term.

“Transfer” means (a) a sale, assignment, transfer or other disposition (whether voluntary, involuntary, or by operation of law), (b) the grant, creation, or attachment of a Lien, encumbrance or security interest (whether voluntary, involuntary, or by operation of law), that has not been released or bonded off within thirty (30) days of notice thereof, (c) the issuance or other creation of a direct or indirect ownership interest, (d) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity, or (e) the merger, dissolution, liquidation or consolidation of a legal entity. The term “Transfer” shall not mean or

include (i) the conveyance of the Project at a judicial or non-judicial foreclosure sale under the Security Instrument or (ii) the Project becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code.

“Transfer Fee” means an amount equal to one percent (1.0%) of the outstanding principal balance of the Loan at the time of determination.

“Treasury Rate” means the yield to maturity (reflecting both stated interest and discount) of the United States Treasury obligations purchased at the time of determination with a maturity closest to, but not longer than, 210 months from the Closing Date.

“Trustee” means the Person designated as Trustee under the Indenture.

“Type” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Tax Exempt Rate, the Taxable Rate or the CB Floating Rate.

“Yield Maintenance Period” means the period of time commencing on the Closing Date and ending on _____, 2032.

EXHIBIT B

CAPITAL CONTRIBUTION SCHEDULE*

	PAYMENT CONDITIONS – with defined terms having the meanings set forth in the Operating Agreement	NET CAPITAL	
1.	Closing	[\$1,507,772]	15%
2.	Later of (i) 50% completion or _____, 2018	[\$1,005,148]	10%
3.	Later of (i) substantial completion, (ii) permanent certificate of occupancy, or (iii) _____, 2018	[\$2,010,296]	20%
4.	Later of (i) qualified occupancy, (ii) conversion of permanent term, (iii) cost certification (iv) stabilization, (v) submission of 8609 application, or (vi) _____, 20__	[\$5,328,318]	53%
5.	Later of (i) 8609s, (ii) recorded extended use agreement, or (iii) _____, 2____	[\$200,000]	2%

*In accordance with and subject to the satisfaction of the terms and conditions of the Operating Agreement

EXHIBIT C

Conversion Certificate

This Conversion Certificate (this “Certificate”) is hereby executed and delivered as of _____, 20__ by HTG Heron Estates Senior, LLC (the “Borrower”) in favor of JPMorgan Chase Bank, N.A. (the “Purchaser”) and Housing Finance Authority of Palm Beach County, (Florida) (the “Authority”) and U.S. Bank National Association as Trustee (the “Trustee”) in connection with the conversion from the Construction Term of a certain Series 2018A Note made by the Borrower to the Authority pursuant to the terms of a Financing Agreement dated as of _____ 1, 2018 (the “Financing Agreement”). Unless otherwise provided, all capitalized terms used herein shall have the defined meanings set forth in the Financing Agreement.

As of the date first above noted, the Borrower hereby certifies as follows:

1. The Financing Agreement (as defined in the Bond Purchase Agreement) and the other Financing Documents (as defined in the Bond Purchase Agreement) are in full force and effect and there exists no Event of Default or other event or state of facts which, after notice or the passage of time, or both, could give rise to an Event of Default (as defined in the Bond Purchase Agreement).
2. The Borrower’s representations and warranties in the Financing Agreement and in the Other Financing Documents are true and correct as of the date hereof.
3. There are no adverse environmental conditions affecting the Project in addition to those set forth in environmental reports pertaining to the Project as set forth in the Environmental Indemnity Agreement (the “Environmental Reports”) and that all remediation/mitigation plans and actions required, recommended or otherwise forth in any of the Environmental Reports have been completed in compliance with applicable Legal Requirements (as defined in the Bond Purchase Agreement).
4. The description of the Improvements contained in the Financing Agreement remains true and accurate as of the date hereof.
5. Not less than ninety percent (90%) of the non-manager units in the Improvements have met the Occupancy Requirement (as defined in the Bond Purchase Agreement) under legally valid, binding and enforceable lease agreements with bona fide tenants, none of whom are employees of the Borrower or employees of an Affiliate of the Borrower, and each has a lease term of not less than twelve (12) months nor more than twenty-four (24) months.
6. All of the tenancies are in full compliance with all rent, tenant qualification and other requirements set forth in the Regulatory Agreement and all other recorded restrictions, if any.

7. Title to the Project is vested in the Borrower [or in _____ pursuant to a Permitted Transfer].

8. There has been no change in the structure of, or a Transfer in, the Borrower or the Managing Member of the Borrower other than a Permitted Transfer.

9. All conditions required for the funding of not less than ninety percent (90%) of the Capital Contributions (as defined in the Bond Purchase Agreement) from the Investor Member payable pursuant to the terms of the Operating Agreement have been satisfied and no party is in default under the terms of the Operating Agreement.

10. With respect to construction of the Improvements (a) all punchlist work has been completed and accepted by the Borrower, (b) all warranties and guaranties required to be provided by the General Contractor and subcontractors have been received and accepted by the Borrower, and (c) there are no outstanding or unsettled disputes with the General Contractor or with any subcontractor or material supplier or consultant.

11. All heating, air conditioning, ventilating and other building systems in the Improvements are in good working order and there has been no deterioration in or damage to the Project that would materially and adversely affect its value.

12. All funding sources have been or will be concurrently funded into the Project in the amounts and subject to the terms and provisions as set forth in the Financing Agreement, except as otherwise amended or modified with the approval of the Purchaser.

13. The Borrower hereby acknowledges that the Purchaser will not approve a conversion to the Permanent Term without the execution and delivery of this Certificate and, therefore, that the Purchaser, the Authority and the Trustee are relying on the truth and accuracy of the certifications set forth above in proceeding with the conversion to the Permanent Term.

IN WITNESS WHEREOF, this Certificate has been executed as of the day and year first above set forth.

HTG Heron Estates Senior, LLC
a Florida limited liability company
By: HTG Heron Estates Senior Manager, LLC
a Florida limited liability company
its manager

By: _____
Matthew Rieger, Manager

Housing Finance Authority of Palm Beach County

Credit Underwriting Report

Heron Estates Senior

MFRB Program

Section A Report Summary

Section B Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

January 29, 2018

HERON ESTATES SENIOR

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Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) recommends the Housing Finance Authority of Palm Beach County (“HFAPBC”) fund Multifamily Rental Housing Bonds (“MFRB”) in the amount of \$12,000,000 (see Financing Structure, below) for the construction and permanent financing of Heron Estates Senior (“Heron Estates”).

DEVELOPMENT & SET-ASIDES

Development Name: Heron Estates Senior

RFA/Program Numbers: RFA 2015-112 / 2016-172S

Address: 2003 West 17th Street

City: Riviera Beach Zip Code: 33404 County: Palm Beach County Size: Large

Development Category: New Construction Development Type: Garden Apts (1-3 Stories)

Construction Type: Concrete masonry units, concrete roof slab and steel deck, two hydraulic elevators

Demographic Commitment:

Primary: Elderly: 55+ or 62+ for 80% of the Units

Secondary: _____ for _____ of the Units

Unit Composition:

of ELI Units: 11 ELI Units Are Restricted to 33% AMI, or less. Total # of units with PBRA? 50

of Link Units: 6 Are the Link Units Demographically Restricted? _____ # of NHTF Units: _____

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	50	733	PBRA				122		1,080	1,101	1,080	1,101	660,600
1	1.0	9	733	33%			445	101	344		344	344	344	37,152
1	1.0	16	761	60%			810	101	709		709	709	709	136,128
1	1.0	2	749	60%			810	101	709		709	709	709	17,016
1	1.0	4	774	60%			810	101	709		709	709	709	34,032
2	2.0	2	998	33%			534	113	421		421	421	421	10,104
2	2.0	2	998	60%			972	113	859		859	859	859	20,616
2	2.0	15	973	60%			972	113	859		859	859	859	154,620
2	2.0	1	986	60%			972	113	859		859	859	859	10,308
		101	79,590											1,080,576

Buildings: Residential - 1 Non-Residential - 0

Parking: Parking Spaces - 102 Accessible Spaces - 13

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
ELI/SAIL	10.0%	11	33%	50
SAIL	90.0%	90	60%	50
HC	10.0%	11	33%	50
HC	100.0%	90	60%	50

The Development is not located in and does not qualify as a Limited Development Area ("LDA"); therefore, the Applicant must commit to set aside ten percent (10%) of the total units as ELI Set-Aside Units.

Persons with a Disabling Condition Set-Aside Commitment: The proposed Development must set aside fifty percent (50%) of the ELI Set-Aside units (6 units) for Persons with a Disabling Condition that are referred by a Special Needs Household Referral Agency that provides supportive services for Persons with a Disabling Condition for the county where the proposed Development is located. As of the placed in service date for the proposed Development, this requirement will be deemed to be met with any existing units occupied by residents that do not qualify as a Person with a Disabling Condition; however, this set-aside commitment must be met as new units are rented after the placed in service date.

In addition, for properties that have a Housing Assistance Payment Contract but are not HUD Section 202 or HUD Section 811, the Borrower shall establish an owner-adopted preference in the admission policies for the Development, allowing the Borrower to create a preference or limited preference specifically for individuals or families who are referred by a partnering service agency. The partnering service agency must be a designated Special Needs Household Referral Agency in the county where the Development is located (Palm Beach County). The Applicant is required by HUD to submit a written request to their local HUD Field Office specifying this type of preference with a full description of the preference and how it will be implemented. Such HUD approval must be demonstrated to FHFC by a date that is six (6) months prior to the anticipated placed in service date, currently anticipated to be on or around March 31, 2019. Some or all of the units set aside to meet this Person with a Disabling Condition set-aside commitment can be the same units that are set aside to meet the ELI Set-Aside commitment.

Absorption Rate 20 units per month for 3.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 95.00% Economic Occupancy 95.00%
Occupancy Comments Anticipated to be 40% leased at Construction Comp.

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
Site Acreage: 6.525 Density: 15.4789 Flood Zone Designation: B
Zoning: RML-12 Low Density Multifamily Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	HTG Heron Estates Senior, LLC	% Ownership
Manager	HTG Heron Estates Senior Manager, LLC	0.0090%
Member	Heron Estates Elderly, LLC	0.0010%
Member	CREA Heron Estates, LLC	99.9890%
Special Member	CREA SLP, LLC	0.0010%
Construction Completion Guarantor(s):		
CC Guarantor 1:	HTG Heron Estates Senior, LLC	
CC Guarantor 2:	HTG Heron Estates Senior Manager, LLC	
CC Guarantor 3:	Heron Estates Elderly, LLC	
CC Guarantor 4:	HTG Affordable, LLC	
CC Guarantor 5:	Balogh Family Partnership, LLC	
CC Guarantor 6:	Randy Rieger	
CC Guarantor 7:	Matthew Rieger	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	HTG Heron Estates Senior, LLC	
OD Guarantor 2:	HTG Heron Estates Senior Manager, LLC	
OD Guarantor 3:	Heron Estates Elderly, LLC	
OD Guarantor 4:	HTG Affordable, LLC	
OD Guarantor 5:	Balogh Family Partnership, LLC	
OD Guarantor 6:	Randy Rieger	
OD Guarantor 7:	Matthew Rieger	
Bond Purchaser	JPMorgan Chase Bank, N.A.	
Developer:	HTG Heron Estates Senior Developer, LLC	
Principal 1	Randy Rieger	
Principal 2	Matthew Rieger	
General Contractor 1:	Gulf Building, LLC	
Management Company:	HTG Management, LLC	
Const. Credit Enhancer:		
Perm. Credit Enhancer:		
Syndicator:	CREA, LLC	
Bond Issuer:	Housing Finance Authority of Palm Beach County	
Architect:	David Lawrence Architecture, Inc.	
Market Study Provider:	Walter Duke & Partners	
Appraiser:	Walter Duke & Partners	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	JPMorgan Chase	FHFC - SAIL	FHFC - EU	RBHA	Palm Beach	
Amount	\$6,700,000	\$4,971,218	\$720,500	\$1,000,000	\$115,000	
Underwritten Interest Rate	5.07%	1.00%	0.00%	2.18%	1.00%	
All In Interest Rate						
Loan Term	15.0	15.0	15.0	28.0	30.0	
Amortization	35.0	N/A	N/A	28.0	N/A	
Market Rate/Market Financing LTV	52.3%	91.2%	96.8%			
Restricted Market Financing LTV	74.9%	130.5%	138.5%			
Loan to Cost - Cumulative	29.2%	50.9%	54.0%	58.4%	58.4%	
Loan to Cost - SAIL Only		21.7%				
Debt Service Coverage	1.300	1.133	1.125	1.022	1.020	
Operating Deficit Reserve	\$227,744					
# of Months covered by the Reserves	5.0					
Deferred Developer Fee				\$415,839		
As-Is Land Value				\$1,970,000		
Market Rent/Market Financing Stabilized Value				\$12,800,000		
Rent Restricted Market Financing Stabilized Value				\$8,945,000		
Projected Net Operating Income (NOI) - Year 1				\$532,353		
Projected Net Operating Income (NOI) - 15 Year				\$623,931		
Year 15 Pro Forma Income Escalation Rate				2.00%		
Year 15 Pro Forma Expense Escalation Rate				3.00%		
Bond Structure				Fixed Rate Tax-Exempt Bond Purchase		
Housing Credit (HC) Syndication Price				\$1.14		
HC Annual Allocation - Qualified in CUR				\$827,302		
HC Annual Allocation - Equity Letter of Interest				\$790,750		

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	PBC/JPMorgan Chase	\$12,000,000	\$6,700,000	\$66,337
Second	FHFC - SAIL	\$4,971,218	\$4,971,218	\$49,220
Third	FHFC - ELI	\$720,500	\$720,500	\$7,134
Fourth	RBHA	\$1,000,000	\$1,000,000	\$9,901
Fifth	Palm Beach County	\$115,000	\$115,000	\$1,139
HC Equity	CREA	\$2,253,615	\$9,014,460	\$89,252
Deferred Dev'l Fee	HTG - Developer	\$1,869,121	\$408,276	\$4,042
TOTAL		\$22,929,454	\$22,929,454	\$227,024

Credit Underwriter: Seltzer Management Group, Inc.

Date of Final CUR: 01/26/2018

TDC PU Limitation at Application: \$ 157,141 TDC PU Limitation at Credit Underwriting: \$ 214,325

Minimum 1st Mortgage per Rule: \$0 Amount Dev. Fee Reduced for TDC Limit: \$0

Financing Structure:

The Applicant submitted to the Housing Finance Authority of Palm Beach County a Multifamily Rental Housing Bond ("MFRB") Application for a minimum principal amount of \$12,000,000, in conjunction with a Florida Housing Finance Corporation ("FHFC") SAIL loan in the amount of \$4,971,218, a FHFC ELI loan in the amount of \$720,500, a loan from the Riviera Beach Housing Authority ("RBHA") in the amount of \$1,000,000, a loan from Palm Beach County ("PBC") in the amount of \$115,000 and an anticipated annual amount of \$827,302 in non-Competitive Housing Credits ("HC").

The MFRBs will be privately placed with JPMorgan Chase Bank, N.A. ("Chase") and will be issued in two series on a draw-down basis, the Series 2018A Bonds in the amount of \$6,700,000 and the Series 2018B in the amount of \$5,300,000. The proceeds of the MFRBs will be used to make a mortgage loan, evidenced by two mortgage notes corresponding to the two Series of MFRBs, to the Applicant and will be secured by a mortgage on the Project. The Series 2018A Bonds will provide permanent financing [with 35 year amortization and a 15 year term]. The Series 2018B Bonds will be due and payable in full 30 months from the date of issuance, unless earlier redeemed and are expected to be paid from tax credit equity. The MFRBs will bear interest at a variable rate initially, but the Series 2018A Bonds will convert to a fixed rate on the Rate Conversion Date, with an outside date 24 months from the date of issuance.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

The following are explanations of each item checked "No" in the table above:

1. Changes in sources of funds:

- a. At the time of application the Applicant identified the funding sources as being: Tax-exempt Bonds, SAIL, and LIHTC Equity (4% credits). Subsequent to the application, the funding sources to construct Heron Estates now also include funds from RBHA, and Palm Beach County.
- b. On June 21, 2016, the Palm Beach County Board of County Commissioners ("PBCBCC") adopted a Resolution, approving the issuance by the HFA of Palm Beach County of not more than \$12,000,000. Subsequent to the \$12,000,000 adopted Resolution, on August 15, 2017 the

PBCBCC adopted another Resolution, approving the issuance of not more than \$13,200,000 of MFRB.

- c. The National Equity Fund, Inc. (“NEF”) equity investment Letter of Intent (“LOI”) dated October 30, 2015 anticipated providing \$6,392,254 at a syndication rate of \$0.95 for an annual allocation of \$434,227. Applicant subsequently provided an Amended and Restated Operating Agreement for HTG Heron Estates Senior, LLC dated December 27, 2016 which anticipates providing \$9,014,460 at a syndication rate of \$1.14 for an annual allocation of \$790,750. According to the Operating Agreement the Investor Member is CREA Grand Lake, LLC, a Delaware limited liability company that on March 24, 2017 executed a State of Delaware Certificate of Amendment changing the company’s name to CREA Heron Estates, LLC. The Special Member is CREA SLP, LLC. Both the Investor Member and the Special Member are wholly owned subsidiaries of CREA, LLC.
2. Total development costs have increased \$6,166,409 from \$16,770,608 within the Application to \$22,937,017 primarily due to increases in the hard construction costs, building permits, impact fees, financing costs, the addition of a soft cost contingency, and developer fee. It is also noted that the land lease payment increased from \$500,000 to \$1,000,000.

These changes have no substantial material impact to the MFRB recommendation for this development.

Strengths:

1. The appraiser, Walter Duke and Partners, states the subject is physically and legally well-suited for multifamily development and the neighborhood provides all necessary support services for a successful multifamily development. Additionally, the subject’s Primary and Competitive Market Area has sufficient current and future demand for senior units to support the subject.
2. The appraiser also noted that occupancy rates within the subject’s submarket have increased over the past twelve months, with an occupancy rate of 95% within the Jupiter/North Palm Beach submarket. There are thirteen senior developments within Palm Beach County and their weighted occupancy is 97%.
3. Although the Borrower, general partner, and developer are newly formed, the principals of the developer, general partner, management company, and general contractor have sufficient experience and financial resources to develop, construct, and operate the proposed Development.

Other Considerations: None

Mitigating Factors: None

Waiver Requests/Special Conditions:

1. Receipt and satisfactory review of executed HUD HAP rents agreement/contract by Seltzer and Palm Beach County.

Additional Information:

1. Subsequent to the submission of the original application the organizational structure changed. At the time of application the Members of the applicant entity were shown to be HTG Affordable, LLC, Rieger Holdings, LLC, Heron Estates Elderly, LLC, and Housing Trust Group, LLC. During underwriting the Applicant provided an updated organizational chart listing HTG Heron Estates Senior Manager,

LLC and Heron Estates Elderly, LLC as the General Partners of HTG Heron Estates Senior, LLC and CREA Heron Estates, LLC and CREA SLP, LLC as the Investor Member and Special Limited Member, respectively. These changes are not material changes as they are less than 33.3% of the members of the Applicant.

2. A proposed Resolution of the Housing Finance Authority of Palm Beach County declaring PCBHA's intent to increase the maximum amount of the MFRB to \$13,200,000. This increase was requested by the Applicant as an abundance of caution due to increases in construction costs. As of the date of this Credit Underwriting Report, the anticipated MFRB amount during construction is \$12,000,000.
3. The Appraisal mentions that the management company, a related entity, and the fees were indicated by the Developer to be 5.0% per year. Subsequent to the Appraisal the Developer provided a Management Agreement with management compensation of 6.0% per year. The Appraiser states that the expense of management is typically expressed as a percentage of effective gross income ("EGI") and ranges from 3.0% to 6.0% in the area of which this development will be located. Competition for management contracts has been historically stronger in South Florida, thus keeping management fees at relatively low levels; however, this is a related party management agreement, eliminating competition. Based on the Appraiser's research, a management fee of 3.5% of EGI is well supported; but the management fee for this development is 6.0%.
4. RBHA was informed that the two FHFC loans will be in superior lien positions to the RBHA loan and therefore, the stipulation within the RBHA loan commitment that the RBHA loan will be paid "before any cash flow is available after payment of operating expenses and any other required debt services on the first mortgage loan" will not be accurate as to how the "waterfall" of cash flow will occur.
5. On July 5, 2017 the City Council of Riviera Beach, Palm Beach County, Florida approved the plat and two-phase master site plan for the Applicant to develop 101 senior living apartments (Heron Estates Senior) and 79 multifamily units (development name TBD) on the parcel of land, totaling approximately 15.37 acres, identified by parcel control number 56-43-42-31-01-000-0010, located within the low density multiple family zoning district (RML-12), resulting in an overall density of approximately 11.71 units per acre.

Issues and Concerns: None

Recommendation:

SMG recommends the Housing Finance Authority of Palm Beach County ("HFAPBC") fund tax-exempt Multifamily Revenue Bonds in the amount of \$12,000,000 for the construction and permanent financing of Heron Estates Senior apartments.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). In addition, this recommendation is subject to the MFRB, SAIL/ELI Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.


This recommendation is only valid for six months from the date of the report.

Prepared by:



Joshua Scribner
Credit Underwriter

Reviewed by:



Cindy Highsmith
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised		Interest Rate	Construction Debt Service
			Applicant	Underwriter		
First Mortgage	PBC/JPMorgan Chase	\$11,500,000	\$12,000,000	\$12,000,000	3.67%	\$313,785
Second Mortgage	FHFC - SAIL	\$5,000,000	\$4,971,218	\$4,971,218	1.00%	\$28,336
Third	FHFC - ELI	\$720,500	\$720,500	\$720,500	0.00%	\$0
Fourth	RBHA	\$0	\$1,000,000	\$1,000,000	0.00%	\$0
Fifth	Palm Beach County	\$0	\$115,000	\$115,000	1.00%	\$1,150
HC Equity	CREA	\$4,474,579	\$2,516,330	\$2,253,615		
Deferred Developer Fee	HTG Developer	\$2,400,000	\$2,369,537	\$1,876,684		
Total		\$24,095,079	\$23,692,585	\$22,937,017		\$343,271

Tax Exempt Bonds/First Mortgage Financing:

Per an November 1, 2017 financing proposal from JPMorgan Chase Bank, N.A. ("JPMorgan Chase") JPMorgan Chase will purchase up to \$12,000,000 of tax-exempt bonds, issued by the Housing Finance Authority of Palm Beach County ("HFAPBC"), consisting of a Series 2018A Note in the amount of \$6,700,000 and a Series 2018B Note in the amount of \$5,300,000. These proceeds will fund the construction of the subject development. During construction interest payments will be due monthly and the interest rate shall be based on the one-month London Interbank Offered Rate ("LIBOR"), plus a spread of 1.75%, adjusted monthly on a 360-day basis. The initial term of the construction loan is 24-months, with one, conditional, six-month maturity extension for a fee of .25% of the remaining loan commitment amount.

Additional fees will be charged during the Construction Phase including Issuer Fee of 20 basis points, Compliance Monitoring Fee of 4 basis points, and Trustee Fee of 7 basis points. SMG also includes a 25 basis point credit underwriting cushion. Based on current rates SMG estimates the "all-in" interest rate of 3.67% on the Bonds. The schedule above reflects the MFRB funded at an average of 57% during the construction phase.

The MFRBs will be privately placed with JPMorgan Chase Bank, N.A. ("Chase") and will be issued in two series on a draw-down basis, the Series 2018A Bonds in the amount of \$6,700,000 and the Series 2018B in the amount of \$5,300,000. The proceeds of the MFRBs will be used to make a mortgage loan, evidenced by two mortgage notes corresponding to the two Series of MFRBs, to the Applicant and will be secured by a mortgage on the Project. The Series 2018A Bonds will provide permanent financing [with 35 year amortization and a 15 year term]. The Series 2018B Bonds will be due and payable in full 30 months from the date of issuance, unless earlier redeemed and are expected to be paid from tax credit equity. The MFRBs will bear interest at a variable rate initially, but the Series 2018A Bonds will convert to a fixed rate on the Rate Conversion Date, with an outside date 24 months from the date of issuance.

Other Construction Sources of Funds:

Additional sources of funds for this development during rehabilitation include FHFC SAIL and ELI loans in the amount of \$4,971,218 and \$720,500, respectively, a Riviera Beach Housing Authority ("RBHA") loan in the amount of \$1,000,000, a Palm Beach County loan in the amount of \$115,000, and Housing Credit

("HC") equity in the amount of, \$2,253,615, and deferral of developer fee in the amount of \$1,876,684. See the Permanent Financing section below for Sources of Funds details.

Construction/Stabilization Period:

A October 31, 2017, AIA Standard Form of Agreement between Owner and Contractor with a Guaranteed Maximum Price reflects Gulf Building achieving substantial completion of the Development no later than 424 days from the date of commencement. Duke and Partners March 31, 2017 market study reflects an absorption rate of 20 units per month (5 months). Preleasing is projected to begin two months prior to construction completion; with 40 units considered to be leased at completion and the remaining 61 units occupied within 90 days of the development receiving the final certificate of occupancy. A 95% occupancy rate is expected. SMG has utilized a 15-month construction/stabilization period for purposes of this credit underwriting report.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	PBC/JPMorgan Chase	\$3,900,000	\$6,700,000	\$6,700,000	5.07%	35	15	\$409,365
Second Mortgage	FHFC - SAIL	\$5,000,000	\$4,971,218	\$4,971,218	1.00%	N/A	15	\$49,712
Third	FHFC - ELI	\$720,500	\$720,500	\$720,500	0.00%	N/A	15	\$0
Fourth	RBHA	\$0	\$1,000,000	\$1,000,000	2.18%	28	28	\$47,748
Fifth	PalM Beach County	\$0	\$115,000	\$115,000	1.00%	N/A	30	\$1,150
HC Equity	CREA	\$6,392,254	\$10,065,326	\$9,014,460				
Def. Developer Fee	HTG Developer	\$2,400,000	\$220,541	\$415,839				
Total		\$18,412,754	\$23,792,585	\$22,937,017				\$507,975

First Mortgage Financing:

Per the November 1, 2017 financing proposal from JPMorgan Chase and following the repayment of construction bonds, estimated by Seltzer of \$5,300,000, Applicant will have a permanent amortizing MFRB loan, estimated by Seltzer, in the amount of \$6,700,000. JPMorgan Chase's conversion requirements include a 1.20x debt service coverage ratio ("DSCR"); 1.15x all-in DSCR including all loans requiring hard debt service payment: 90% economic and physical occupancy for 90 days; and a 10-year pro forma forecast reflecting annual DSCR of 1.0x or greater, else the permanent loan amount may be resized at conversion. Following the construction/stabilization phase of up to 24 months (one six month extension available), interest and principal payments will be paid monthly for 15 years on a 35-year amortization schedule. The interest rate during the permanent period will be fixed at construction loan closing at the indicative rate of 4.56%, plus an Issuer Fee of 15 basis points, a Trustee Fee of 7 basis points, and a Compliance Monitoring Fee of 4 basis points. SMG also includes a 25 basis point credit underwriting cushion. Based on current rates SMG estimates the "all-in" interest rate of 5.07% on the Bonds.

Optional prepayment of the Bonds is subject to the greater of the 1% of the unpaid principal balance or yield maintenance, except for the last five years of the term. There is no prepayment fee or yield maintenance during the last five years of the loan term. The bonds shall be secured by a first priority mortgage lien on the property and other typical pledges and assignments.

SAIL

Borrower applied to FHFC under RFA 2015-112 for SAIL funds in the amount of \$5,000,000; however, the Applicant was only awarded \$4,971,218 by FHFC. The SAIL will be co-terminus with the first mortgage loan, as permitted by the Rule, for a term will of 15 years following a construction/stabilization period of up to twenty-four months for a total term of 17 years. The SAIL will be non-amortizing and will bear 1.00% simple interest per annum. Annual payments of all applicable fees will be required. Applicable fees at the rate of 0.26% (\$12,900) consist of a Servicing Fee equal to 0.20% (\$9,876) based on the principal amount of the SAIL plus a Compliance Monitoring Fee equal to 0.06% (\$3,024). Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL; however, all principal and unpaid interest is due.

ELI Loan

Applicants who submitted an Application for RFA 2015-112 are also eligible for ELI gap funding for ELI set-aside units not to exceed 10% of the total units for applications with a Family or Elderly demographic commitment. The demographic commitment for Heron Estates Senior is Senior. The ELI Loan is in the form of a forgivable loan in an amount of \$720,500.

The ELI AMI for Palm Beach County is 33%. The Borrower committed to set aside 10% of the units (11 units) at or below 33% AMI for SAIL/ELI. The ELI units are distributed across the unit mix on an approximate pro-rata basis. The ELI loan is non-amortizing at 0.00% simple interest per annum. Annual payments of all applicable fees will be required. Applicable fees, at the rate of 0.47% (\$3,383), are comprised of a Servicing Fee of 0.34% (\$2,484) based on the principal amount of the ELI, plus a Compliance Monitoring Fee of 0.12% (\$899). The principal is forgivable at maturity provided the units for which the ELI loan amount is awarded are targeted to ELI Households for the first 15 years of the 50 year Compliance Period; however, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% AMI. The Persons with a Disabling Condition set-aside requirement must be maintained through the entire compliance period. The ELI loan will be co-terminus with the first mortgage loan, as permitted by the Rule, for a term of 15 years following a construction/stabilization period of up to twenty four months for a total term of 17 years.

RBHA Loan

The Applicant provided a copy of a signed RBHA Commitment to provide construction and permanent financing in the amount of \$1,000,000. The construction term is 2 years, with a 28 year permanent loan term for a total term of 30 years. No payments are required during the construction loan term; thereafter, annual payments of principal and interest, at a rate of 2.18%, are due monthly, before any cash flow is available after payment of operating expenses and any other required debt services on the first mortgage loan. RBHA was informed that the two FHFC loans will be in superior positions to the RBHA loan and therefore, the stipulation that the RBHA loan will be paid "before any cash flow is available after payment of operating expenses and any other required debt services on the first mortgage loan" will not be accurate to how the "waterfall" of cash flow will occur.

Palm Beach County Loan

The Applicant provided a copy of a signed Conditional Loan Funding award letter from Palm Beach County dated October 7, 2015. The loan is in the amount of \$115,000 for 30 years at a rate of 1.00%; annual interest payments of \$1,150 to be paid to Palm Beach County in years 1-29; principal loan amount and annual interest payment of \$1,150 to be paid to the County in year 30.

Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a HTG Heron Estates Senior, LLC Amended and Restated Operating Agreement dated December 27, 2016, CREA Grand Lake, LLC, whose name has since been changed per the executed State of Delaware Certificate of Amendment dated March 24, 2017, to CREA Heron Estates, will provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$1,000	0.01%	Execution of Operating Agreement no later than 12/31/2016
2nd Installment	\$1,351,169	14.99%	Later to occur of 6/1/2017 and satisfaction of Admission of Investor Member, Closing of Operating Agreement, Closing of all Funding Sources, and Fixed Rate Commitment for Perm Financing.
3rd Installment	\$901,446	10.00%	Later to occur of 1/1/2018 and satisfaction of 50% Lien-Free Completion and Execution of Management Agreement.
4th Installment	\$1,802,892	20.00%	Later to occur of 7/1/2018 and satisfaction of Lien-Free Completion, Issuance of all required Temporary CO, Architects Substantial Completion Certification, 10% Test, and Satisfaction of all Environmental Requirements.
5th Installment	\$4,757,953	52.78%	Later to occur of 1/1/2019 and satisfaction of Achievement of Stabilized Occupancy, Final Cost Certification, Conversion to Perm Loan, and Final ALTA Survey.
6th Installment	\$200,000	2.22%	Later to occur of 1/1/2019 and satisfaction of IRS Form 8609, Recorded EUA, and Executed Developer Fee Note.
Total	\$9,014,460	100.00%	

Annual Tax Credits per Syndication Agreement:	\$790,750
Total HC Syndication:	\$9,014,460
Syndication Percentage (limited partner interest):	99.990%
Calculated HC Exchange Rate (per dollar):	\$1.140
Proceeds Available During Construction:	\$2,253,615

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds the Developer will have to defer \$415,839 of developer fees.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units	\$8,759,343	\$12,904,918	\$11,424,027	\$113,109	
Off-Site Work		\$100,000		\$0	\$0
Recreational Amenities	\$150,000			\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work			\$1,480,891	\$14,662	
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$8,909,343	\$13,004,918	\$12,904,918	\$127,771	\$0
General Conditions	\$1,226,308	\$1,419,541	\$774,295	\$7,666	
Overhead			\$258,098	\$2,555	
Profit			\$387,148	\$3,833	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$129,500	\$129,500	\$1,282	
Payment and Performance Bonds		\$105,153	\$105,153	\$1,041	
Contract Costs not subject to GC Fee		\$201,190	\$201,190	\$1,992	
Total Construction Contract/Costs	\$10,135,651	\$14,860,302	\$14,760,302	\$146,142	\$0
Hard Cost Contingency	\$720,358	\$738,015	\$738,015	\$7,307	
PnP Bond paid outside Constr. Contr.				\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$200,000	\$200,000	\$1,980	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Total Construction Costs:	\$10,856,009	\$15,798,317	\$15,698,317	\$155,429	\$0

Notes to the Construction Costs:

- The Applicant has provided an executed AIA Standard Form of Agreement between Owner and Contractor with a Guaranteed Maximum Price of \$14,760,302.15. The date of commencement shall be three (3) calendar days after the date on which a notice to proceed has been issued. The General Contractor shall achieve substantial completion 424 days after the date of commencement. Retainage shall be limited to 10% of the contract until the work is 50%, and no retainage shall be withheld thereafter, thus meeting FHFC's minimum requirements. Gulf Building, LLC. provided a letter dated October 24, 2017 acknowledging and committing that no construction cost will be subcontracted to any entity that has common ownership or is affiliated with the General Contractor and that not more than 20% of the construction costs will be subcontracted to any one entity.
- General Contractor fees as stated are within the 14% maximum per the Rule. General liability insurance (\$129,500), payment and performance bond costs (\$105,153), and the material costs for

carpet, blinds and appliances (\$201,190) reflected in the Construction Contract Schedule of Values are excluded from construction hard costs in the General Contractor fee calculation.

3. The Hard Cost Contingency is within the 5% allowed per Rule.
4. Seltzer engaged and received a Plan and Cost Analysis ("PCA") from Varian Associates, P.A. ("Varian"). Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$35,000	\$45,000	\$45,000	\$446	\$25,000
Appraisal	\$10,000	\$10,000	\$10,000	\$99	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$292,731	\$222,000	\$222,000	\$2,198	
Architect's Fee - Supervision	\$50,000	\$50,000	\$50,000	\$495	
Building Permits	\$121,200	\$353,500	\$353,500	\$3,500	
Builder's Risk Insurance	\$88,706	\$103,200	\$103,200	\$1,022	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$40,000	\$40,000	\$40,000	\$396	
Environmental Report	\$10,000	\$10,000	\$10,000	\$99	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$54,796	\$79,362	\$74,457	\$737	\$74,457
FHFC Application Fee	\$3,000	\$4,000	\$3,000	\$30	\$3,000
FHFC Credit Underwriting Fee	\$15,015	\$15,015	\$17,156	\$170	\$17,156
FHFC Compliance Fee	\$212,332	\$106,283	\$199,927	\$1,979	\$199,927
FHFC Other Processing Fee(s)				\$0	
Impact Fee		\$266,847	\$0	\$0	
Lender Inspection Fees / Const Admin	\$60,000	\$60,000	\$60,000	\$594	
Green Building Cert. (LEED, FGBC, NAHB)	\$25,250	\$25,250	\$25,250	\$250	
Home Energy Rating System (HERS)				\$0	
Insurance	\$90,900	\$90,900	\$90,900	\$900	
Legal Fees - Organizational Costs	\$200,000	\$250,000	\$250,000	\$2,475	\$250,000
Local Subsidy Underwriting Fee				\$0	
Market Study	\$10,000	\$10,000	\$10,000	\$99	\$10,000
Marketing and Advertising	\$100,000	\$100,000	\$100,000	\$990	\$100,000
Plan and Cost Review Analysis		\$5,000	\$6,725	\$67	
Property Taxes	\$90,900	\$90,900	\$90,900	\$900	
Soil Test	\$10,000	\$10,000	\$10,000	\$99	
Survey	\$25,000	\$25,000	\$25,000	\$248	
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$129,775	\$85,000	\$127,500	\$1,262	
Traffic Study				\$0	
Utility Connection Fees	\$414,100	\$349,971	\$0	\$0	
Soft Cost Contingency		\$120,361	\$96,225	\$953	\$96,225
Other:				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Total General Development Costs:	\$2,088,705	\$2,527,589	\$2,020,740	\$20,007	\$775,765

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision reflect the contracted and anticipated fees as stipulated in the Architect Contract dated May 23, 2017 between the Borrower and David Lawrence Architecture, Inc. for Heron Estates Senior.
2. The Applicant and Lender engaged Environmental Report, Appraisal, and Market Study figures reflect the actual cost of the reports as indicated by the Applicant.
3. The FHFC Administrative Fee is based on 4% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee stated in RFA 2015-112. The total FHFC Credit Underwriting Fee is \$17,156. Compliance Fee is estimated based on 2017 Compliance Fee Calculator Spreadsheet and is due at bond redemption.
4. Plan and Cost Review Analysis fees reflect the actual cost for the report engaged by Seltzer. Inspection fees are included in the Lender Inspection Fees line item.
5. The Soft Cost Contingency is within the 5% allowed per Rule.
6. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee	\$70,000	\$108,000		\$0	
Construction Loan Commitment Fee			\$103,500	\$1,025	
Construction Loan Closing Costs		\$40,625	\$40,625	\$402	
Construction Loan Interest	\$199,878	\$495,000	\$343,271	\$3,399	\$68,654
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee		\$49,425	\$50,250	\$498	\$50,250
Permanent Loan Origination Fee	\$39,000			\$0	\$0
Permanent Loan Closing Costs	\$7,800			\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Application Bond Fee			\$1,500	\$15	\$1,500
Local HFA Bond Underwriting Fee			\$13,970	\$138	\$13,970
Local HFA Bond Subsidy Layering Rev.				\$0	\$0
Local HFA Bond Origination Fee	\$195,800			\$0	\$0
Local HFA Bond Commitment Fee				\$0	\$0
Local HFA Bond Trustee Fee				\$0	\$0
Local HFA Bond Credit Enh. Fee				\$0	\$0
Local HFA Bond Rating Fee				\$0	\$0
Local HFA Bond Cost of Issuance		\$172,650	\$153,550	\$1,520	\$153,550
Local HFA Bond Closing Costs				\$0	\$0
Local HFA Bond Interest				\$0	\$0
Local HFA Bond Servicing Fee				\$0	\$0
SAIL Commitment Fee		\$113,834	\$106,629	\$1,056	\$106,629
SAIL Closing Costs	\$14,000		\$12,500	\$124	
SAIL Interest				\$0	
SAIL Servicing Fee				\$0	
SAIL-ELI Commitment Fee			\$7,205	\$71	\$7,205
SAIL-ELI Closing Costs			\$6,500	\$64	
SAIL-ELI Servicing Fee				\$0	
Legal Fees - Financing Costs		\$55,000	\$55,000	\$545	
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee		\$31,000	\$31,000	\$307	\$31,000
Initial TEFRA Fee			\$6,000	\$59	
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other:				\$0	
Other:				\$0	
Total Financial Costs:	\$526,478	\$1,065,534	\$931,500	\$9,223	\$432,758
Dev. Costs before Acq., Dev. Fee & Reserves	\$13,471,192	\$19,391,440	\$18,650,557	\$184,659	\$1,208,523

Notes to the Financial Costs:

1. Additional one-time fees charged during the Construction Period by Chase are: (i) Lender Commitment Fee is 0.90% of the loan amount, currently anticipated to be \$103,500 , and (ii) closing costs (\$40,625).
2. Construction Loan Interest of \$343,271 is Seltzer's estimate based on the construction completion and absorption estimates included in the construction schedule and Market Study, respectively. Interest is based on the sum of:
 - a. MFRB (\$12,000,000) at the "all-in" interest rate of 3.67% for 15 months, totaling . The all-in interest rate is the 1-month London Interbank Offered Rate ("LIBOR"), estimated at 1.23% plus a spread of 175 basis points (1.75%) and an underwriting cushion of 25 basis points (0.25%). The interest expense reflects the MFRB fully funded at closing to cash collateralize the bonds.
 - b. PBC loan (\$115,000) at the interest of 1.00% for 15 months, totaling . This interest expense reflects the PBC loan funded at the beginning of construction and remaining 100% drawn throughout the construction period.
3. Chase will charge a Lender Commitment fee (75 basis points of the permanent loan amount) upon conversion to the Permanent Period in the amount of \$50,250 .
4. Local HFA Legal Counsel fee is based on the estimate provided to Seltzer by the Applicant.
5. Palm Beach County Housing Financial Authority's "Costs of Issuance" is comprised of fees and expenses of the Administrative Fee, Counsel Fees, Placement Agent Fee, and Trustee Fees. A good faith deposit of \$55,000 was required to be provided by the Applicant and held in escrow until closing.
6. SAIL Commitment Fee is equal to 1% of the SAIL and ELI loan per RFA 2015-112.
7. Reserves – Operating Deficit is the Operating Deficit Reserve ("ODR") required by the Syndicator (CREA). At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to HFAPBC, its Servicer, and its legal counsel.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building				\$0	
Building Acquisition Cost				\$0	
Developer Fee on Non-Land Acq. Costs			\$0	\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs: None

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$2,400,000	\$3,058,716	\$3,058,716	\$30,284	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land				\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Total Other Development Costs:	\$2,400,000	\$3,058,716	\$3,058,716	\$30,284	\$0

Notes to the Other Development Costs:

1. The Developer Fee does not exceed 18% of the development costs per the RFA and Rule exclusive of land acquisition, developer fee, and reserves.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				\$0	\$0
Land Acquisition Cost				\$0	\$0
Land				\$0	\$0
Land Lease Payment	\$500,000	\$1,000,000	\$1,000,000	\$9,901	\$1,000,000
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
Total Acquisition Costs:	\$500,000	\$1,000,000	\$1,000,000	\$9,901	\$1,000,000

Notes to the Land Acquisition Costs:

1. Per the Second Amended and Restated Ground Lease ("Lease" or "Lease Agreement") between Riviera Beach Housing Authority and HTG Heron Estates Senior, LLC dated November 15, 2016, the RBHA will lease the subject site to the Applicant for a one-time capitalized lease payment in the amount of \$1,000,000. This payment is due on the Commencement Date (date on which the Applicant closes on construction financing). The term of the lease shall extend through the

minimum period during which the Mixed Finance Public Housing Units are required by law to be operated as public housing. According to section 9.3(b) of the Lease Agreement, Applicable Public Housing Requirements, during the 40 year period, plus a 10 year tail, begins on the date on which the development becomes available for occupancy.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
ACC Reserve (Lender)				\$0	\$0
ACC Reserve (Syndicator)				\$0	\$0
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)	\$399,416	\$227,744	\$227,744	\$2,255	\$227,744
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Replacement Reserves (FHFC)				\$0	\$0
Replacement Reserves (Lender)				\$0	\$0
Replacement Reserves (Syndicator)				\$0	\$0
Reserves - Start-Up/Lease-up Expenses				\$0	\$0
Reserves - Working Capital				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
Total Reserve Accounts:	\$399,416	\$227,744	\$227,744	\$2,255	\$227,744

Notes to the Reserve Accounts:

- The Operating Deficit Reserve in the amount \$227,744 is required per HTG Heron Estates Senior, LLC Amended and Restated Operating Agreement dated December 27, 2016. The operating reserve shall be held throughout the Compliance Period.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$16,770,608	\$23,677,900	\$22,937,017	\$227,099	\$2,436,267

Notes to the Total Development Costs:

- Per RFA 2015-112, Total Development Cost ("TDC") is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. Per an analysis of the approved Development costs, identified in this report, the costs presented do not exceed the maximum allowable TDC per the RFA.

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,080,576	\$10,699
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$22,826	\$226
	Washer/Dryer Rentals	\$32,724	\$324
	Cable/Satellite Income	\$0	\$0
	Rent Concessions	\$0	\$0
	Alarm Income	\$0	\$0
	Gross Potential Income	\$1,136,126	\$11,249
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 4.0%	(\$45,445)	(\$450)
	Collection Loss - Percentage: 1.0%	(\$11,361)	(\$112)
Total Effective Gross Revenue	\$1,079,320	\$10,686	
EXPENSES	Fixed:		
	Real Estate Taxes	\$148,958	\$1,475
	Insurance	\$45,450	\$450
	Other: Syndicator's Asset Management Fee	\$5,000	\$50
	Variable:		
	Management Fee - Percentage: 6.00%	\$64,759	\$641
	General and Administrative	\$35,350	\$350
	Payroll Expenses	\$111,100	\$1,100
	Utilities	\$36,360	\$360
	Marketing and Advertising	\$12,625	\$125
	Maintenance and Repairs	\$36,360	\$360
	Grounds Maintenance and Landscaping	\$17,675	\$175
	Resident Programs	\$0	\$0
	Contract Services	\$0	\$0
	Security	\$0	\$0
	Other-Pest Control	\$3,030	\$30
Reserve for Replacements	\$30,300	\$300	
Total Expenses	\$546,967	\$5,416	
Net Operating Income	\$532,353	\$5,271	
Debt Service Payments			
DEBT SERVICE	First Mortgage - JPMorgan Chase	\$409,365	\$4,053
	Second Mortgage - SAIL	\$49,712	\$492
	Third Mortgage - ELI	\$0	\$0
	Fourth Mortgage - RBHA	\$47,748	\$473
	Fifth Mortgage - Palm Beach	\$1,150	\$11
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees -	\$0	\$0
	Second Mortgage Fees -	\$10,775	\$107
	Third Mortgage Fees -	\$3,383	\$33
	Fourth Mortgage Fees -	\$0	\$0
	Fifth Mortgage Fees -	\$0	\$0
All Other Mortgages Fees -	\$0	\$0	
Total Debt Service Payments	\$522,133	\$5,170	
Cash Flow After Debt Service	\$10,219	\$101	

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.30
	DSC - Second Mortgage plus Fees	1.13
	DSC - Third Mortgage plus Fees	1.12
	DSC - Fourth Mortgage plus Fees	1.02
	DSC - Fifth Mortgage plus Fees	1.02
	DSC - All Mortgages and Fees	1.02
Financial Ratios		
	Operating Expense Ratio	50.7%
	Break-Even Ratio	94.4%

Notes to the Operating Pro forma and Ratios:

- The MFRB and SAIL/ELI programs do not impose any rent restrictions. However, this development will be utilizing Housing Credits in conjunction with the 4% HC financing, which will impose rent restrictions. The rents utilized herein for 50 of the total 101 units are based upon the current Housing Assistance Payment ("HAP") contract rent schedule from HUD effective June 1, 2016. The remainder of the rents (51 units not currently receiving HAP rental assistance) are based upon the 2017 Maximum Net HC rents. The appraiser projects that the subject development can obtain maximum allowable 2017 HC rents. Water, sewer, trash, and pest control are included in the rent so tenants are only responsible for the payment of electricity.

The rent roll is shown below:

Palm Beach County (West Palm Beach-Boca Raton HNFA; Miami-Fort Lauderdale-Pompano Beach MSA)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	50	733	PBRA				122		1,080	1,101	1,080	1,101	660,600
1	1.0	9	733	33%			445	101	344		344	344	344	37,152
1	1.0	16	761	60%			810	101	709		709	709	709	136,128
1	1.0	2	749	60%			810	101	709		709	709	709	17,016
1	1.0	4	774	60%			810	101	709		709	709	709	34,032
2	2.0	2	998	33%			534	113	421		421	421	421	10,104
2	2.0	2	998	60%			972	113	859		859	859	859	20,616
2	2.0	15	973	60%			972	113	859		859	859	859	154,620
2	2.0	1	986	60%			972	113	859		859	859	859	10,308
		101	79,590											1,080,576

- Miscellaneous income includes vending income, late fees, pet deposits, washer and dryer rentals, and forfeited security deposits. Seltzer has utilized the Appraiser's estimate which is within the range of the comparables.
- Vacancy and Collection rates combined are based on the appraiser's estimate of 4% and 1%, respectively.
- Insurance is based on the Appraiser's estimate, which also equals the Applicant's estimate.
- Management Fees of 6.0% are based upon the Property Management Agreement provided by Borrower.

6. Other operating expense estimates are based on either comparable market properties and are supported by the appraisal.
7. Per the HTG Heron Estates Senior, LLC Amended and Restated Operating Agreement dated December 27, 2016, the Replacement Reserves will be in the amount of \$300 per unit per year (\$30,300), meeting the Rule and RFA requirement. Reserves will increase annually at a rate of 3% per year.
8. A 15-year income and expense projection shows increasing debt service coverage (“DSC”) through year fifteen (15). This projection is attached to this report as Exhibit 1.

Section B

Supporting Information and Schedules

Additional Development and Third Party Supplemental Information

Appraised Value:

The appraised value is \$12,800,000 as if completed and stabilized, based on market rents and market financing, as reported in the full narrative appraisal dated May 8, 2017 performed by Walter Duke and Partners (“Duke and Partners”). Walter B. Duke, III and Lori J. Spencer are State Certified General Real Estate Appraisers and hold Florida Certified General Appraiser Licenses Number RZ375 and RZ2559. The appraisal was engaged by the first mortgagee, JPMorgan Chase. Based upon this value, the loan-to-value ratio for the first mortgage debt is 52.3%, 91.2% for the first mortgage plus the SAIL, and 96.8% for the first mortgage plus the SAIL plus the ELI program loan.

Restricted Rents/Market Financing

Per Duke and Partners, the appraised value is \$8,945,000 as if completed and stabilized, based upon restricted rents and market financing. Based upon this value, the loan-to-value ratio for the first mortgage debt is 74.9%, 130.5% for the first mortgage plus the SAIL, and 138.5% for the first mortgage plus the SAIL plus the ELI program loan.

“As Is” Land Value

The appraisal also estimated an “as is” value for the land in the amount of \$1,970,000.

Market Study:

A Market Study was prepared for the subject property by Duke and Partners, dated March 31, 2017. Duke and Partners concluded that the development site is convenient to neighborhood shopping, employment, and educational facilities. All necessary utilities and services are available to the site to support the current development plan. Overall, access and exposure are considered good for multifamily purposes. Based on Duke and Partners investigations, the subject’s highest and best use is considered to be suitable for multifamily development.

The target market area for the subject property is generally considered to be within five-mile radius of the subject property. Within this primary market area (“PMA”), the population is projected to increase slightly over the next five years by about 10,652 persons, or about 1.16%. The number of households in the subject’s PMA is projected to increase by about 4,221, or 1.07%. The subject’s competitive market area (“CMA”) is considered to be all of Palm Beach County due to its senior tenant base. The percentage of households within Palm Beach County headed by an individual over 55 years of age is 54.8%. This suggests that a minimum of 50% of the income qualified renters in the PMA are seniors.

According to the Reinhold P. Wolff Quarterly Housing Survey, annual demand for additional rental apartments in Palm Beach County is currently 2,721 units per year for 2016 through 2021 and the market could support an additional 13,606 units. Additionally, the Palm Beach County MSA will have a substantial amount of existing inventory approaching the 40-year replacement or renovation benchmark within the next five years, which will increase demand.

The subject's county-wide CMA includes thirteen affordable senior housing developments consisting of 1,984 total units. The weighted occupancy for these developments as of March 2017 is 97% (more than the 92% minimum required by Rule). There are an additional 1,103 senior units (including the subject property) currently under construction or planned for the CMA. Based on the demographic data, there are approximately 6,091 income-qualified households within the primary market area, indicating a capture rate of 1.66% for the subject. The potential pool of income-qualified renters within the primary market area is approximately 1,827 households, indicating a capture rate of 5.53% for the subject, indicating more than sufficient demand.

The Market Study confirms that the property is located within a Qualified Census Tract ("QCT"), as designated by HUD.

There are no Guarantee Fund properties within the Primary Market Area ("PMA") of the subject. Provided the subject does not start delivering units until August 2018, there will not be a negative impact on impact on any existing property within the PMA or CMA.

The developer projects preleasing to commence two months prior to construction completion with 40 units leased at completion, and the remaining 61 units leased within three months. Duke and Partner's anticipates a two to three month preleasing period, with the development being 40% leased at construction completion and stabilized occupancy of 95% within 90 days thereafter. Duke and Partner's absorption rate of 20 units per month is within the range of comparable properties and consistent with the developer's projection.

Duke and Partners projects Heron Estates Senior will achieve 2017 Maximum Allowable HC Rents on all HC units. According to FHFC requirements, Market Rents are to exceed Restricted Rents by a minimum of 10%. Based upon the subject's unit mix, the Appraiser concluded that estimated Market Rental Rates exceed estimated Restricted Rental Rates by 72%.

Environmental Report:

EE&G Environmental Services, LLC ("EE&G") of Miami Lakes, FL performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-13. The ESA indicates an

inspection date of June 14, 2016 and a report issue date of January 6, 2017.

The current assessment has revealed no evidence of Recognized Environmental Conditions (“REC”) in connection with the subject property since the former March 2016 Phase I ESA prepared by EE&G. The RECs identified in the March 2016 Phase I ESA were originally identified in a May 2008 Phase I ESA and further detailed in a May 2008 Phase II ESA. It should be noted that the subject property had updates to the May 2008 ESA Phase I & II in 2012 and 2013. No additional RECs were identified in these reports.

May 2008 RECs identified:

- 1) During the Phase II ESA conducted at the Property by EE&G in May 2008, soil and groundwater analytical results did not reveal concentrations of the tested parameters above the regulatory cleanup target levels, except for one soil sample which exceeded the 2.1 milligram per kilogram (mg/Kg) residential-use direct exposure SCTL for arsenic. Considering the other soil samples collected at the Property did not contain elevated arsenic and no evidence of historic agricultural use was documented, the elevated concentration was considered to be an anomaly. However, if soil is exported from the Property during future redevelopment, EE&G recommends that it be tested to determine the appropriate disposal options.
- 2) Additionally, EE&G observed hydrocarbon odors and elevated organic vapor analyzer (“OVA”) readings in soils collected below the groundwater table interface, which indicated that a remnant of the historic petroleum discharge may persist in deeper soils in the vicinity of the former underground storage tank (“UST”) excavation. Although the groundwater sample did not contain elevated concentrations of petroleum hydrocarbon constituents, it is possible that if disturbed during future redevelopment activities, excavated soils may require testing to determine the appropriate disposal options. Furthermore, if dewatering is planned during redevelopment, then the effluent may require monitoring to assess for the presence of petroleum hydrocarbons.
- 3) A UST was documented to have been removed from the subject property. No evidence of other USTs was observed during the site reconnaissance. However, it would not be uncommon for other former apartment buildings at the subject to have maintained fuel USTs. Therefore, in the event that an unknown UST is encountered during redevelopment, then it should be removed in accordance

with State and County guidelines, under the supervision of a Florida-licensed Professional Geologist or Professional Engineer.

As documented in Section 4.5.1 of ASTM E1527-13, “no environmental site assessment can wholly eliminate uncertainty regarding the potential for RECs in connection with a property. Performance of this practice is intended to reduce, but not eliminate, uncertainty regarding the potential for RECs in connection with a property, and this practice recognizes reasonable limits of time and cost.” Therefore, environmental conditions may exist on the subject property that could not be identified through the scope of EE&Gs investigation.

The Applicant provided Seltzer a copy of U.S. Department of Housing and Urban Development Environmental Assessment and Compliance Findings for the Related Laws. The environment assessment found no significant impacts of the proposed development, recommended approval with a requirement that the development must obtain flood insurance protection for all buildings.

The Applicant had a Soil Management Plan (“SMP”) and Health and Safety Plan (“HASP”) prepared by EE&G to conceptualize handling petroleum affected soils during development on the property and has commitment to following the protocols laid out in the plans.

Soil Test Report:

Professional Services Industries, Inc. (“PSI”) performed geotechnical engineering study in connection with the subject property and issued a report dated January 13, 2017.

To evaluate the subsurface conditions at the site, PSI drilled a total of seven Standard Penetration Test (“SPT”) borings within the proposed building footprint to depths ranging from 30-35 feet below existing grade. Additionally, six SPT borings were drilled in the proposed parking areas to a depth of 6-10 feet below existing grade. PSI also performed two percolation tests in accordance with South Florida Water Management District (“SWFMD”) procedures.

Notable findings of the soil borings generally revealed a surface layer of up to six inches of topsoil or two inches of asphaltic pavement. Generally, the asphaltic pavement was underlain by approximately six inches of limerock fill (pavement base). The topsoil and pavement base layers were underlain by loose to medium dense sands to the maximum boring termination depth of 35 feet below existing grade. Several borings showed organic stained fine sand at the depth intervals of two to four feet and eight to twelve feet below existing grade. The material is suitable for the foundation support and for use as engineered fill. The site has been filled in the past and the upper few feet is thought to be comprised of fill material that was generated from nearby sources. The

groundwater table was observed in the borings at depths ranging from 5.0 to 5.5 feet below existing grade at the time of drilling (November 2016). The difference in the water level is primarily a result of slight changes in the ground surface elevation between the borehole locations. It should be noted that groundwater levels fluctuate seasonally in response to rainfall and the infiltration rate of the soil.

Provided PSI's suggested site preparation procedures are followed (Section 5.0), PSI recommends designing a shallow foundation system for a maximum allowable bearing pressure of 3,000 pounds per square foot ("PSF"), resting on compacted structural fill material or on existing granular soils. The bottom of the footings should be at least 18 inches below the finished exterior grade in order to provide confinement. PSI further recommends that the footings supporting isolated columns have a minimum width of 36 inches and that continuous/strip footings have a minimum width of at least 18 inches, even if those dimensions produce a bearing pressure less than the allowable. Ground floor slabs can bear directly on top of compacted structural fill material. A modulus of subgrade reaction value of 150 pounds per cubic inch ("PCI") may be used for design. To avoid potential moisture problems, PSI recommends that floor slab subgrade soils be covered with a vapor barrier (such as visqueen, normally 6 mil thick) prior to constructing the slab-on-grade floors. The floor slabs should be reinforced to make them as rigid as practical. Proper joints should be provided at the junctions of the slabs and foundation system so that a small amount of independent movement can occur without causing structural damage.

Additional recommendations for site preparation, structural fill, groundwater control, foundation construction, and pavement design are detailed in Section 5.0 and 6.0, respectively, of the report based on PSI's geotechnical evaluation.

After the plans and specifications are complete, it is recommended that PSI be provided the opportunity to review the final design and specifications, in order to verify that the earthwork and foundation recommendations are properly interpreted and implemented. At that time, it may be necessary to submit supplemental recommendations.

Seltzer's recommendation is conditioned upon the Applicant and GC adhering to all recommendations of the soils engineer as to design, construction practices, and supervision of the site.

Pre-Construction Analysis:

SMG has reviewed a Pre-Construction Document Review and Cost Review/Analysis ("PCA") from Varian Associates, P.A. ("Varian") dated August 21, 2017, revised on November 14, 2017 to address the replacement of the GC with Gulf Building, LLC, the new Owner/Contractor Agreement, and updates to other technical details.

The PCA report states that the construction documents and project specifications submitted by the Applicant appear to be suitable for pricing, permitting, and construction purposes and the information appears to be coordinated and in compliance with applicable codes and standards. Varian also indicates that all FHFC Features and Amenities have been included in the Plans and/or Specifications.

Varian compared Heron Estates Senior to Varian's in-house proprietary cost database of numerous low and mid-rise senior apartment developments currently under construction. The grand total of construction costs for Heron Estates, per the Guaranteed Maximum Price Contract between HTG Heron Estates Senior (Owner) and Gulf Building is \$14,760,302.15. Soft Costs (insurance and bond premiums) totaling \$234,652 have been deducted, resulting in \$14,525,650.15 as a true Hard Cost for this development.

Based upon the adjusted area of 110,757 square feet ("asf"), the Heron Estates' Hard Cost for the building and site is \$131.15 per asf. This can be further divided into \$16.00 per asf for site features and \$115.15 per asf for building construction. The mean cost of the other senior apartment developments compiled within Varian's database is \$125.98 per asf. Site development costs average \$13.30 per asf of building area. Building construction costs average \$112.59 per asf.

For Heron Estates, costs in the senior multifamily category, the normal low-end is at \$88.36 per asf with a typical high-end of \$163.59 per asf. The construction cost for the Heron Estates Senior apartments, at \$131.15 per asf, falls near the mean cost of \$125.98 per asf.

The draft construction schedule, dated October 13, 2017 was reviewed by Varian indicates a completion date of March 31, 2019. Varian states that if permits are issued in November 2017, completion may be expected in March 31, 2019. This period is adequate for the scope Of work to be completed.

Site Inspection:

Lina Arcila and Shayeena Carmona of Seltzer Management Group, Inc. conducted a site visit on June 10, 2016 of the subject development site. The site is a vacant lot with paved entryways from Congress Avenue. The surrounding area contains commercial businesses, places of worship, bus transit stops, grocery stores and residential homes. There is a middle school and a high school located directly east of the site off Congress Avenue. Highway I-95 is less than two miles from the property and the Florida turnpike is estimated to be 5 miles from the subject. South of site are rental communities and single-family homes. West of site consists of undeveloped land and recreational amenities. North of the site there is a mall and conventional rental properties, including

Stonybrook Apartments, a HUD based property. There are no senior facilities in the immediate area.

There does not appear to be any apparent adverse conditions that would negatively affect this development nor impair the property's ability to attract tenants.

Features, Amenities, and Resident Programs:

Applicant committed to provide certain features and amenities and certain resident programs in the RFA 2015-112 Application. These commitments are set forth in the attached Exhibit 2.

ADA Accessibility Review:

Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 have been received by Seltzer.

Borrower Information

Borrower Name: HTG Heron Estates Senior, LLC ("Borrower")

Borrower Type: Florida Limited Liability Company

Ownership Structure: HTG Heron Estates Senior, LLC is a Florida Limited Liability Company registered with the State of Florida on January 20, 2015. Copies of the Articles of Organization and Operating Agreement have been provided for the Applicant. The current Certificate of Status was verified with the Secretary of State. The managers/principals are Matthew Rieger and Randy Rieger.

The managing member of the applicant company is HTG Heron Estates Senior Manager, LLC ("HESM") with .009% member interest. HESM is a Florida Limited Liability Company registered with the State of Florida on October 27, 2016. Copies of the Articles of Organization have been provided for HESM. The managers of HESM are Matthew Rieger and Randy Rieger. The members of HESM are HTG Affordable, LLC (70% member) and Rieger Holdings, LLC (30% member). The members of HTG Affordable, LLC are RER Family Partnership, Ltd. and Balogh Family Investments Limited Partnership with 50% interest, respectively. The sole member of Rieger Holdings, LLC is Matthew Rieger.

The administrative member of the applicant company is Heron Estates Elderly, LLC ("HEE") with .001% member interest. HEE is a Florida Limited Liability Company registered with the State of Florida on September 24, 2013. Copies of the Articles of Organization have been provided for HEE. The sole member of HEE is Heron Estates, Inc., a Florida not for Profit Corporation.

Based upon a HTG Heron Estates Senior, LLC Amended and Restated Operating Agreement dated December 27, 2016, CREA Grand Lake, LLC is the investor member with 99.989% member interest and CREA SLP, LLC is a special member with .001% member interest. CREA Grand Lake's name was changed per the executed State of Delaware Certificate of Amendment dated March 24, 2017, to CREA Heron Estates The developer, HTG Heron Estates Senior Developer, LLC, was formed on January 20, 2015 and is owned by HTG Affordable, LLC (75% member) and Rieger Holdings, LLC (25% member). The managers/principals are Matthew Rieger and Randy Rieger. They have the requisite experience and financial resources to complete a Development of this type.

Contact Information: Matthew Rieger
305-860-8188 (telephone)
305-856-1475 (facsimile)
E-Mail: Mattr@htgf.com

Address: 3225 Aviation Avenue, Suite 602
Coconut Grove, FL 33133

Federal Employer ID: 81-2698986

Experience: The Applicant, HTG Heron Estates Senior, LLC, is a newly formed entity created expressly to acquire, own, and operate real property, and has no development experience.

Randy Rieger is the founder and chairman of Housing Trust Group, LLC ("HTG"), formed in 1999. Mr. Rieger holds an ownership interest in 19 properties (17 in Florida) with more than 3,104 units. Mr. Rieger also has general development experience with FHFC financing that includes 3 properties with 523 units (all of which are included in HTG totals). HTG provided a project list that reflects 21 FHFC financed developments encompassing 3,179 units (4 of which are in underwriting phase). The list reflects a total number of 35 projects and 5,560 units developed; 908 units of which are located outside of Florida. HTG is a full-service developer of multifamily residential communities with over 40 years of experience in Florida and throughout the Southeastern United States and Arizona. Prior to forming HTG, Mr. Rieger held executive positions in Royal Palm Beach Colony, L.P., a large publicly held real estate development company.

Matthew Rieger is the President and CEO of Housing Trust Group, LLC and sole member of Rieger Holdings, LLC. Matthew Rieger has provided a list of multifamily projects in which he owns interests that include 6 developments with 515 units (5 of which are located in Florida).

The developer, HTG Heron Estates Senior Developer, LLC, is a newly formed entity formed expressly to develop the Heron Estates Senior property, and has no development experience. Both the Applicant and Developer rely on the experience of its principals, Randy Rieger and Mathew Rieger.

Credit Evaluation: HTG Heron Estates Senior, LLC, HTG Heron Estates Senior Manager, LLC, and HTG Heron Estates Senior Developer, LLC are all newly formed single purpose entities that have no operating or credit history, financial statements, business references or previous tax returns.

A comprehensive credit report for Randy Rieger dated August 4, 2017 reported no significant adversities.

A comprehensive credit report for Matthew Rieger dated August 4, 2017 reported no significant adversities.

An Experian business report for HTG Affordable, LLC dated August 7, 2017 reflected no trade activity, no judgments, no liens, and five (5) UCC filings related to the pledging of assets.

An Experian business report for Heron Estates Elderly, LLC dated August 4, 2017 reflected no trade activity, judgments, or liens.

An Experian business report for Balogh Family Partnership, LLC dated August 4, 2017 reflected no trade activity, judgments, or liens.

An Experian business report for RER Family Partnership, LTD dated August 4, 2017 reflected no trade activity, no judgments, no liens, and one (1) UCC filing related to the pledging of assets.

An Experian business report for HTG Heron Estates Senior Developer, LLC dated August 14, 2017 reflected no trade activity, judgements, or liens.

Bank References:

Bank references for Randy Rieger reported satisfactory depository and payment relationships. Bank accounts have not yet been established for the Applicant, General Partner and Developer.

SMG has received bank statements for Randy Rieger, Matthew Rieger, HTG Affordable LLC, RER Family Partnership, LTD, Balogh Family Partnership LLC, and Rieger Holdings LLC evidencing cash and equivalents as stated in the most currently submitted financial statements.

Financial Statements:

Randy Rieger:

Cash and Equivalents:	\$2,184,124
Total Assets:	\$42,307,338
Total Liabilities:	\$2,052,046
Net Worth:	\$40,255,292

Financial data is from an unaudited financial statement dated June 30, 2017 and certified as true and correct by Randy Rieger. Assets other than cash consist of marketable securities, pension plan, personal real estate and property, and real estate investment holdings. Liabilities consist of residential mortgages and credit card debt. SMG has reviewed Mr. Rieger's 1040 Individual Tax Returns for 2014 and 2015 and 2016 Application for Automatic Extension.

Matthew Rieger:

Cash and Equivalents:	\$1,614,278
Total Assets:	\$12,242,552
Total Liabilities:	\$509,246
Equity:	\$11,733,306

Financial data is from an unaudited financial statement dated June 30, 2017 and certified as true and correct by Matthew Rieger. Assets other

than cash consist of retirement accounts, personal real estate and property, and real estate investment holdings (Rieger Holdings LLC). Liabilities consist of residential mortgages. SMG has reviewed Mr. Rieger's 1040 Individual Tax Returns for 2014 and 2015 and 2016 Application for Automatic Extension.

HTG Affordable, LLC:

Cash and Equivalents:	\$154,486
Total Assets:	\$3,186,266
Total Liabilities:	\$2,019,254
Equity:	\$1,167,012

Financial data is from an unaudited financial statement dated June 30, 2017 and certified as true and correct by Mario A. Sariol, Chief Financial Officer. Major Assets other than Cash consist of property and construction in progress, predevelopment costs, escrows, receivables, and other assets. Liabilities consist of loans and accounts payable. SMG has also reviewed the 2014 and 2015 Federal Tax Return and 2016 Application for Automatic Extension.

Balogh Family Partnership, LLC:

Cash and Equivalents:	\$3,479,876
Total Assets:	\$16,165,840
Total Liabilities:	\$3,844,707
Equity:	\$12,321,133

Financial data is from an unaudited financial statement dated June 30, 2017 and certified as true and correct by Cara Balogh. Major Assets other than Cash consist of property and equipment, real estate investments, receivables, and other assets. Liabilities consist of accounts and mortgages payable. SMG has also reviewed the 2014 and 2015 Federal Tax Returns and 2016 Application for Automatic Extension.

Rieger Holdings, LLC:

Rieger Holdings, LLC is a disregarded tax entity and all taxable income and losses are reported on Matthew Rieger's individual tax returns and financial statements (see above).

Contingent Liabilities:

HTG Heron Estates Senior, LLC, HTG Heron Estates Senior Manager, LLC, Heron Estates Elderly, LLC, and HTG Heron Estates Senior Developer, LLC are all newly formed single purpose entities that have no operating or credit history, assets, liabilities, liens, or judgements.

Randy Rieger reports Contingent Liabilities totaling \$70,154,216, or 49.07% of outstanding construction completion guaranties, outstanding loan balance guaranties, and operating deficit guaranties on eighteen housing developments, as of June 30, 2017.

Matthew Rieger and Rieger Holdings LLC report Contingent Liabilities totaling \$2,668,032, or 25.00% of total outstanding construction loans on one housing development, as of June 30, 2017.

HTG Affordable, LLC reports Contingent Liabilities totaling \$23,233,902, 100% of outstanding construction completion guaranties, outstanding loan balance guaranties, and operating deficit guaranties on two housing developments, as of March 31, 2017.

Balogh Family Partnership, LLC reports Contingent Liabilities totaling \$74,506,189, or 50.57% of total outstanding construction loans on sixteen housing developments, as of June 30, 2017.

RER Family Partnership, Ltd reports Contingent Liabilities totaling \$1,936,456, or 50.00% of total outstanding construction loan guaranties, as of June 30, 2017.

Summary:

Based upon the information provided, Randy and Matthew Rieger, HTG Affordable LLC, Balogh Family Partnership LLC, Heron Estates Elderly, LLC and Rieger Holdings LLC, individually and through various corporate and partnership entities, appear to have the experience and financial resources to develop and operate the subject Development.

Guarantor Information

Guarantor Name: HTG Heron Estates Senior, LLC, HTG Heron Estates Senior Manager, LLC, Heron Estates Elderly, LLC, HTG Affordable, LLC Balogh Family Partnership LLC, and Randy Rieger and Matthew Rieger, individually

Guarantor Address: 3225 Aviation Avenue, Suite 602
Coconut Grove, FL 33133

Contact Information: Matthew Rieger
305-860-8188 (telephone)
305-856-1475 (facsimile)
E-Mail: Matr@htgf.com

Guarantor Description: The Borrower was formed expressly to own and operate Heron Estates Senior. HTG Heron Estates Senior Manager, LLC is the managing member of the Borrower. Both are newly formed entities. The main principal, Randy Rieger, appears to have substantial net worth and experience. All named entities will provide guarantees.

Nature of the Guarantee: The Guarantors will sign standard Construction Completion, Environmental Indemnity, Recourse Obligation and Operating Deficit Guarantees. The Construction Completion Guarantee will be released upon 100% lien-free completion as approved by the Loan Servicer.

For the MFRB Loan, Guarantors are to provide a standard Palm Beach County Environmental and Fee Indemnity. If requested in writing by Applicant, the Loan Servicer will consider a recommendation to release the Operating Deficit Guarantee if all conditions are met, including achievement of a 1.15x Debt Service Coverage (“DSC”) Ratio on the MFRB Loan, as determined by Palm Beach County or its agent and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant (“CPA”). The calculation of the DSC Ratio shall be made by Palm Beach County or the Loan Servicer. Notwithstanding the above, the Operating deficit Guarantee shall not terminate earlier than three (3) years following the final Certificate of Occupancy (“C/O”).

For the SAIL, Guarantors are to provide an Operating Deficit Guarantee. If requested in writing by Applicant, the Loan Servicer will consider a recommendation to release the Operating Deficit Guarantee if all conditions are met, including achievement of a 1.15x DSC Ratio for the combined Permanent First Mortgage MFRB and SAIL loan, as determined by FHFC or its agent and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant (“CPA”), and verified by the Credit

Underwriter. The calculation of the DSC Ratio shall be made by FHFC or its agent. Notwithstanding the above, the Operating deficit Guarantee shall not terminate earlier than three (3) years following the final C/O.

Financial Statements:

Please refer to the Borrower Information section of this report.

Contingent Liabilities:

Please refer to the Borrower Information section of this report.

Summary:

Based upon the financial information provided, the Guarantors appear to have adequate financial strength to serve as the guarantors for this Development.

Syndicator Information

Syndicator Name: CREA, LLC

Contact Person: Mike Boyle, Vice President of Acquisitions
317-634-4400 Telephone

Address: 30 South Meridian Street, Suite 400
Indianapolis, IN 46204

Experience: Based upon a HTG Heron Estates Senior, LLC Amended and Restated Operating Agreement dated December 27, 2016, CREA Grand Lake, LLC, later changed to CREA Heron Estates, LLC, is the investor member with a 99.989% ownership interest and CREA SLP, LLC is a special member with a .001% ownership interest.

CREA is an Indiana Limited Liability Company and is a wholly owned subsidiary of Omni Holding Company, LLC. Omni Holding Company acquired CREA on June 28, 2016. CREA has raised \$3.1 billion in Low Income Housing Tax Credit equity since inception. With offices in 6 states (serving 43 states and one U.S. territory), CREA currently has 337 properties under management and 30,390 units constructed. In fiscal 2015 CREA's revenue increased 11% to \$30 million and is forecasted to grow 17% in 2016 to \$35 million.

Financial Statements:

CREA, LLC.

Cash and Equivalents:	\$11,854,734
Total Assets:	\$133,497,927
Liabilities:	\$108,293,937
Shareholder Equity:	\$25,203,990

The CREA audited financial statements for the period ended September 30, 2016 were prepared by Dauby O'Conner and Zaleski, LLC on November 1, 2016 and are consolidated to include the assets and liabilities of CREA's subsidiaries. Assets other than cash and equivalents include restricted cash (\$1,127,006), net receivables (\$25,962,361), investments in operating limited partnerships – held for sale (\$82,367,850), investments in affiliated entities (\$103,183), deferred syndicator costs (\$10,961,161), property and equipment (\$459,586), and other assets (\$662,046). Liabilities include notes payable (\$29,044,760), due to operating limited partnerships (\$64,426,642), accrued compensation (\$7,433,195), accounts payable (\$4,052,533), unearned revenue (\$2,774,153), accrued expenses and other liabilities (\$562,654). Net income for the three (3) months ending was \$702,990, which when annualized results in a projected net income of \$2,811,960.

Summary: CREA, LLC. has demonstrated that it has the experience and financial strength to serve as the syndicator for this Development.

General Contractor Information

General Contractor Name: Gulf Building, LLC (“Gulf Building”)

Type: A Florida Limited Liability Company

Contact Person: John Scherer, President/CEO
954-492-9191 telephone

Address: 633 S Federal Hwy, Suite 500
Fort Lauderdale, FL 33301

Experience: Gulf Building is Limited Liability Company formed and registered with the State of Florida on October 4, 1991. Over their 25 years in business Gulf Building has grown the firm to 50 employees. Their portfolio includes new construction and renovation in the hospitality, medical, office, commercial, educational, industrial, and governmental sectors.

Current commercial projects include: a \$40+ million South Florida Regional Transportation Authority (SFRTA) Operations Center, Parking Garage and Pompano Beach Tri-Rail Station Improvements; a \$12+ million office building in Downtown Fort Lauderdale; a \$5 million City of Miramar Fire Station; and a \$4 million, 140,000 square foot clubhouse for Boca West.

Seltzer was provided a copy of Gulf Buildings prior low-income housing developments, consisting of over 350 units in South Florida.

The three key personnel, John Scherer (President), William Derrer, Jr. (Vice President), and William Derrer, Sr. (Chief Operating Officer), have industry relevant experience consisting of 17 years, 25 years, and 44 years, respectively.

License John Scherer holds a current and active Florida Certified general contractor license CGC1517189, with an expiration date of August 31, 2018, and is the primary qualifying agent for Gulf Building.

Credit Evaluation: An Experian business report for Gulf Building, LLC dated November 7, 2017 reflected no negative trade activity or judgements, and three UCCs.

Business References: Business references for Gulf Building are satisfactory.

Financial Statements: Gulf Building has provided a bonding letter from Nielson, Hoover, and Company, Inc. (“NHC”) dated April 24, 2017 in which NHC states the surety will be Berkley Insurance Company, which carries an A.M. Best Rating of A+ and a Financial Size Category of XV. Gulf Building’s bonding capacity is \$50,000,000 on individual projects with a total bonding capacity of \$150,000,000.

Gulf Building will provide a Payment and Performance bond in an amount equal to the construction contract prior to construction. Therefore, the requirement for financial information was waived.

Contingent Liabilities:

Gulf Building have provided a statement that they have no contingent liabilities.

Summary:

SMG recommends that Gulf Building be accepted as the general contractor subject to the conditions, if any, listed in the Recommendations section of this report.

Property Manager Information

Property Manager Name: HTG Management, LLC (“HTGM”)

Type: Florida Limited Liability Company

Contact Information: Matthew Rieger, President
305-860-8188 (telephone)
305-856-1475 (facsimile)
E-Mail: Mattr@htgf.com

Address: 3225 Aviation Avenue, Suite 602
Coconut Grove, FL 33133

Experience: HTGM is a Florida limited liability corporation formed in March 2014. Randy Rieger is Chairman and Principal, Matthew Rieger is President and CEO, Scott Osman is Chief Operating Officer, Mario A. Sariol is Chief Financial Officer, and Gilda Fernandez is Senior Vice President.

A corporate resume for HTGM states that it is a licensed management company based in Miami, Florida. Since 1999 HTGM has managed 15 multifamily residential communities throughout the Southeast United States, comprising over 3,500 affordable housing apartments. Currently HTGM manages 13 multifamily residential communities that consist of over 1,400 units.

Management Agreement: Applicant submitted a Management Agreement dated July 7, 2017 between the Applicant and HTGM that reflects a term of one year commencing on the Effective Date of July 7, 2017 with automatic renewals for subsequent one year terms. A monthly management fee equal to \$4,500 or 7.00% of gross receipts, whichever is greater, will be payable on the 15th of the month for the preceding month.

Management Plan: Applicant submitted a Management Plan with HTGM that appears satisfactory.

Credit Evaluation: An Experian business report for HTG Heron Estates Senior Manager, LLC dated August 14, 2017 reflected no trade activity, judgements, or liens.

Summary: HTGM has the requisite experience and expertise to successfully manage Heron Estates Senior.

EXHIBIT 2
(Heron Estates Senior /RFA 2015-112/2016-172S)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

101 Garden Apartments located in 1 residential building.

Unit Mix:

Eighty-one (81) one bedroom/one bath units; and

Twenty (20) two bedroom/two bath units.

101 Total Units

B. The Development must meet all requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act as implemented by 24 CFR 100, the 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act (“ADA”) of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations, and rules, as applicable.

C. The Development must provide the following General Features:

1. Termite prevention;
2. Pest control;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Department’s residents from a primary provider of cable or satellite TV;
5. Full-size range and oven in all units;
6. At least two full bathrooms in all 3 bedroom or larger new construction units;
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units; and
8. Washer and dryer hook ups in each of the Development’s units or an on-site laundry facility for resident use. If the proposed Development consists of an on-site laundry facility, there must be a minimum of one (1) Energy Star qualified washer and one (1) dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the

EXHIBIT 2
(Heron Estates Senior /RFA 2015-112/2016-172S)
DESCRIPTION OF FEATURES AND AMENITIES

Developments' units by 15, and then round the equation's total up to the nearest whole number.

D. The Development must provide the following Accessibility, Universal Design and Visitability Features:

All units must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

All new construction units that are located on an accessible route must have the features listed below:

1. Primary entrance door shall have a threshold with no more than a 1/2-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets;
4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

E. The Development must provide the following required Features for the Elderly Demographic:

1. At least 15 percent of the new construction units must have roll-in showers.
2. Horizontal grab bars in place around each tub and/or shower, the installation of which meets or exceeds 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
 - i. If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.1
 - ii. If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.2.

EXHIBIT 2
(Heron Estates Senior /RFA 2015-112/2016-172S)
DESCRIPTION OF FEATURES AND AMENITIES

- iii. If a roll-in shower is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 608.3.2;
 - 3. Reinforced walls for future installation of horizontal grab bars in place around each toilet, the installation of which meets or exceeds 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall);
 - 4. Toilets that are 17 inches to 19 inches in height as measured from the finished floor to the top of the toilet seat;
 - 5. Roll-out shelving or drawers in all bottom bathroom vanity cabinets;
 - 6. Adjustable shelving in master bedroom closets (must be adjustable by resident); and
 - 7. In at least one of the kitchen's bottom or base cabinets, there shall be a large drawer that has full extension drawer slides.
- F.** Green Building Features required in all Family and Elderly Demographic Developments:
- a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
 - b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Faucets: 1.5 gallons/minute or less, and
 - ii. Showerheads: 2.0 gallons/minute or less;
 - c. Energy Star qualified refrigerator;
 - d. Energy Star qualified dishwasher;
 - e. Energy Star qualified ventilation fan in all bathrooms;
 - f. Energy Star water heater;
 - g. Energy Star qualified ceiling fans with lighting fixtures in bedrooms; and
 - h. Air Conditioning minimum efficiency specifications (choose in-unit or commercial)*:
 - i. In-unit air conditioning: Minimum 15 SEER
 - ii. Packaged units are allowed in studio/efficiency units and one-bedroom units: Minimum 13.8 EER; or

EXHIBIT 2
(Heron Estates Senior /RFA 2015-112/2016-172S)
DESCRIPTION OF FEATURES AND AMENITIES

- iii. Central chiller AC system – based on size:
 - a. 0-65 KBtuh: Energy Star certified; or
 - b. >65-135 KBtuh: 11.9 EER; or
 - c. >135-240 KBtuh: 12.3 EER; or
 - d. >240 KBtuh: 12.2 EER

*Applicants who select higher efficiency HVAC as Green Building Features at question 9.a. of Exhibit A of the RFA must meet or exceed those standards, which exceed these minimum requirements.

G. The Applicant has committed to provide the following additional Green Building Features to achieve a total point value of at least 10 points:

- 1. Programmable thermostat in each unit (2 points)
- 2. Humidistat in each unit (2 points)
- 3. Water Sense certified dual flush toilets in all bathrooms (2 points)
- 4. Light colored concrete pavement instead of or on top of asphalt to reduce the heat-island effect (2 points)
- 5. Energy star qualified roof coating (2 points) *
- 6. Energy star qualified roofing materials (metal, shingles, thermoplastic polyolefin (TPO), or tiles) (3 points) *
- 7. Eco-friendly cabinets – formaldehyde free and material must be certified by the Forest Stewardship Council or a certification program endorsed by the Programme for the Endorsement of Forest Certification (3 points)
- 8. Eco-friendly flooring for entire unit – Carpet and Rug Institute Green Label certified carpet and pad, bamboo, cork, 80 percent recycled content tile, and/or natural linoleum (3 points)
- 9. High Efficiency HVAC with SEER of at least 16 (2 points) **
- 10. Energy efficient windows in each unit (3 points)
 - For all Development Types except Mid-Rise and High-Rise: Energy Star rating for all windows in each unit;
 - For Development Type of Mid-Rise and High-Rise:
 - i. U-Factor of 0.50 or less and a SHHG of 0.25 or less where the fenestration is fixed; and
 - ii. U-Factor of 0.65 or less and a SHHG of 0.25 or less where the fenestration is operable (i.e., the window opens)

EXHIBIT 2
(Heron Estates Senior /RFA 2015-112/2016-172S)
DESCRIPTION OF FEATURES AND AMENITIES

- 11. ___ Florida Yards and Neighborhoods certification on all landscaping (2 points)
- 12. X Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings (2 points)

* Applicant may choose only one option related to Energy Star qualified roofing.

** Applicants who choose high efficiency HVACs must meet the standards listed here, which exceed the minimum Green Building Features required of all Developments in Exhibit C of the RFA.

H. The Applicant must provide the following Resident Programs:

1. Computer Training – The Applicant or its Management Company shall make available computer and internet training classes (basic and/or advanced level depending on the needs and requests of the residents). The training classes must be provided at least once a week, at no cost to the resident, in a dedicated space on site. Training must be held between the hours of 8:00 a.m. and 7:00 p.m., and electronic media, if used, must be used in conjunction with live instruction.

2. Daily Activities – The Applicant or its Management Company must provide on-site supervised, structured activities, at no cost to the resident, at least five days per week which must be offered between the hours of 8:00 a.m. and 7:00 p.m.

3. Assistance with Light Housekeeping, Grocery Shopping and/or Laundry – The Applicant or its Management Company must provide residents with a list of qualified service providers for (i) light housekeeping, and/or (ii) grocery shopping, and/or (iii) laundry, and will coordinate, at no cost to the resident, the scheduling of services. The Developer or Management Company shall verify that the services referral information is accurate and up-to-date at least once every six (6) months.

I. In addition, Applicants who select the Elderly Demographic must provide the following program:

24 Hour Support to Assist Residents In Handling Urgent Issues

An important aging in place best practice is providing the residents access to property management support 24 hours per day, 7 days a week to assist them to appropriately and efficiently handle urgent issues or incidents that may arise. These issues may include, but are not limited to, an apartment maintenance emergency, security or safety concern, or a health risk incident in their apartment or on the property. The management’s assistance will include a 24/7 approach to receiving residents’ requests

EXHIBIT 2
(Heron Estates Senior /RFA 2015-112/2016-172S)
DESCRIPTION OF FEATURES AND AMENITIES

for assistance that will include a formal written process for relevant property management staff to effectively assess and provide assistance for each request.

This assistance may include staff:

- visiting or coordinating a visit to a resident's apartment to address an urgent maintenance issue;
- responding to a resident being locked out of their apartment;
- contacting on-site security or the police to address a concern;
- providing contact information to the resident and directing or making calls on a resident's behalf to appropriate community-based emergency services or related resources to address an urgent health risk incident;
- calling the resident's informal emergency contact; or
- addressing a resident's urgent concern about another resident.

Property management staff shall be on site at least 8 hours daily, but the 24 hour support approach may include contracted services or technology to assist the management in meeting this commitment, if these methods adequately address the intent of this service. The Development's owner and/or designated property management entity shall develop and implement policies and procedures for staff to immediately receive and handle a resident's call and assess the call based on a resident's request and/or need.

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's common or public areas, that staff are available to receive resident calls at all times. These notices shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Heron Estates Senior

DATE: January 29, 2018

In accordance with applicable Program Rule(s), the Borrower is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the HFAPBC. The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of Borrower, general contractor and management	Satis.	

agent.		
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT'S RESPONSES: NONE

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$22,937,017
Less Land Cost	(\$1,000,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$1,436,267)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$20,500,750
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$26,650,975
Housing Credit Percentage	3.33%
Annual Housing Credit Allocation	\$887,477

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include FHFC administrative, application and HC compliance fees, legal fees, marketing, permanent loan origination and commitment fees, Local HFA Application Fee, closing costs, reserves required by the syndicator, and costs of issuance.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. Per the Application, this Development is located in a Qualified Census Tract. Therefore, the 130.00% basis credit has been applied.
4. A Housing Credit Percentage of 3.33% is used based on a rate of 3.18% as of the May 2017 date of invitation into credit underwriting plus 15 basis points.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$22,937,017
Less Mortgages	(\$13,506,718)
Less Grants	\$0
Equity Gap	\$9,430,299
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$1.1400
HC Required to Meet Gap	\$8,273,019
Annual HC Required	\$827,302

Notes to the Gap Calculation:

1. Mortgages are MFRB first mortgage purchased by Chase, FHFC SAIL second mortgage, FHFC ELI third mortgage, RBHA mortgage and Palm Beach County mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the December 27, 2016 HTG Heron Estates Senior, LLC Amended and Restated Operating Agreement.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$20,500,749
Plus Land Cost	\$1,000,000
Aggregate Basis	\$21,500,749
Tax-Exempt Bond Amount	\$12,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$12,000,000
Proceeds Divided by Aggregate Basis	55.81%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MFRB amount to be 55.81% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Applicant Request	
HC per Qualified Basis	\$887,477
HC per Gap Calculation	\$827,302
Annual HC Recommended	\$827,302

Notes to the Summary:

1. The Annual HC Recommended is based on the Gap Calculation.

**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
American Financial Network, Inc.	6	\$1,251,156.00	6.12%
Cornerstone Home Lending, Inc.	8	1,381,797.00	8.16%
Eagle Home Mortgage, LLC.	2	202,795.00	2.04%
Hamilton Group Funding, Inc	53	9,888,168.00	54.08%
IBERIABANK Mortgage Company	2	286,707.00	2.04%
loanDepot.com, LLC	7	1,381,057.00	7.14%
LoanDepot.com, LLC dba iMortgage	6	999,776.00	6.12%
PRMG	2	321,891.00	2.04%
The Mortgage Firm PB	12	2,032,368.00	12.24%
TOTAL	98	\$17,745,715.00	100.00%

**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Boca Raton	9	\$1,958,930.00	9.18%
Boynton Beach	8	1,519,337.00	8.16%
Delray Beach	3	517,456.00	3.06%
Greenacres	5	789,702.00	5.10%
Jupiter	7	1,291,288.00	7.14%
Lake Worth	16	3,172,697.00	16.33%
Loxahatchee	1	241,656.00	1.02%
Palm Beach	1	162,011.00	1.02%
Palm Beach Gardens	6	1,058,323.00	6.12%
Palm Springs	7	1,074,904.00	7.14%
Riviera Beach	3	477,196.00	3.06%
Royal Palm Beach	3	541,768.00	3.06%
Wellington	6	1,255,701.00	6.12%
West Palm Beach	23	3,684,746.00	23.47%
TOTAL	98	\$17,745,715.00	100.00%

HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC

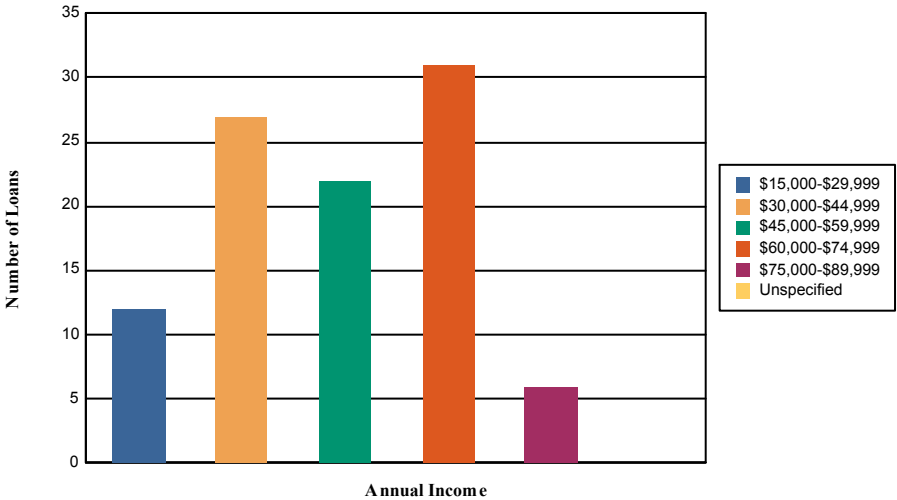
COUNTY SUMMARY

<u>COUNTY</u>	<u>LOANS</u>	<u>AMOUNT</u>	<u>% OF TOTAL</u>
Palm Beach	98	\$17,745,715.00	100.00%
TOTAL	98	\$17,745,715.00	100.00%

**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

HOUSEHOLD ANNUAL INCOME REPORT

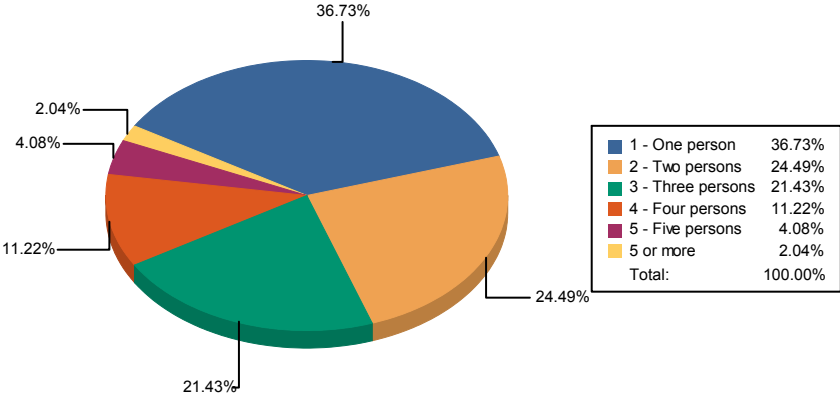
ANNUAL INCOME	LOANS	% OF TOTAL
\$15,000-\$29,999	12	12.24%
\$30,000-\$44,999	27	27.55%
\$45,000-\$59,999	22	22.45%
\$60,000-\$74,999	31	31.63%
\$75,000-\$89,999	6	6.12%
TOTAL	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

HOUSEHOLD SIZE REPORT

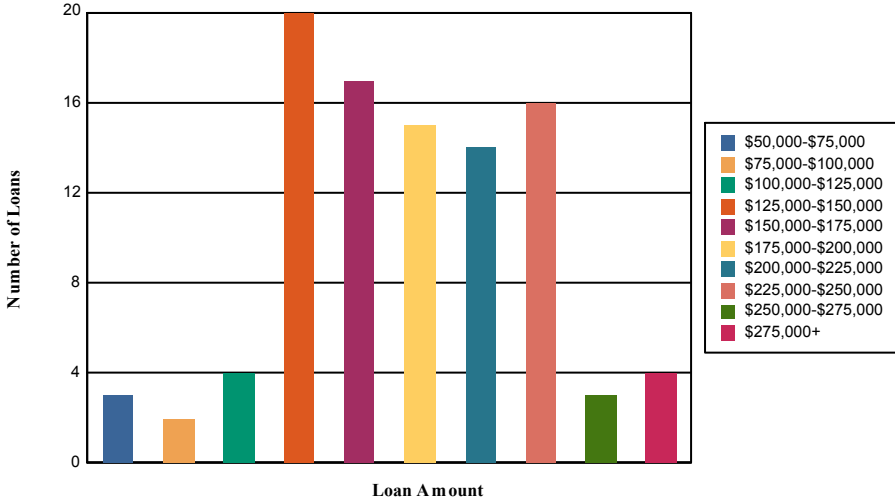
HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	36	36.73%
2 - Two persons	24	24.49%
3 - Three persons	21	21.43%
4 - Four persons	11	11.22%
5 - Five persons	4	4.08%
6 - Six persons	2	2.04%
TOTAL	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

LOAN AMOUNT REPORT

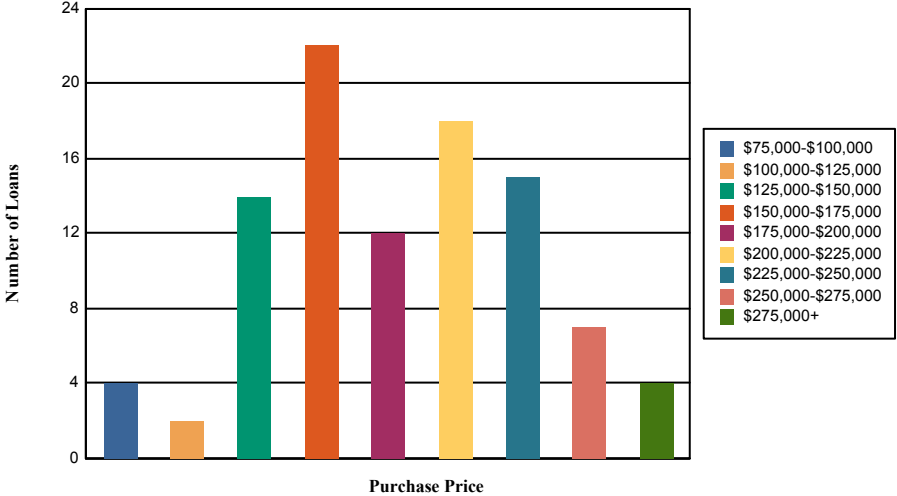
LOAN AMOUNT	LOANS	% OF TOTAL
\$50,000-\$75,000	3	3.06%
\$75,000-\$100,000	2	2.04%
\$100,000-\$125,000	4	4.08%
\$125,000-\$150,000	20	20.41%
\$150,000-\$175,000	17	17.35%
\$175,000-\$200,000	15	15.31%
\$200,000-\$225,000	14	14.29%
\$225,000-\$250,000	16	16.33%
\$250,000-\$275,000	3	3.06%
\$275,000+	4	4.08%
TOTAL	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

PURCHASE PRICE REPORT

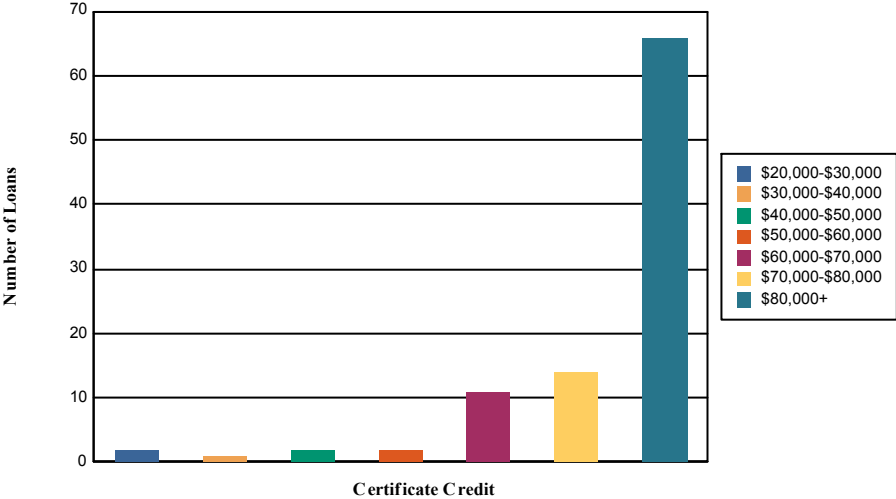
PURCHASE PRICE	LOANS	% OF TOTAL
\$75,000-\$100,000	4	4.08%
\$100,000-\$125,000	2	2.04%
\$125,000-\$150,000	14	14.29%
\$150,000-\$175,000	22	22.45%
\$175,000-\$200,000	12	12.24%
\$200,000-\$225,000	18	18.37%
\$225,000-\$250,000	15	15.31%
\$250,000-\$275,000	7	7.14%
\$275,000+	4	4.08%
TOTAL	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

CERTIFICATE CREDIT AMOUNT REPORT

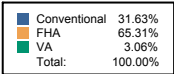
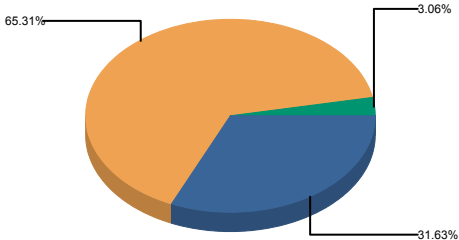
MCC AMOUNT	LOANS	% OF TOTAL
\$20,000-\$30,000	2	2.04%
\$30,000-\$40,000	1	1.02%
\$40,000-\$50,000	2	2.04%
\$50,000-\$60,000	2	2.04%
\$60,000-\$70,000	11	11.22%
\$70,000-\$80,000	14	14.29%
\$80,000+	66	67.35%
TOTAL	98	100.00%



HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC

LOAN TYPE REPORT

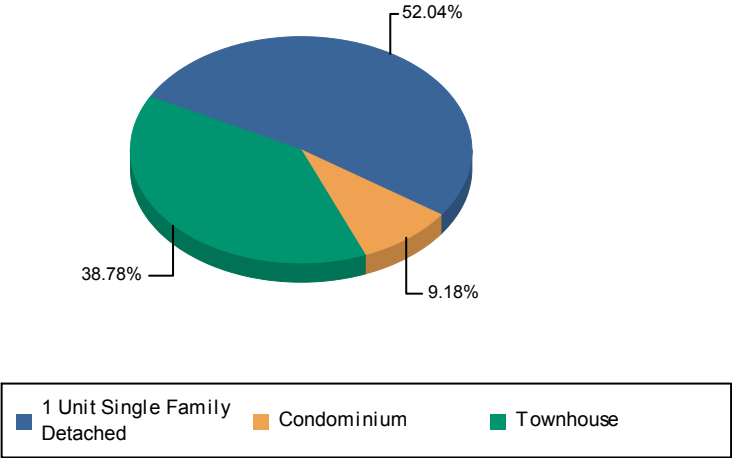
LOAN TYPE	LOANS	% OF TOTAL
Conventional	31	31.63%
FHA	64	65.31%
VA	3	3.06%
TOTAL	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

PROPERTY TYPE REPORT

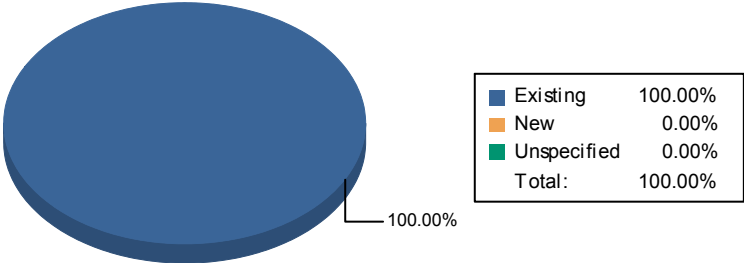
PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	51	52.04%
Condominium	9	9.18%
Townhouse	38	38.78%
TOTAL	98	100.00%



HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC

CATEGORY TYPE REPORT

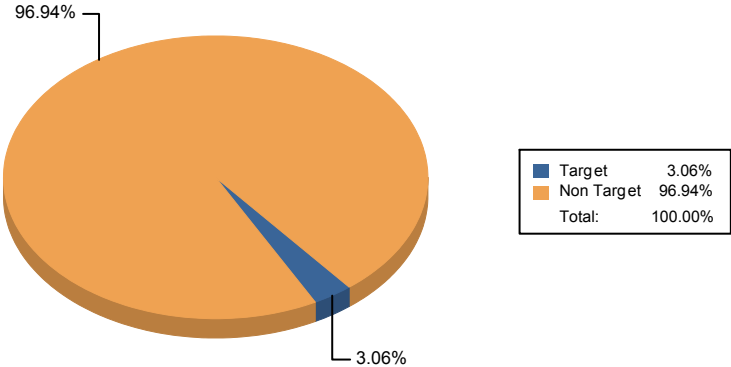
TYPE	LOANS	% OF TOTAL
Existing	98	100.00%
New	0	0.00%
Unspecified	0	0.00%
TOTAL	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	3	\$425,057.00	3.06%
NON TARGET	95	\$17,320,658.00	96.94%
TOTAL	98	\$17,745,715.00	100.00%



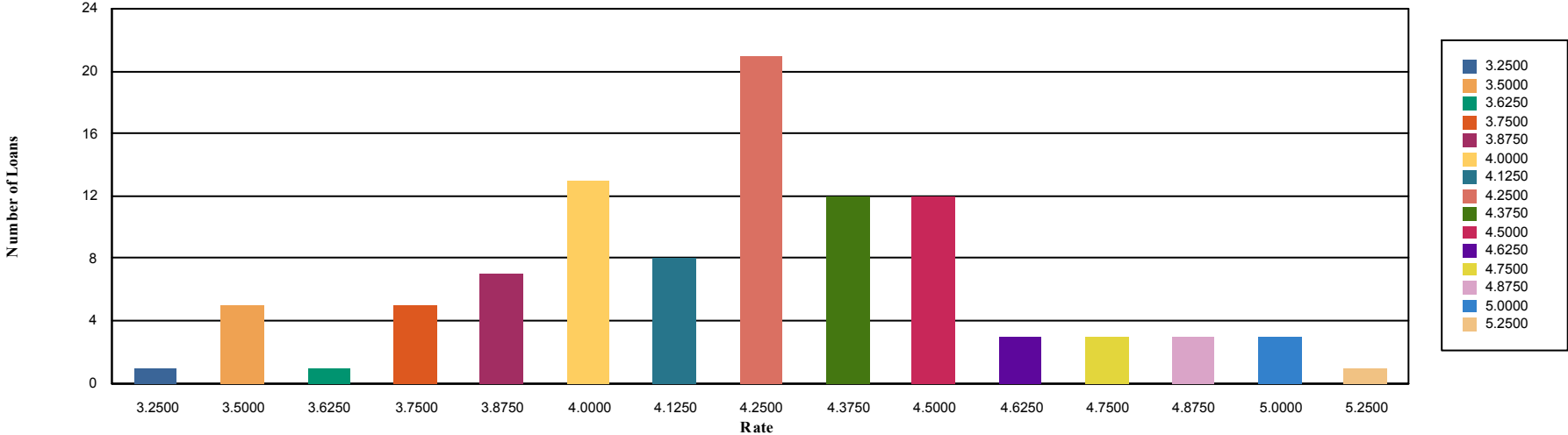
**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
3.2500%	1	\$117,826.00	1.02%
3.5000%	5	\$982,318.00	5.10%
3.6250%	1	\$127,645.00	1.02%
3.7500%	5	\$818,132.00	5.10%
3.8750%	7	\$1,292,903.00	7.14%
4.0000%	13	\$2,524,548.00	13.27%
4.1250%	8	\$1,446,676.00	8.16%
4.2500%	21	\$3,697,155.00	21.43%
4.3750%	12	\$2,213,223.00	12.24%
4.5000%	12	\$2,156,768.00	12.24%
4.6250%	3	\$494,076.00	3.06%
4.7500%	3	\$545,943.00	3.06%
4.8750%	3	\$564,595.00	3.06%
5.0000%	3	\$614,661.00	3.06%
5.2500%	1	\$149,246.00	1.02%

**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

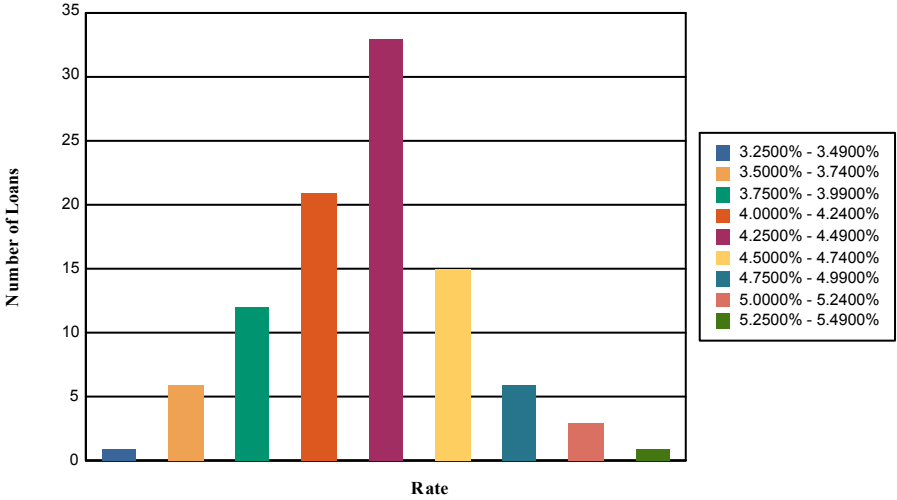
TOTAL **98** **\$17,745,715.00** **100.00%**



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

INTEREST RATE RANGES REPORT

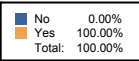
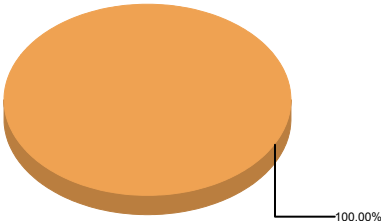
RATE	LOANS	% OF TOTAL
3.2500% - 3.4900%	1	1.02%
3.5000% - 3.7400%	6	6.12%
3.7500% - 3.9900%	12	12.24%
4.0000% - 4.2400%	21	21.43%
4.2500% - 4.4900%	33	33.67%
4.5000% - 4.7400%	15	15.31%
4.7500% - 4.9900%	6	6.12%
5.0000% - 5.2400%	3	3.06%
5.2500% - 5.4900%	1	1.02%
TOTAL	98	100.00%



HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC

FIRST TIME HOMEBUYER REPORT

<u>FIRST TIME HOMEBUYER</u>	<u>LOANS</u>	<u>% OF TOTAL</u>
No	0	0.00%
Yes	98	100.00%
TOTAL	98	100.00%



HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC

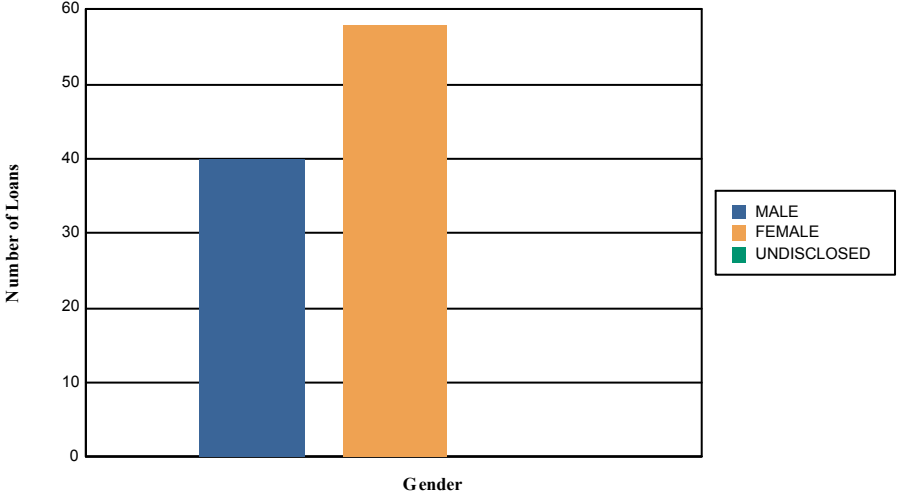
ADDITIONAL MORTGAGE REPORT

<u>ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM</u>	<u>LOANS</u>	<u>AMOUNT</u>	<u>AVERAGE LOAN AMOUNT</u>
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HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC

GENDER REPORT

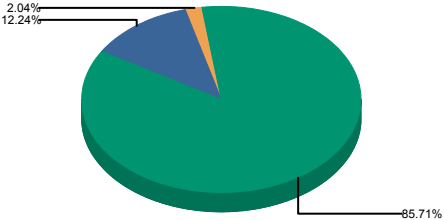
GENDER	LOANS	% OF TOTAL
MALE	40	40.82%
FEMALE	58	59.18%
UNDISCLOSED	0	0.00%
TOTAL	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
Black/ African American	12	12.24%
Other	2	2.04%
White	84	85.71%
TOTAL	98	100.00%



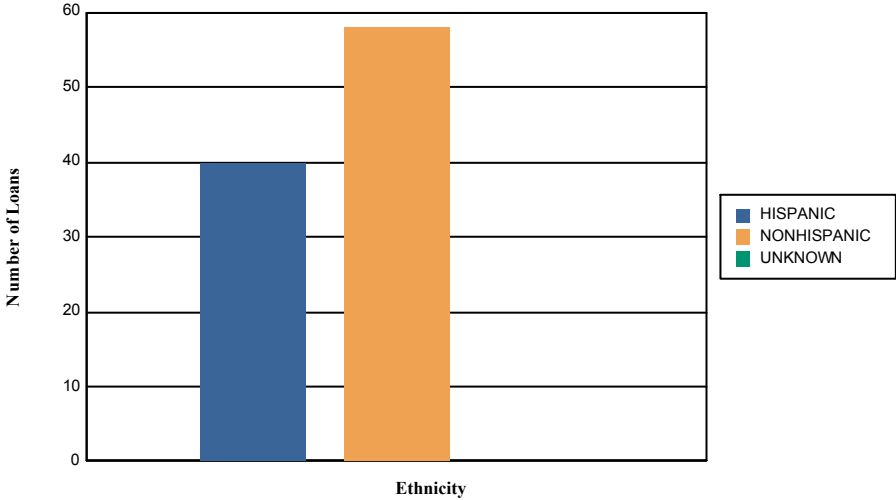
Black/ African American	12.24%
Other	2.04%
White	85.71%
Total:	100.00%

This graphic displays race combinations representing more than 10% of the population

**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

ETHNICITY REPORT

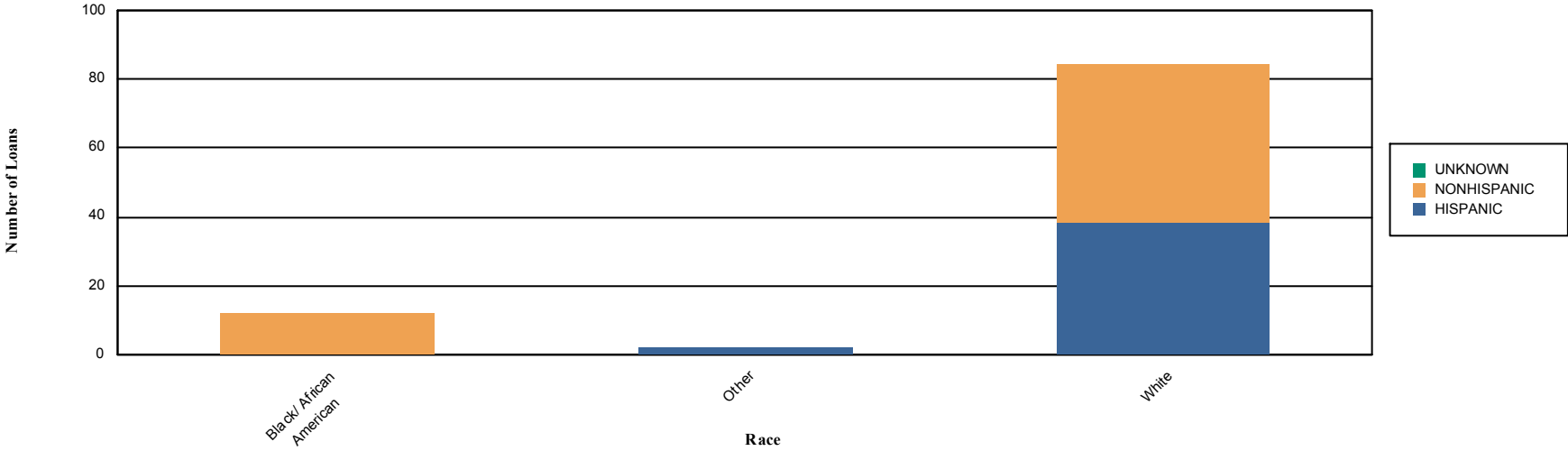
ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	40	\$7,247,362.00	40.82%
NON HISPANIC	58	\$10,498,353.00	59.18%
OTHER	0	\$0.00	0.00%
TOTAL	98	\$17,745,715.00	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

RACE BY ETHNICITY REPORT

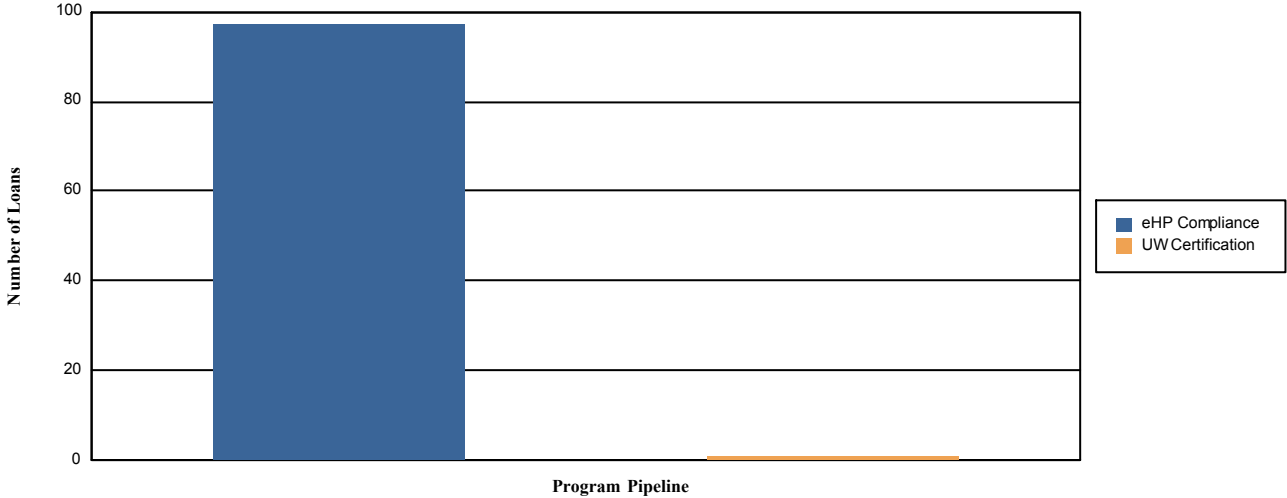
RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
Black/ African American	0	12	0	12	12.24%
Other	2	0	0	2	2.04%
White	38	46	0	84	85.71%
TOTAL	40	58	0	98	100.00%



**HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC**

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
UW Certification	1	\$118,400.00	1.02%
eHP Compliance	97	\$17,627,315.00	98.98%
TOTAL	98	\$17,745,715.00	100.00%



HFA of Palm Beach County
Demographic Analysis Report
Palm Beach 2015 Mortgage Saver 50% MCC

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$181,078.72
AVERAGE PURCHASE PRICE:	\$190,869.37
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$52,131.44
AVERAGE AGE OF PRIMARY BORROWER:	35
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1
AVERAGE CERTIFICATE CREDIT AMOUNT:	\$90,539.36

HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
American Financial Network, Inc.	3	\$521,381.00	4.29%
CenterState Bank of Florida, N.A.	1	199,999.00	1.43%
CMG Mortgage, Inc.	11	2,150,211.00	15.71%
Cornerstone Home Lending, Inc.	25	4,287,971.00	35.71%
Everett Financial, Inc.	6	1,445,887.00	8.57%
Fairway Independent Mortgage Corporation	1	185,250.00	1.43%
Hamilton Group Funding, Inc	9	1,513,083.00	12.86%
IBERIABANK Mortgage Company	1	203,700.00	1.43%
loanDepot.com, LLC	9	1,780,020.00	12.86%
LoanDepot.com, LLC dba iMortgage	4	934,149.00	5.71%
TOTAL	70	\$13,221,651.00	100.00%

HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Boca Raton	4	\$931,719.00	5.71%
Boynton Beach	8	1,627,841.00	11.43%
Delray Beach	2	352,330.00	2.86%
Greenacres	7	1,135,640.00	10.00%
Haverhill	1	262,400.00	1.43%
Jupiter	3	539,938.00	4.29%
Lake Worth	10	1,954,020.00	14.29%
Lantana	2	414,239.00	2.86%
Loxahatchee	1	308,750.00	1.43%
Palm Beach Gardens	1	214,541.00	1.43%
Palm Springs	6	1,083,396.00	8.57%
Riviera Beach	2	254,308.00	2.86%
Royal Palm Beach	6	1,035,703.00	8.57%
West Palm Beach	17	3,106,826.00	24.29%
TOTAL	70	\$13,221,651.00	100.00%

HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

COUNTY SUMMARY

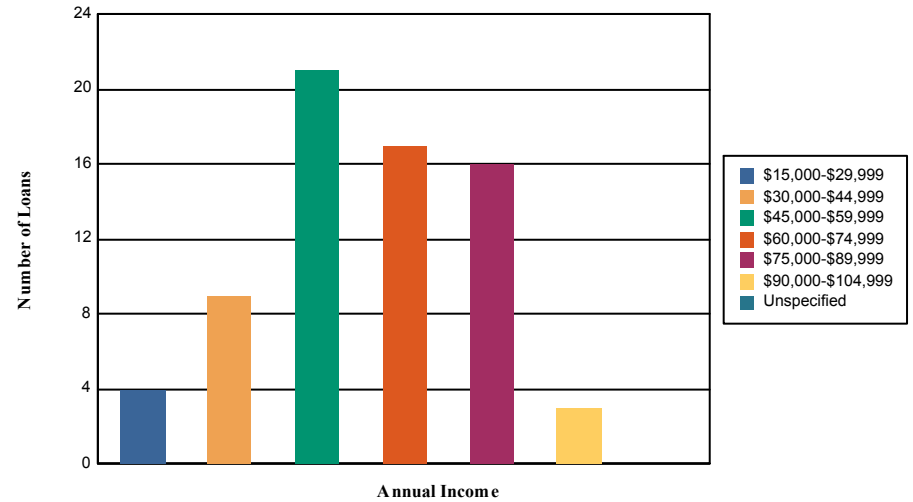
<u>COUNTY</u>	<u>LOANS</u>	<u>AMOUNT</u>	<u>% OF TOTAL</u>
Palm Beach	70	\$13,221,651.00	100.00%
TOTAL	70	\$13,221,651.00	100.00%

HFA of Lee County Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
\$15,000-\$29,999	4	5.71%
\$30,000-\$44,999	9	12.86%
\$45,000-\$59,999	21	30.00%
\$60,000-\$74,999	17	24.29%
\$75,000-\$89,999	16	22.86%
\$90,000-\$104,999	3	4.29%
TOTAL	70	100.00%

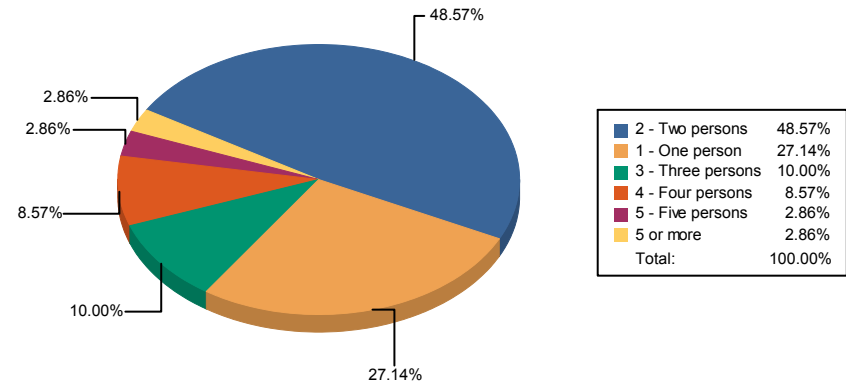


HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	19	27.14%
2 - Two persons	34	48.57%
3 - Three persons	7	10.00%
4 - Four persons	6	8.57%
5 - Five persons	2	2.86%
6 - Six persons	1	1.43%
7 - Seven persons	1	1.43%
TOTAL	70	100.00%

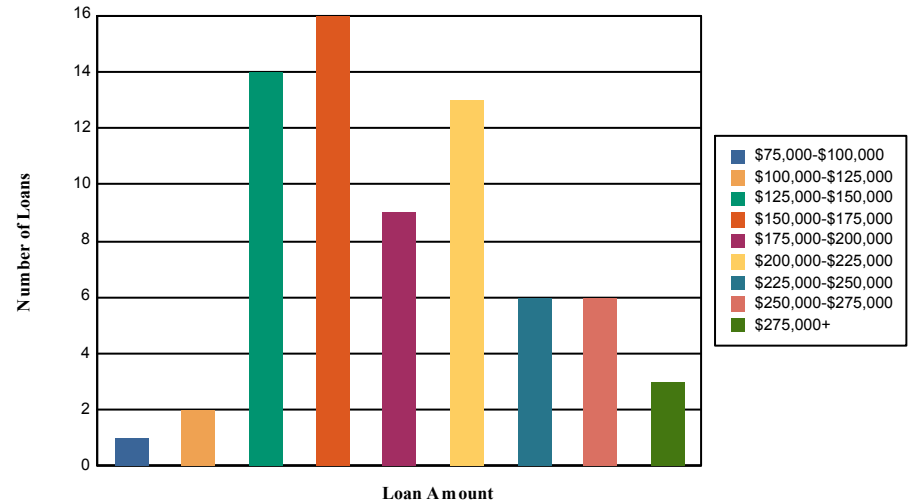


HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
\$75,000-\$100,000	1	1.43%
\$100,000-\$125,000	2	2.86%
\$125,000-\$150,000	14	20.00%
\$150,000-\$175,000	16	22.86%
\$175,000-\$200,000	9	12.86%
\$200,000-\$225,000	13	18.57%
\$225,000-\$250,000	6	8.57%
\$250,000-\$275,000	6	8.57%
\$275,000+	3	4.29%
TOTAL	70	100.00%

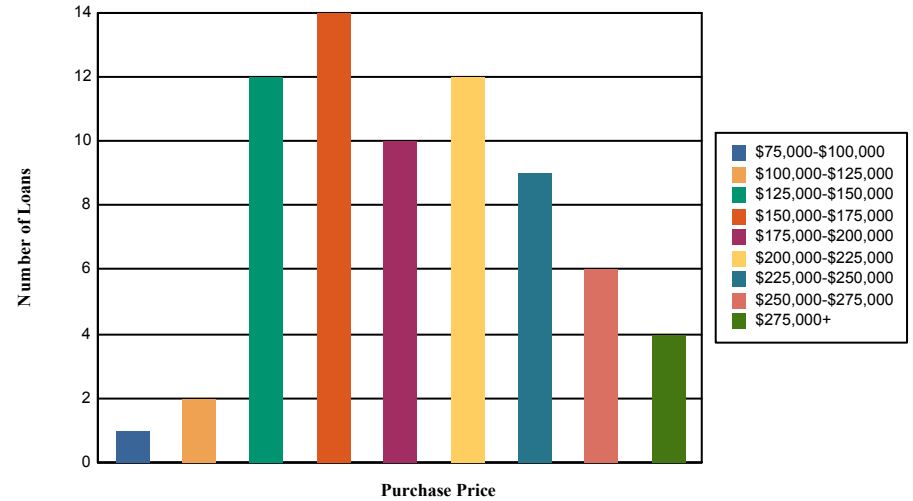


HFA of Lee County Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
\$75,000-\$100,000	1	1.43%
\$100,000-\$125,000	2	2.86%
\$125,000-\$150,000	12	17.14%
\$150,000-\$175,000	14	20.00%
\$175,000-\$200,000	10	14.29%
\$200,000-\$225,000	12	17.14%
\$225,000-\$250,000	9	12.86%
\$250,000-\$275,000	6	8.57%
\$275,000+	4	5.71%
TOTAL	70	100.00%

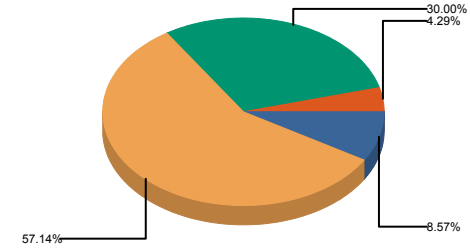


HFA of Lee County
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Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FHA (640-659 Fico)	6	8.57%
FHA (660+ Fico)	40	57.14%
FreddieMac HFA Advantage	21	30.00%
VA	3	4.29%
TOTAL	70	100.00%



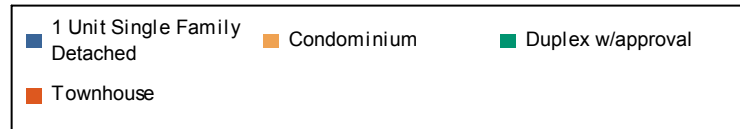
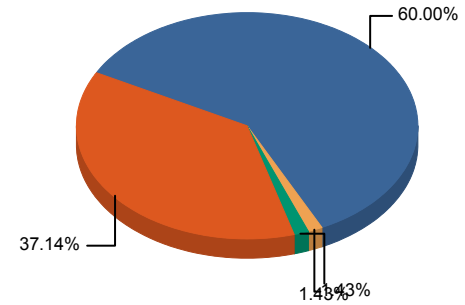
FHA (640-659 Fico)	8.57%
FHA (660+ Fico)	57.14%
FreddieMac HFA Advantage	30.00%
VA	4.29%
Total:	100.00%

HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	42	60.00%
Condominium	1	1.43%
Duplex w/approval	1	1.43%
Townhouse	26	37.14%
TOTAL	70	100.00%

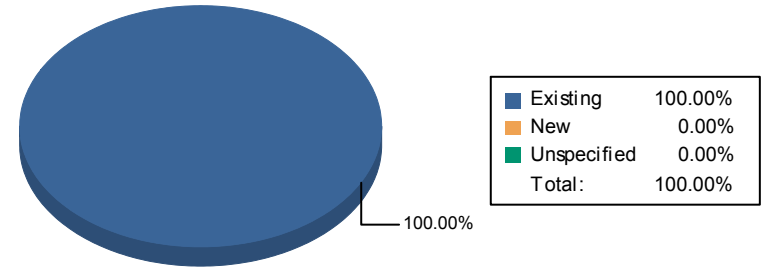


HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	70	100.00%
New	0	0.00%
Unspecified	0	0.00%
TOTAL	70	100.00%

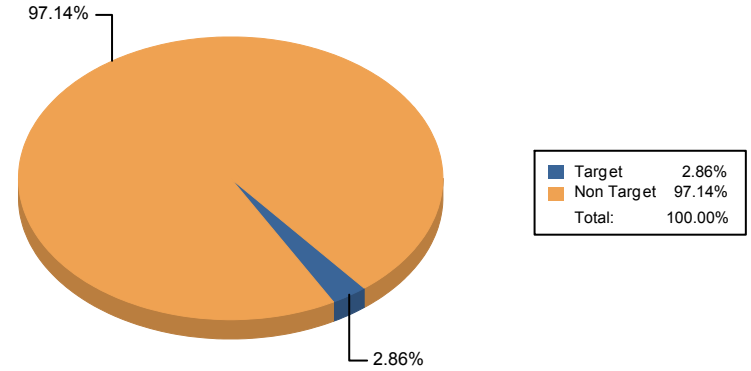


HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	2	\$312,986.00	2.86%
NON TARGET	68	\$12,908,665.00	97.14%
TOTAL	70	\$13,221,651.00	100.00%

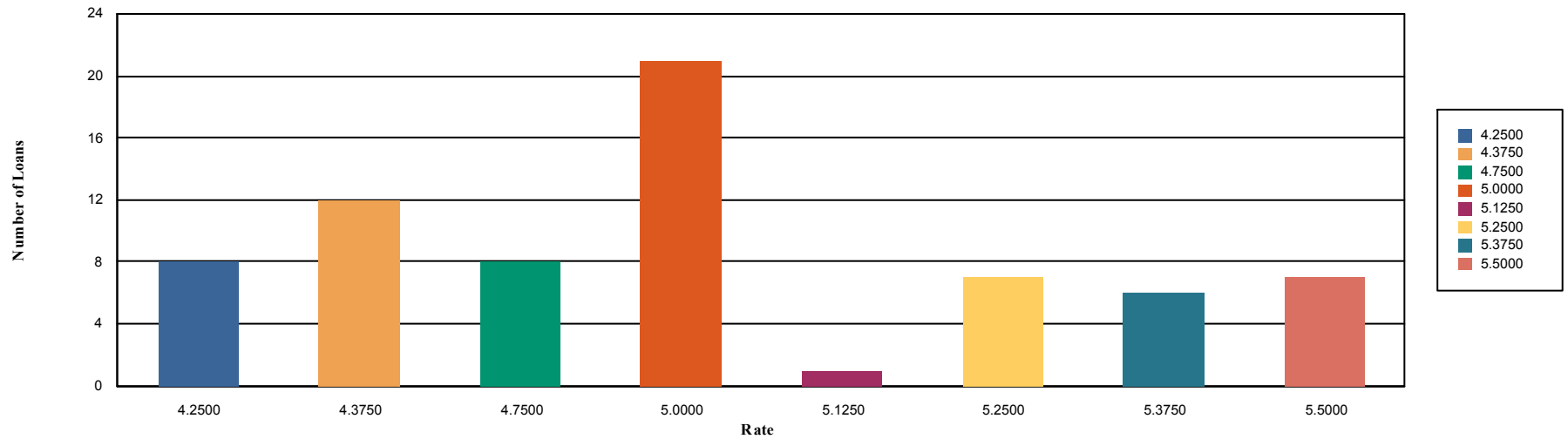


HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
4.2500%	8	\$1,238,156.00	11.43%
4.3750%	12	\$1,979,115.00	17.14%
4.7500%	8	\$1,425,120.00	11.43%
5.0000%	21	\$3,991,568.00	30.00%
5.1250%	1	\$267,964.00	1.43%
5.2500%	7	\$1,490,845.00	10.00%
5.3750%	6	\$1,169,476.00	8.57%
5.5000%	7	\$1,659,407.00	10.00%
TOTAL	70	\$13,221,651.00	100.00%

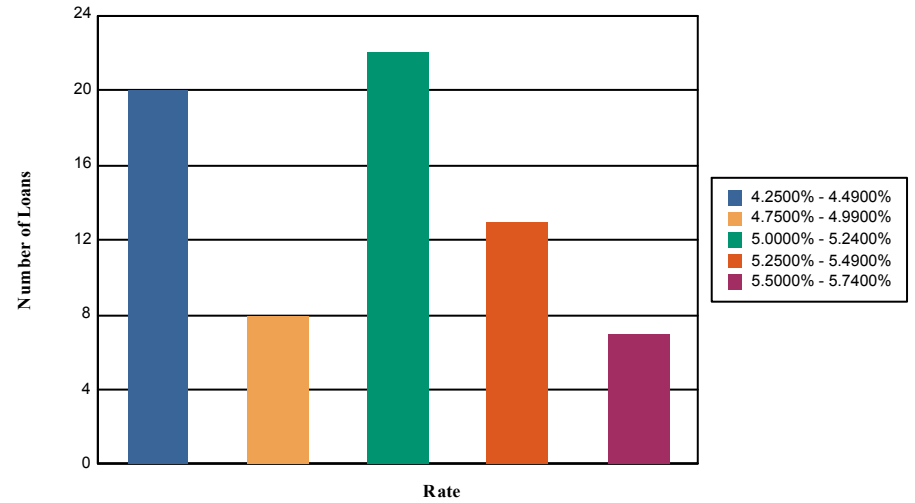


HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
4.2500% - 4.4900%	20	28.57%
4.7500% - 4.9900%	8	11.43%
5.0000% - 5.2400%	22	31.43%
5.2500% - 5.4900%	13	18.57%
5.5000% - 5.7400%	7	10.00%
TOTAL	70	100.00%

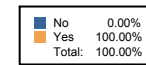
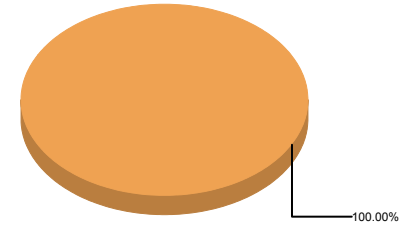


HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

FIRST TIME HOMEBUYER REPORT

<u>FIRST TIME HOMEBUYER</u>	<u>LOANS</u>	<u>% OF TOTAL</u>
No	0	0.00%
Yes	70	100.00%
TOTAL	70	100.00%



HFA of Lee County
Demographic Analysis Report

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ADDITIONAL MORTGAGE REPORT

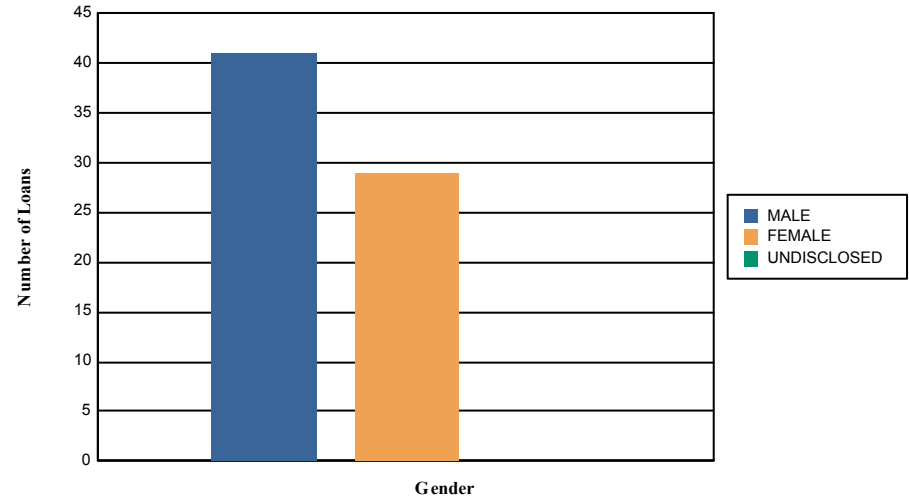
ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
Lee DPA Programs \ Lee County Own A Home Program	5	\$50,000.00	\$10,000.00
Lee DPA Programs \ Lee GNMA Deliveries	22	\$220,000.00	\$10,000.00

HFA of Lee County
Demographic Analysis Report

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GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	41	58.57%
FEMALE	29	41.43%
UNDISCLOSED	0	0.00%
TOTAL	70	100.00%

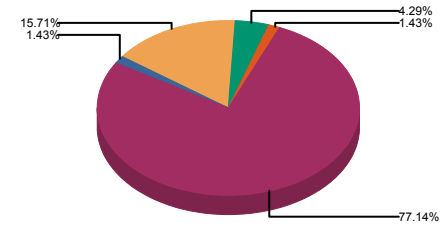


HFA of Lee County Demographic Analysis Report

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RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
Asian	1	1.43%
Black/ African American	11	15.71%
Other	3	4.29%
Vietnamese	1	1.43%
White	54	77.14%
TOTAL	70	100.00%



Asian	1.43%
Black/ African American	15.71%
Other	4.29%
Vietnamese	1.43%
White	77.14%
Total:	100.00%

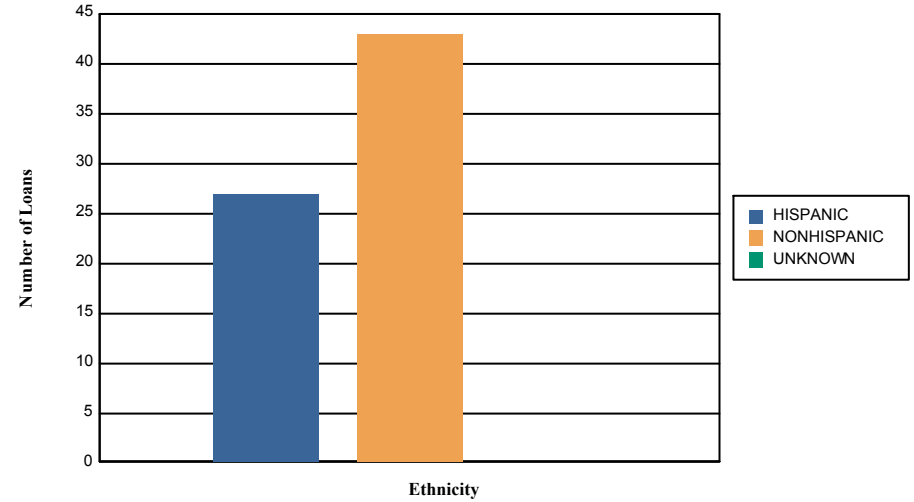
This graphic displays race combinations representing more than 10% of the population

HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

ETHNICITY REPORT

ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	27	\$4,801,539.00	38.57%
NON HISPANIC	43	\$8,420,112.00	61.43%
OTHER	0	\$0.00	0.00%
TOTAL	70	\$13,221,651.00	100.00%

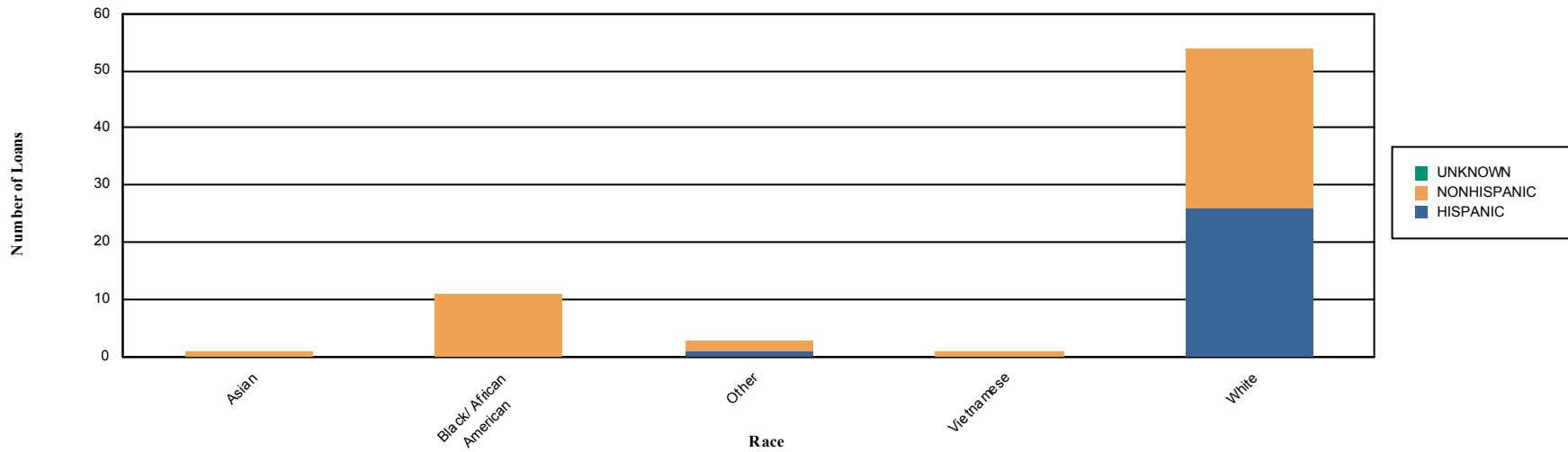


HFA of Lee County
Demographic Analysis Report

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RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
Asian	0	1	0	1	1.43%
Black/ African American	0	11	0	11	15.71%
Other	1	2	0	3	4.29%
Vietnamese	0	1	0	1	1.43%
White	26	28	0	54	77.14%
TOTAL	27	43	0	70	100.00%

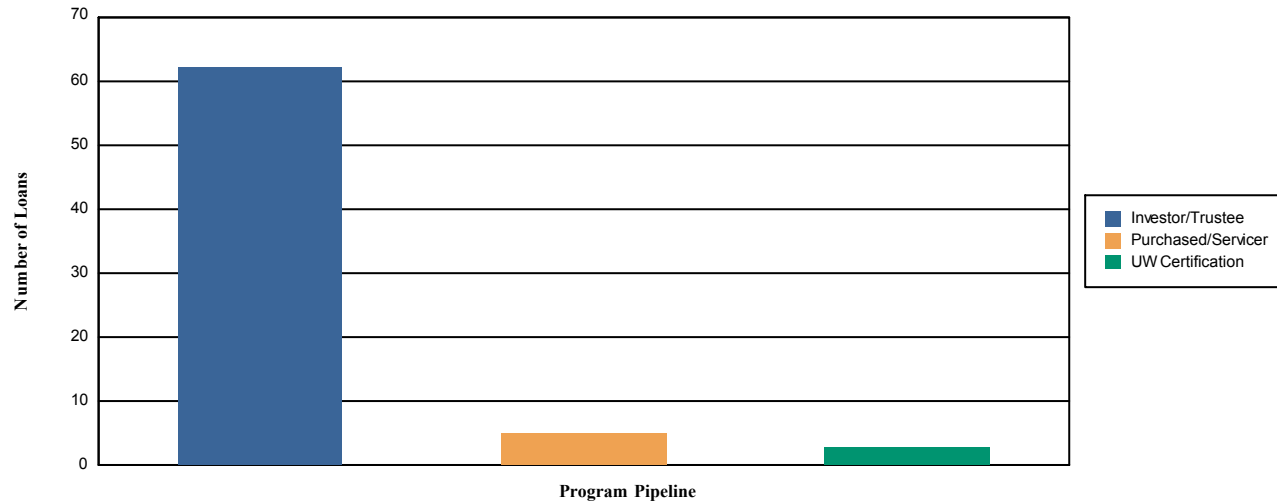


HFA of Lee County Demographic Analysis Report

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PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
UW Certification	3	\$524,471.00	4.29%
Purchased/Servicer	5	\$985,939.00	7.14%
Investor/Trustee	62	\$11,711,241.00	88.57%
TOTAL	70	\$13,221,651.00	100.00%



HFA of Lee County
Demographic Analysis Report

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PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$188,880.73
AVERAGE PURCHASE PRICE:	\$194,842.69
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$61,232.85
AVERAGE DPA AMOUNT:	\$10,000.00
AVERAGE AGE OF PRIMARY BORROWER:	37
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1

Own a Home Opportunity Programs October 2017 Summary

County	Type	DPA Type	Lender	Loan Number	Mtg Rate	Reservation Date	Stage	Stage Date	Loan Amount
Lee	GNMA	Grant	Primary Residential Mortgage, Inc	3021652	5.3750 %	10/3/2017	Reservation	10/03/2017	161,912
Lee	GNMA	Grant	DHI Mortgage Co., Ltd.	3021698	5.3750 %	10/3/2017	eHP Compliance	10/23/2017	201,286
Lee	GNMA	Grant	Highlands Residential Mortgage	3021730	5.0000 %	10/4/2017	UW Certification	10/20/2017	143,355
Lee	GNMA	Grant	IBERIABANK Mortgage Company	3021732	5.0000 %	10/4/2017	UW Certification	10/10/2017	181,318
Lee	GNMA	Grant	IBERIABANK Mortgage Company	3021738	5.0000 %	10/4/2017	UW Certification	10/22/2017	147,283
Sarasota	Freddie Mac	Grant	HomeBridge Financial Services Inc.	3021767	5.2500 %	10/4/2017	UW Certification	10/13/2017	159,953
Broward	VA	Grant	CMG Mortgage, Inc.	3021809	5.0000 %	10/5/2017	UW Certification	10/11/2017	212,800
Palm Beach	GNMA	Grant	CMG Mortgage, Inc.	3021810	5.0000 %	10/5/2017	UW Certification	10/20/2017	142,373
Lee	GNMA	Grant	LendUS, LLC.	3021876	5.5000 %	10/6/2017	UW Certification	10/23/2017	176,739
Charlotte	GNMA	2nd	LendUS, LLC.	3022076	4.3750 %	10/11/2017	UW Certification	10/19/2017	164,465
Lee	Freddie Mac	Grant	IBERIABANK Mortgage Company	3022097	5.2500 %	10/12/2017	UW Certification	10/25/2017	171,680
Lee	GNMA	Grant	Hamilton Group Funding, Inc	3022105	5.3750 %	10/12/2017	UW Certification	10/18/2017	158,083
Saint Johns	GNMA	Grant	CMG Mortgage, Inc.	3022164	5.1250 %	10/13/2017	UW Certification	10/16/2017	146,301
Palm Beach	Freddie Mac	Grant	loanDepot.com, LLC	3022310	5.2500 %	10/17/2017	UW Certification	10/20/2017	162,960
Charlotte	GNMA	Grant	HomeBridge Financial Services Inc.	3022412	5.3750 %	10/18/2017	UW Certification	10/27/2017	188,522
Lee	GNMA	Grant	LendUS, LLC.	3022439	5.3750 %	10/19/2017	Reservation	10/19/2017	191,468
Saint Johns	GNMA	Grant	SWBC Mortgage Corporation	3022568	5.5000 %	10/23/2017	UW Certification	10/23/2017	162,011
Sarasota	Freddie Mac	Grant	HomeBridge Financial Services Inc.	3022646	5.3750 %	10/24/2017	UW Certification	10/30/2017	153,260
Collier	Freddie Mac	2nd	LendUS, LLC.	3022665	4.7500 %	10/24/2017	Reservation	10/24/2017	110,000
Lee	GNMA	Grant	Mortgage 1, Inc	3022681	5.5000 %	10/25/2017	UW Certification	10/26/2017	150,002
Lee	GNMA	2nd	Hamilton Group Funding, Inc	3022786	4.3750 %	10/27/2017	UW Certification	10/31/2017	175,266
Lee	GNMA	Grant	Highlands Residential Mortgage	3022791	5.5000 %	10/27/2017	UW Certification	10/31/2017	157,102
Saint Johns	GNMA	Grant	Franklin American Mortgage Company	3022805	5.5000 %	10/27/2017	Reservation	10/27/2017	211,410
Lee	GNMA	Grant	Highlands Residential Mortgage	3022815	5.5000 %	10/27/2017	Reservation	10/27/2017	186,459
Lee	GNMA	Grant	Primary Residential Mortgage, Inc	3022852	5.5000 %	10/30/2017	Reservation	10/30/2017	144,337
Charlotte	GNMA	Grant	Mortgage 1, Inc	3022894	5.3750 %	10/31/2017	Reservation	10/31/2017	225,834
Broward	GNMA	Grant	Cornerstone Home Lending, Inc.	3022896	5.3750 %	10/31/2017	Reservation	10/31/2017	224,754

Own a Home Opportunity Programs October 2017 Summary

<u>County</u>	<u>Loan Amount</u>	<u># of Loans</u>
Lee	2,346,290	14
Charlotte	578,821	3
Saint Johns	519,722	3
Broward	437,554	2
Sarasota	313,213	2
Palm Beach	305,333	2
Collier	110,000	1
Grand Total	4,610,933	27

<u>Lender</u>	<u>Loan Amount</u>	<u># of Loans</u>
LendUS, LLC.	642,672	4
HomeBridge Financial Services Inc.	501,735	3
CMG Mortgage, Inc.	501,474	3
IBERIABANK Mortgage Company	500,281	3
Highlands Residential Mortgage	486,916	3
Mortgage 1, Inc	375,836	2
Hamilton Group Funding, Inc	333,349	2
Primary Residential Mortgage, Inc	306,249	2
Cornerstone Home Lending, Inc.	224,754	1
Franklin American Mortgage Company	211,410	1
DHI Mortgage Co., Ltd.	201,286	1
loanDepot.com, LLC	162,960	1
SWBC Mortgage Corporation	162,011	1
Grand Total	4,610,933	27

<u>Type</u>	<u>Loan Amount</u>	<u># of Loans</u>
GNMA	3,640,280	21
Freddie Mac	757,853	5
VA	212,800	1
Grand Total	4,610,933	27

<u>DPA Type</u>	<u>Loan Amount</u>	<u># of Loans</u>
Grant	4,161,202	24
2nd	449,731	3
Grand Total	4,610,933	27

Own a Home Opportunity Programs November 2017 Summary

County	Type	DPA Type	Lender	Loan Number	Mtg Rate	Reservation Date	Stage	Stage Date	Loan Amount
Palm Beach	GNMA	2nd	Hamilton Group Funding, Inc	3023027	4.3750 %	11/2/2017	eHP Compliance	11/27/2017	166,920
Saint Johns	Freddie Mac	Grant	Franklin American Mortgage Company	3023077	5.5000 %	11/3/2017	eHP Compliance	11/29/2017	200,236
Palm Beach	Freddie Mac	Grant	CenterState Bank of Florida, N.A.	3023114	5.3750 %	11/6/2017	UW Certification	11/16/2017	199,999
Sarasota	GNMA	Grant	Fairway Independent Mortgage Corporation	3023262	5.5000 %	11/8/2017	UW Certification	11/27/2017	230,743
Lee	GNMA	Grant	Everett Financial, Inc.	3023272	5.5000 %	11/8/2017	UW Certification	11/10/2017	162,011
Saint Johns	GNMA	Grant	SWBC Mortgage Corporation	3023282	5.5000 %	11/8/2017	eHP Compliance	11/29/2017	284,747
Saint Johns	Freddie Mac	Grant	SWBC Mortgage Corporation	3023342	5.3750 %	11/9/2017	eHP Compliance	11/28/2017	227,259
Lee	GNMA	Grant	Marketplace Home Mortgage, LLC	3023414	5.3750 %	11/13/2017	UW Certification	11/27/2017	214,051
Lee	GNMA	Grant	Highlands Residential Mortgage	3023418	5.3750 %	11/13/2017	UW Certification	11/22/2017	230,743
Lee	GNMA	Grant	Mortgage 1, Inc	3023419	5.3750 %	11/13/2017	UW Certification	11/16/2017	161,519
Collier	GNMA	Grant	Everett Financial, Inc.	3023431	5.3750 %	11/13/2017	eHP Compliance	11/29/2017	224,360
Lee	GNMA	Grant	LendUS, LLC.	3023447	5.3750 %	11/13/2017	UW Certification	11/16/2017	245,471
Lee	GNMA	Grant	Primary Residential Mortgage, Inc	3023466	5.3750 %	11/13/2017	UW Certification	11/21/2017	158,476
Charlotte	GNMA	Grant	LendUS, LLC.	3023510	5.3750 %	11/14/2017	UW Certification	11/22/2017	196,377
Lee	GNMA	Grant	Mortgage 1, Inc	3023512	5.3750 %	11/14/2017	UW Certification	11/28/2017	175,118
Lee	GNMA	2nd	Hamilton Group Funding, Inc	3023589	4.3750 %	11/15/2017	UW Certification	11/20/2017	159,065
Palm Beach	VA	Grant	Everett Financial, Inc.	3023766	5.5000 %	11/20/2017	UW Certification	11/28/2017	291,127
Palm Beach	VA	2nd	loanDepot.com, LLC	3023795	4.3750 %	11/20/2017	UW Certification	11/28/2017	149,965
Sarasota	Freddie Mac	2nd	Highlands Residential Mortgage	3023815	4.7500 %	11/21/2017	Reservation	11/21/2017	119,300
Lee	GNMA	Grant	Mortgage 1, Inc	3023855	5.5000 %	11/22/2017	UW Certification	11/29/2017	56,949
Lee	GNMA	2nd	Everett Financial, Inc.	3023862	4.3750 %	11/22/2017	UW Certification	11/27/2017	163,975
Broward	GNMA	Grant	CMG Mortgage, Inc.	3023863	5.5000 %	11/22/2017	Reservation	11/22/2017	284,747
Lee	Freddie Mac	Grant	loanDepot.com, LLC	3023873	5.6250 %	11/22/2017	Reservation	11/22/2017	201,275
Lee	Freddie Mac	Grant	Highlands Residential Mortgage	3023878	5.6250 %	11/22/2017	Reservation	11/22/2017	137,750
Saint Johns	Freddie Mac	Grant	Franklin American Mortgage Company	3023905	5.5000 %	11/27/2017	UW Certification	11/30/2017	171,000
Collier	GNMA	Grant	Everett Financial, Inc.	3023988	5.5000 %	11/28/2017	Reservation	11/28/2017	235,653
Saint Johns	GNMA	Grant	SWBC Mortgage Corporation	3024079	5.5000 %	11/30/2017	UW Certification	11/30/2017	152,192
Lee	GNMA	Grant	Mortgage 1, Inc	3024081	5.5000 %	11/30/2017	Reservation	11/30/2017	162,993

Own a Home Opportunity Programs November 2017 Summary

<u>County</u>	<u>Loan Amount</u>	<u># of Loans</u>
Lee	2,229,396	13
Saint Johns	1,035,434	5
Palm Beach	808,011	4
Collier	460,013	2
Sarasota	350,043	2
Broward	284,747	1
Charlotte	196,377	1
Grand Total	5,364,021	28

<u>Lender</u>	<u>Loan Amount</u>	<u># of Loans</u>
Everett Financial, Inc.	1,077,126	5
SWBC Mortgage Corporation	664,198	3
Mortgage 1, Inc	556,579	4
Highlands Residential Mortgage	487,793	3
LendUS, LLC.	441,848	2
Franklin American Mortgage Company	371,236	2
loanDepot.com, LLC	351,240	2
Hamilton Group Funding, Inc	325,985	2
CMG Mortgage, Inc.	284,747	1
Fairway Independent Mortgage Corporation	230,743	1
Marketplace Home Mortgage, LLC	214,051	1
CenterState Bank of Florida, N.A.	199,999	1
Primary Residential Mortgage, Inc	158,476	1
Grand Total	5,364,021	28

<u>Type</u>	<u>Loan Amount</u>	<u># of Loans</u>
GNMA	3,666,110	19
Freddie Mac	1,256,819	7
VA	441,092	2
Grand Total	5,364,021	28

<u>DPA Type</u>	<u>Loan Amount</u>	<u># of Loans</u>
Grant	4,604,796	23
2nd	759,225	5
Grand Total	5,364,021	28

Own a Home Opportunity Programs December 2017 Summary

County	Type	DPA Type	Lender	Loan Number	Mtg Rate	Reservation Date	Stage	Stage Date	Loan Amount
Lee	GNMA	Grant	Mortgage 1, Inc	3024168	5.5000 %	12/1/2017	Purchased/Service	12/26/2017	160,538
Lee	GNMA	Grant	Mortgage 1, Inc	3024204	5.5000 %	12/4/2017	eHP Compliance	12/28/2017	162,011
Palm Beach	Freddie Mac	2nd	IBERIABANK Mortgage Company	3024218	4.7500 %	12/4/2017	UW Certification	12/20/2017	203,700
Lee	GNMA	Grant	Mortgage 1, Inc	3024219	5.5000 %	12/4/2017	eHP Compliance	12/27/2017	108,989
Lee	GNMA	Grant	FBC Mortgage	3024240	5.5000 %	12/4/2017	eHP Compliance	12/27/2017	201,433
Lee	Freddie Mac	Grant	loanDepot.com, LLC	3024302	5.6250 %	12/5/2017	eHP Compliance	12/28/2017	163,400
Lee	GNMA	Grant	Highlands Residential Mortgage	3024311	5.5000 %	12/5/2017	UW Certification	12/19/2017	147,184
Saint Johns	Freddie Mac	Grant	Fairway Independent Mortgage Corporation	3024334	5.6250 %	12/6/2017	UW Certification	12/11/2017	148,410
Lee	GNMA	2nd	Everett Financial, Inc.	3024382	4.3750 %	12/6/2017	eHP Compliance	12/28/2017	133,536
Lee	GNMA	Grant	Mortgage 1, Inc	3024398	5.5000 %	12/7/2017	UW Certification	12/20/2017	173,695
Broward	GNMA	Grant	Hamilton Group Funding, Inc	3024523	5.5000 %	12/11/2017	UW Certification	12/19/2017	196,278
Palm Beach	GNMA	Grant	Everett Financial, Inc.	3024538	5.5000 %	12/11/2017	UW Certification	12/14/2017	181,550
Lee	GNMA	2nd	Everett Financial, Inc.	3024683	4.3750 %	12/14/2017	UW Certification	12/15/2017	195,395
Lee	GNMA	2nd	LendUS, LLC.	3024694	4.3750 %	12/14/2017	UW Certification	12/22/2017	152,192
Sarasota	GNMA	Grant	Fairway Independent Mortgage Corporation	3024716	5.5000 %	12/14/2017	UW Certification	12/29/2017	202,650
Lee	GNMA	Grant	Everett Financial, Inc.	3024742	5.5000 %	12/15/2017	UW Certification	12/20/2017	143,355
Lee	GNMA	Grant	Everett Financial, Inc.	3024789	5.5000 %	12/18/2017	UW Certification	12/19/2017	199,323
Lee	GNMA	Grant	Mortgage 1, Inc	3024833	5.5000 %	12/19/2017	UW Certification	12/22/2017	157,102
Lee	GNMA	Grant	Mortgage 1, Inc	3024838	5.5000 %	12/19/2017	UW Certification	12/20/2017	152,192
Lee	GNMA	Grant	Everett Financial, Inc.	3024850	5.5000 %	12/19/2017	Reservation	12/19/2017	176,739
Palm Beach	GNMA	2nd	CMG Mortgage, Inc.	3024865	4.3750 %	12/19/2017	Reservation	12/19/2017	235,554
Palm Beach	GNMA	2nd	CMG Mortgage, Inc.	3024877	4.3750 %	12/19/2017	Reservation	12/19/2017	120,772
Collier	Freddie Mac	Grant	Everett Financial, Inc.	3024928	5.7500 %	12/20/2017	UW Certification	12/21/2017	315,250
Palm Beach	Freddie Mac	Grant	IBERIABANK Mortgage Company	3024935	5.7500 %	12/20/2017	Reservation	12/20/2017	179,450
Collier	GNMA	Grant	IBERIABANK Mortgage Company	3025086	5.7500 %	12/27/2017	Reservation	12/27/2017	260,200

Own a Home Opportunity Programs December 2017 Summary

<u>County</u>	<u>Loan Amount</u>	<u># of Loans</u>
Lee	2,427,084	15
Palm Beach	921,026	5
Collier	575,450	2
Sarasota	202,650	1
Broward	196,278	1
Saint Johns	148,410	1
Grand Total	4,470,898	25

<u>Lender</u>	<u>Loan Amount</u>	<u># of Loans</u>
Everett Financial, Inc.	1,345,148	7
Mortgage 1, Inc	914,527	6
IBERIABANK Mortgage Company	643,350	3
CMG Mortgage, Inc.	356,326	2
Fairway Independent Mortgage Corporation	351,060	2
FBC Mortgage	201,433	1
Hamilton Group Funding, Inc	196,278	1
loanDepot.com, LLC	163,400	1
LendUS, LLC.	152,192	1
Highlands Residential Mortgage	147,184	1
Grand Total	4,470,898	25

<u>Type</u>	<u>Loan Amount</u>	<u># of Loans</u>
GNMA	3,460,688	20
Freddie Mac	1,010,210	5
Grand Total	4,470,898	25

<u>DPA Type</u>	<u>Loan Amount</u>	<u># of Loans</u>
Grant	3,429,749	19
2nd	1,041,149	6
Grand Total	4,470,898	25

HFA of Lee County
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2017 and 12/31/2017

Report Selection Criteria

Counties

CODE	NAME
	Palm Beach

Programs

CODE	NAME
PB5mcc	Palm Beach 2015 Mortgage Saver 50% MCC
LE3	Lee County Own A Home Grant Program
LE2	Lee County Own A Home Program
6-LE2	Lee DPA Programs
-	Lee GNMA Deliveries



West Palm Beach Housing Authority

Laurel Robinson * 1713 N. Dixie Highway * West Palm Beach, FL 33407 * Phone (561)655-8530 * Fax (561) 832-8962

January 23, 2018

EMAIL ONLY

Mr. David Brandt
Palm Beach County Housing Finance Authority
100 Australian Avenue, Suite 410
West Palm Beach, FL 33406

Re: La Joya Villages Apartments

Dear Mr. Brandt,

Please be advised that the West Palm Beach Housing Authority has entered into a General Partnership Interest Purchase Agreement with La Joya Villages GP, LLC ("original GP") to acquire its interest in La Joya Villages, Ltd (the "Partnership"). As part of this transfer, WPBHA La Joya, LLC, the WPBHA, and Baobab Development, Inc. (collectively "WPBHA Entities") have agreed to assume the interests and obligations of the original GP.

We understand that the Partnership entered into certain guarantee and indemnity agreements, including a fee guaranty, with the Housing Finance Authority of Palm Beach County relating to the bond financing of \$5,200,000 Florida Multifamily Housing Revenue Bonds, Series 2013. Please accept this as our formal request to approve the assignment of those obligations of the original GP (including Realtex Development Corp. and Rick J. Deyoe) to the WPBHA entities as replacement guarantors.

Should you have any questions concerning the above, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Laurel Robinson'. The signature is fluid and cursive.

Laurel Robinson
Executive Director

RESOLUTION NO R. 2018-02

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, RELATING TO THE AUTHORITY'S OUTSTANDING MULTIFAMILY HOUSING REVENUE BONDS (LA JOYA VILLAGES APARTMENTS), SERIES 2013; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A SUBSTITUTION OF GUARANTORS – FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT, FROM LA JOYA VILLAGES, LTD., WPBHA LA JOYA, LLC., WEST PALM BEACH HOUSING AUTHORITY AND BAOBAB DEVELOPMENT, INC. IN FAVOR OF THE AUTHORITY AND U.S. BANK NATIONAL ASSOCIATION (THE "TRUSTEE"), AND RELEASING LA JOYA VILLAGES GP, LLC, REALTEX DEVELOPMENT CORPORATION AND RICK J. DEYOE; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "Board"), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the "Act"); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the "County"); and

WHEREAS, the Authority, pursuant to the Act, previously issued its \$5,200,000 Multifamily Housing Revenue Bonds (La Joya Villages Apartments), Series 2013 (the "Bonds") to make a loan to La Joya Villages, Ltd. (the "Borrower") to finance the acquisition, construction and equipping of a 55 unit multifamily residential rental housing project known as La Joya Villages Apartments located in Lake Worth, Florida; and

WHEREAS, in connection with the issuance of the Bonds, RealTex Development Corporation, Rick J. Deyoe and La Joya Villages GP, LLC (the "Original Guarantors"), together with the Borrower, originally delivered a Fee Guaranty and Environmental Indemnity Agreement dated November 13, 2013 (the "Guaranty") in favor of the Authority and the Trustee; and

WHEREAS, La Joya Villages GP, LLC, the managing general partner of the Borrower, intends to transfer its general partner interest in the Borrower, effective February __, 2018 (the

“Effective Date”), to WPBHA La Joya Villages, LLC (the “New General Partner”), which is controlled by the West Palm Beach Housing Authority; and

WHEREAS, the transfer by La Joya Villages GP, LLC of its general partner interest in the Borrower to the West Palm Beach Housing Authority or an entity controlled by the West Palm Beach Housing Authority was approved by the Authority at its meeting on December 8, 2017; and

WHEREAS, the New General Partner and its related parties, the West Palm Beach Housing Authority and Baobab Development, Inc. (collectively, “Substitute Guarantors”) propose to enter into a Substitution of Guarantors – Fee Guarantee and Environmental Indemnity Agreement (the “Substitution Agreement”), pursuant to which the Substitute Guarantors would be substituted for the Original Guarantors, beginning on the Effective Date; and

WHEREAS, in connection therewith the Original Guarantors have requested that the Authority and U.S. Bank National Association (the “Trustee”) release the Original Guarantors from all liability under the Guaranty arising on or after from the Effective Date; and

WHEREAS, the Authority has agreed to take such action as set forth herein.

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

Section 1: Recitals. The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

Section 2: Approval and Execution of Substitution of Guarantors – Fee Guaranty and Environmental Indemnity Agreement. The form of the Substitution Agreement presented at this meeting (and attached hereto as Exhibit “A”) from the Borrower and the Substitute Guarantors in favor of the Authority and the Trustee is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in his absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby

authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Substitution Agreement in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 3: No Other Rights Conferred. Except as herein otherwise expressly provided, nothing in this Resolution or in the agreement approved hereby, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the Trustee, the Borrower, the Original Guarantors or the Substitute Guarantors, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or such agreement, or any other agreements to which the Authority is a party and which have been approved by the Authority or any provision thereof; this Resolution, such agreements and all of their respective provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Trustee, the Borrower, the Original Guarantors and the Substitute Guarantors.

Section 4: Severability. In case any one or more of the provisions of this Resolution, or of the agreement approved hereby or any other agreements to which the Authority is a party and which have been approved by the Authority, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of such agreements.

Section 5: Further Actions; Effectiveness of Approval. The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's general counsel or Bond Counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of the this Resolution, the agreement herein approved or any other agreements to which the Authority is a

party and which have been approved by the Authority. The approvals and authority contained in this Resolution shall be contingent upon and subject to (a) the closing of the transfer of the general partner interest in the Borrower to the New General Partner, and (b) the payment of the fees and expenses of the Authority, Bond Counsel and counsel to the Authority.

Section 6: Headings Not Part of this Resolution. Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 7: Resolution Effective. This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank]

ADOPTED this 9th day of February, 2018.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: _____
Vice Chairperson

Secretary

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
Name: Morris G. (Skip) Miller, Esq.
Title: Attorney

EXHIBIT TO RESOLUTION

Exhibit A - Form of Substitution of Guarantors – Fee Guaranty and Environmental Indemnity Agreement.

**SUBSTITUTION OF GUARANTORS – FEE GUARANTY AND ENVIRONMENTAL
INDEMNITY AGREEMENT**

by

LA JOYA VILLAGES, LTD.

WPBHA LAJOYA, LLC

WEST PALM BEACH HOUSING AUTHORITY

and

BAOBAB DEVELOPMENT, INC.

in favor of

**HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY, FLORIDA, as Issuer,
and
U.S. BANK NATIONAL ASSOCIATION, as Trustee**

Dated as of February __, 2018

Relating to:

\$5,200,000

**Housing Finance Authority of Palm Beach County, Florida
Multifamily Housing Revenue Bonds
(La Joya Villages Apartments), Series 2013**

**SUBSTITUTION OF GUARANTORS – FEE GUARANTY AND ENVIRONMENTAL
INDEMNITY AGREEMENT**

This **SUBSTITUTION OF GUARANTORS – FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT**, dated as of February __, 2017 (the “Substitution Agreement”) by LA JOYA VILLAGES, LTD., a Florida limited partnership (the “Borrower”) and WPBHA LA JOYA, LLC., a limited liability company duly organized and validly existing under the laws of the State of Florida, WEST PALM BEACH HOUSING AUTHORITY, a public body corporate and politic organized and existing under the laws of the State of Florida and a “housing authority” within the meaning of Chapter 421, Florida Statutes and BAOBAB DEVELOPMENT, INC., a corporation organized and existing under the laws of the State of Florida (collectively, and together with their respective successors and assigns, the “Substitute Guarantors”), in favor of HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, a body corporate and politic organized and existing under the laws of the State of Florida (together with its successors and assigns, the “Issuer”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee for the hereinafter defined Bonds (together with any subsequent trustee for the hereinafter defined Bonds and their respective successors and assigns, the “Trustee”),

WITNESSETH:

WHEREAS, the Borrower is the owner of a multifamily apartment housing facility located in Lake Worth, Florida and known as “La Joya Villages Apartments” (the “Project”), the acquisition, construction and equipping of which was financed with the proceeds of those certain Multifamily Housing Revenue Bonds (La Joya Villages Apartments), Series 2013 in the original aggregate principal amount of \$5,200,000 (the “Bonds”), issued by the Issuer;

WHEREAS, the Bonds were issued pursuant to a certain Indenture of Trust, dated as of November 1, 2013, between the Issuer and the Trustee (as amended, modified or supplemented from time to time, the “Indenture”);

WHEREAS, pursuant to a Loan Agreement dated as of November 1, 2013, between the Issuer and the Borrower (as amended, modified or supplemented from time to time, the “Loan Agreement”), the Borrower is obligated to make loan payments to the Trustee in accordance with a certain promissory note dated as of the date of issuance of the Bonds (as amended, modified or supplemented from time to time, the “Note”) to evidence the loan of the proceeds of the Bonds;

WHEREAS, the rights of the Issuer under the Loan Agreement (except for Reserved Rights, as defined in the Indenture) and the Note have been assigned to the Trustee;

WHEREAS, RealTex Development Corporation, Rick J. Deyoe and La Joya Villages GP, LLC (the “Original Guarantors”), together with Borrower, originally delivered a Fee Guaranty and Environmental Indemnity Agreement dated November 13, 2013 (the “Guaranty”) in favor of the Issuer and the Trustee;

WHEREAS, La Joya Villages GP, LLC is being replaced as managing general partner of the Borrower, effective February __, 2018 (the “Effective Date”), by WPBHA La Joya Villages, LLC, and in connection therewith, Substitute Guarantors and Borrower are delivering this Substitution Agreement to substitute themselves for the Original Guarantors and the Original Guarantors are being released from all liability from the Effective Date going forward.

Error! No document variable supplied.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Substitute Guarantors hereby agree as follows:

Section 1. Performance of Obligations of Original Guarantors. The Substitute Guarantors hereby agree to perform each and every obligation of the Original Guarantors under the Guaranty, the same as if such obligations were set forth herein.

Section 2. Consent to Substitution; Affirmation by Borrower. The Issuer, the Trustee and the Borrower hereby consent to the substitution of the Substitute Guarantors for the Original Guarantors, and the Borrower reaffirms and restates its obligations under the Guaranty.

Section 3. Release of Original Guarantors. The Original Guarantors are hereby released from any and all liability or obligation to perform under the Guaranty, arising on or after the Effective Date.

Section 4. Notice. All notices, demands, requests and other communications required or permitted under the Guaranty shall be given or served as provided in the Loan Agreement, to the address supplied therein, or, as to Substitute Guarantors, to the addresses set forth below.

Section 5. Controlling Law. THIS SUBSTITUTION AGREEMENT AND ALL MATTERS ARISING OUT OF OR RELATED TO THIS SUBSTITUTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES, AND APPLICABLE UNITED STATES FEDERAL LAW.

Section 6. Joint and Several Obligations. The Borrower and each Substitute Guarantor understands, agrees and acknowledges that, subject to the limitations of the Guaranty, the Borrower and each Substitute Guarantor will be jointly and severally liable for the obligations under the Guaranty.

Section 7. Counterparts. This Substitution 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. To the fullest extent permitted by applicable law, electronically transmitted or facsimile signatures shall constitute original signatures for all purposes under this Substitution Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Substitute Guarantors and the Borrower have executed and delivered this Substitution Agreement as of the date first above written.

WPBHA LA JOYA VILLAGES, LLC, a Florida limited liability company

By: _____

Name: _____

Title: _____

Address: _____

Attention: _____

WEST PALM BEACH HOUSING AUTHORITY

By: _____

Name: _____

Title: _____

Address: _____

Attention: _____

BAOBAB DEVELOPMENT, INC.

By: _____

Name: _____

Title: _____

Address: _____

Attention: _____

LA JOYA VILLAGES, LTD., a Florida limited partnership

By: WPBHA La Joya Villages, LLC, a Florida limited liability company, its general partner

By: _____

Name: _____

Title: _____

The undersigned consent to the release of the Original Guarantors and the substitution of the Substitute Guarantors in replacement therefor, as hereinabove set forth, as of the date first above written.

(SEAL)

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

ATTEST:

By: _____
Chairperson

Secretary

US BANK NATIONAL ASSOCIATION, as Trustee

By: _____

Name: _____

Title: _____

Tab 3

VI. New Business - attachments

- a.** Consider approval for return of La Costa indemnity deposit and accrued interest
 - i. Direct letter with exhibits
- b.** Consider FL ALHFA Conference sponsorship
 - i. Letter from FL ALHFA
- c.** Consider other membership renewals for 2018 - none

February 1, 2018

VIA E-MAIL

David Brandt
Housing Finance Authority of Palm Beach County, FL
100 Australian Avenue, Suite 410
West Palm Beach, FL 33406
E-Mail: dbrandt@pbcgov.org

Re: Environmental Indemnity Fee in the amount of FORTY THOUSAND AND NO/100 DOLLARS (\$40,000.00) (the "**Deposit**") in addition to any and all interest accrued on the Deposit (together, the "**Funds**"), held in escrow by the Housing Financing Authority of Palm Beach County, Florida (the "**HFA**"), and owed to LaCosta Acquisition, Inc. as Trustee of the LaCosta Apartments Trust dated August 31, 2006, a Florida Land Trust ("**LaCosta**") in accordance with Section 3 of the Fee Guaranty and Environmental Indemnity Agreement by and between the HFA and LaCosta dated as of April 4, 2007 (the "**Agreement**")

Dear David:

The Agreement terminated by its terms on February 18, 2015. On that date, the undersigned, LaCosta Acquisition, Inc., was the Owner of the Project described therein. Therefore, in accordance with Section 3 of the Agreement, LaCosta hereby instructs the HFA to release the Funds from escrow and return them to LaCosta. LaCosta also requests that related fees owed to the counsel of LaCosta and the counsel of the HFA (the "**Counsel Fees**") are paid out of the Funds. The payment instructions that LaCosta requests in the disbursement of the Counsel Fees and the disbursement of the remainder of the Funds to LaCosta (the "**Payment Instructions**") are detailed in Schedule A attached hereto.

LaCosta agrees to indemnify and hold harmless the HFA and its officers and employees and agents from and against any claim of entitlement to the money requested to be disbursed to LaCosta hereunder.

Please indicate your acknowledgment of and agreement to comply with these instructions by signing a copy of this letter in the space provided below and returning it as provided herein.

Sincerely,

LACOSTA ACQUISITION, INC.,
as Trustee of the LaCosta Apartments
Trust dated August 31, 2006, a Florida
Land Trust

By: J. E. Tonley
Name: James E. Tonley
Title: Vice President

ACCEPTED AND AGREED
this ___ day of _____, 2018.

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

By: _____
David Brandt

SCHEDULE A
PAYMENT INSTRUCTIONS

DISBURSEMENT 1:

Payment Amount: THIRTY EIGHT THOUSAND FIFTY AND NO/100
DOLLARS (\$39,507.69)
Payment Method: Wire (See Annex I attached hereto for wire instructions)
Payee: LaCosta Acquisition, Inc. as Trustee of the LaCosta Apartments
Trust dated August 31, 2006

DISBURSEMENT 2:

Payment Amount: ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00)
Payment Method: Wire (See Annex II attached hereto for invoice and wire
instructions)
Payee: Greenspoon Marder

DISBURSEMENT 3:

Payment Amount: NINE HUNDRED FIFTY AND NO/100 DOLLARS (\$950.00)
Payment Method: Wire (See Annex III attached hereto for invoice and wire
instructions)
Payee: Greenberg Traurig, P.A.

ANNEX I

WIRE INSTRUCTIONS

Payee Name: Rancho Hills Apartments, Inc.
Payee Address: 222 South Riverside Plaza, 26th
Floor, Chicago, IL 60606
Bank: US Bank
ABA Number: 121122676
Account Number: 157503224691

ANNEX II

INVOICE AND WIRE INSTRUCTIONS

[Annex II begins on following page]

GreenspoonMarder

ATTORNEYS AT LAW

888.491.1120
www.gmlaw.com

Morris G. "Skip" Miller, Esq.
525 Okeechobee Blvd., Suite 900
West Palm Beach, Florida 33401
Phone: 561.227.2370
Direct Phone: 561.838-4556
Direct Fax: 561.514-3456
Email: skip.miller@gmlaw.com

January 18, 2018

David Brandt, Executive Director
HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY
100 Australian Avenue, Suite 410
West Palm Beach, FL 33406

FOR PROFESSIONAL SERVICES RENDERED

Re: Return of Fee Guaranty and Escrow Deposit - Housing Finance
Authority of Palm Beach County, Florida Multifamily Housing
Revenue Bonds for LaCosta Apartments

Serving as Issuer Counsel to the Housing Finance Authority of Palm Beach County.

FEE \$ 1,000.00

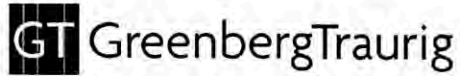
Wire Instructions

TD Bank N.A.
3325 W. Hillsboro Boulevard
Deerfield Beach, FL 33442
ABA Routing #: 067014822
Swift Code: NRTHUS33
For Credit to: Greenspoon Marder, P.A. Trust Account
Account No.: 4251323906
Please Reference: "HFA- LaCosta/29871-0028"

ANNEX III

INVOICE AND WIRE INSTRUCTIONS

[Annex III begins on following page]



Invoice No.: 4681258
File No. : 132170.010200
Bill Date : January 12, 2018

RREEF Management L.L.C.
REEF Management L.L.C.
Deutsche Asset & Wealth Management
222 S. Riverside Plaza
Chicago, IL 60606-5808

Attn: Jim Toney
Director, Real Estate Transactions

INVOICE

Re: Sale of LaCosta Apartments

Total Fees:	\$	950.00
Current Invoice:	\$	<u>950.00</u>

DG:DC
Tax ID: 59-1270754

Greenberg Traurig, P.A.
333 S.E. 2nd Avenue | Suite 4400 | Miami, Florida 33131
Tel 305.579.0500 | Fax 305.579.0717 | www.gtlaw.com



Invoice No.: 4681258
File No. : 132170.010200

REMITTANCE ADVICE

PLEASE RETURN WITH YOUR PAYMENT

CLIENT NAME: RREEF MANAGEMENT L.L.C.
FILE NUMBER:
INVOICE NUMBER: 4681258*
BILLING
PROFESSIONAL: Danielle Gonzalez

Current Invoice:	\$	950.00
Total Amount Due:	\$	950.00

FOR YOUR CONVENIENCE, WIRE TRANSFER FUNDS TO:

For Wire Instructions:

Bank: WELLS FARGO BANK
ABA #: 121000248

For ACH Instructions:

Bank: WELLS FARGO BANK
ABA#: 063107513

CREDIT TO: GREENBERG TRAURIG DEPOSITORY ACCOUNT
ACCOUNT #: 2000014648663

PLEASE

REFERENCE: **CLIENT NAME:** RREEF MANAGEMENT L.L.C.
FILE NUMBER: 132170.010200
INVOICE NUMBER: 4681258*
BILLING
PROFESSIONAL: Danielle Gonzalez

"When you provide a check as payment, you authorize us to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction."

Wire fees may be assessed by your bank.

*** If paying more than one invoice, please reference all invoice numbers in wiring instructions.**

DG:DC
Tax ID: 59-1270754

Greenberg Traurig, P.A.
333 S.E. 2nd Avenue | Suite 4400 | Miami, Florida 33131
Tel 305.579.0500 | Fax 305.579.0717 | www.gtlaw.com



Board Members:

Harry Hedges, Hillsborough County HFA, President
Angela Abbott, Brevard and Manatee HFA, V-President
Jim Ryan, Clay County HFA, Secretary/Treasurer
W. D. Morris, Orange County HFA, Immediate Past President
Kathryn Driver, Pinellas HFA
Walt Ferguson, Lee County HFA
Cheree Gulley, Miami-Dade County HFA
Pat Lott, Escambia HFA
Richard Pierro, Manatee County HFA

Executive Directors

Mark Hendrickson
Susan Leigh
1404 Alban Avenue
Tallahassee, Florida 32301
850-671-5601
Email: flalhfa@gmail.com
Website: www.flalhfa.com

January 31, 2018

David Brandt, Executive Director
Palm Beach County HFA
100 Australian Avenue, 4th Floor
West Palm Beach, Florida 33406

.RE: Florida ALHFA 2018 Education Conference July 11-14, 2018

Dear Mr. *David* Brandt:

The Palm Beach County HFA was a Gold Sponsor for last year's Florida ALHFA Education conference. As we approach the 2018 Conference, we are asking you to again be a sponsor. I have attached the sponsorship information to review. The Sponsorship levels remain the same as last year.

The 2017 conference success was a reflection of the commitment that the Palm Beach County HFA has shown to Florida ALHFA by your past participation. You are an important member of our organization and we hope for your continued support in 2018 through a financial commitment as a Conference Sponsor at the same level or higher.

There is an added benefit to sponsoring at a higher level. For local HFA's, if there is a contribution of \$2500 or more (Gold Level), registered Board members from that HFA may bring one guest that will be able to attend the dinner and reception without a guest fee.

Based on your participation, your HFA logo has been seen by all those that have logged on to the Florida ALHFA website this past year and will continue to be seen until May of 2018 as a 2017 sponsor, representing your commitment to our organization.



It has been an exciting year for Florida ALHFA. This past year Florida ALHFA has been able to make substantive changes to our role in important housing policy and program implementation issues for the state. These changes have had a direct benefit to our members and your participation in Florida ALHFA has been one of the keys to that success.

The Florida ALHFA Education Conference will be in St. Petersburg at the Renaissance Vinoy. This conference is the one time during the year that members have an opportunity to gather, network, and learn of new programs and successes that have occurred statewide. Your visibility during this conference is valuable brand and your participation and shared knowledge is critical to the overall success of this learning experience.

Florida ALHFA would like you to have the opportunity to participate as a sponsor at this year's 2018 Florida ALHFA Educational Conference.

If you are planning to participate, it would be helpful if you could indicate the level of sponsorship that you will be considering while the paperwork is processing. If you would like me to send this email to someone else in your organization, just direct me to the right person and I will take care of it.

We are looking forward to an educational and well-attended conference and to your participation. Registration and Reservation information will be available in the next 30 days and will be found on the Florida ALHFA website.

I look forward to hearing from you soon, and feel free to call or email with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Leigh", with a long horizontal flourish extending to the right.

Susan Leigh
Director
Florida ALHFA

Attached: Sponsorship Levels and Benefits
Sponsorship Commitment Form

2018 FLORIDA ALHFA EDUCATIONAL CONFERENCE
St. Petersburg, Florida
JULY 11 – 14, 2018
SPONSORSHIP COMMITMENT FORM

Sponsorship Level:

_____ Platinum (\$5,000)
_____ Gold (\$2,500)
_____ Silver (\$1,000)
_____ Bronze (\$ 500)

Other Sponsorship Opportunities

_____ Breakfast Sponsor (Thursday) (\$1,500)
_____ Breakfast Sponsor (Friday) (\$1,500)
_____ Breakfast Sponsor (Saturday) (\$1,500)
_____ Reception Sponsor (\$1,000)

Exhibit Space at Conference*

_____ Free for Platinum Sponsors- please check if you will be using space
_____ \$300 for Gold Sponsors- please check if you will be using space
_____ \$500 for Silver Sponsors- please check if you will be using space
_____ \$700 for Bronze Sponsors- please check if you will be using space
_____ \$800 for non-sponsors

***Subject to availability of space. All advertising and exhibit space will be allocated on a first-come first-served basis. Exhibit space will be in a separate room near the meeting space**

You must register for the conference to participate as an exhibitor.

**ALL SPONSORS MUST REMIT A CHECK WITHIN 30 DAYS OF VERBAL COMMITMENT
INFORMATION NEEDED FROM ALL SPONSORS:**

1. Official name to be used for Signage or printed materials:

2. Contact to be used on Event Based Interactive Website:
 - a. Name: _____
 - b. Address: _____
 - c. Telephone: _____
 - d. Email: _____
 - e. Website: _____
3. Contact for Graphics/Logo or Standardized Ad:

4. Prepare to provide the following no later than May 1, 2018 via email:
 - a. Logo print ready in the following format (JPG or PDF)
 - b. After the agenda is finalized, If speaking, Photo of person to be used on Event Based Interactive Website (JPG)
5. Authorized Signatory: _____

Return all forms and graphics to:
Susan Leigh
susan@flalhfa.com

Checks should be mailed to:
Florida ALHFA
1404 Alban Avenue
Tallahassee, Florida 32301

2018 FLORIDA ALHFA EDUCATIONAL CONFERENCE
St. Petersburg, Florida
JULY 11 – 14, 2018
SPONSORSHIP COMMITMENT FORM

SPONSORSHIP LEVELS AND BENEFITS

PLATINUM

\$5,000 Contribution

Full-page ad in Conference Brochure (first contributor gets choice of inside location or back cover)

Speaker on Panel

Free Exhibit Space

Signage Recognition at all events

Firm Logo on Florida ALHFA Website for 1 Year

1 free conference registration (does not include dine around costs)

GOLD

\$2,500 Contribution

Exhibit Space \$300

Speaker on Panel

Advertising Space in Conference Brochure

Signage Recognition

Firm Logo on Florida ALHFA Website for 1 Year

SILVER

\$1,000 Contribution

Exhibit Space \$500

Advertising Space in Conference Brochure

Signage Recognition

Firm Logo on Florida ALHFA Website for 1 Year

BRONZE

\$500 Contribution

Exhibit Space \$700

Signage Recognition

Firm Logo on Florida ALHFA Website for 1 Year

SPECIFIC EVENT SPONSORS:

\$1,000 for Reception

\$1,500 for Breakfast

Signage Recognition

Firm Logo on Florida ALHFA Website for 1 Year

SPECIAL HFA SPONSORSHIP BENEFIT

Any HFA that sponsors at the Gold or Platinum level or above (total of sponsorships \$2,500 or greater) will be allowed one free guest registrations for every one of your HFA's Board Members who register and attend the conference.

This is limited to on-time registrations for both Board members and guests.

Tab 4

VI. Other Matters - attachments

- a.** Updated HFA website information
- b.** NALHFA 2017 Year in Review

Board membership as of January 2018

CURRENT MEMBER	SEAT BACKGROUND	APPOINT DATE	RE-APPOINT DATE	ENDING DATE
Appointed By: District 1 Robin B. Henderson	Financial (Banking or Similar)	11/18/2003	10/07/2014	09/30/2018
Appointed By: District 2 Charles V. St. Lawrence	Low-income/affordable housing advocate	10/22/2013	01/23/2018	09/30/2021
Appointed By: District 3 Patrick J. Franklin Chair	Low-income/affordable housing advocate	02/07/2017	n.a.	09/30/2020
Appointed By: District 4 Clark D. Bennett	Financial (Banking or Similar)	05/21/2002	03/13/2017	09/30/2020
Appointed By: District 5 Gary P. Eliopoulos Vice Chair	Commerce	12/20/2016	n.a.	09/30/2020
Appointed By: District 6 Bobby "Tony" Smith	Labor and affordable housing advocate	10/18/2011	10/18/2015	09/30/2019
Appointed By: District 7 James H. Harper, Sr. Secretary	Commerce	01/10/2017	n.a.	09/30/2020

Board members are appointed by the respective district county commissioner.

Contact any board member via David Brandt, Executive Director – information below

HOUSING FINANCE AUTHORITY of PALM BEACH COUNTY
Staff and professionals

STAFF:

Executive Director

David Brandt

e-mail address:

dbrandt@pbcgov.com

Telephone:

(561) 233-3652

Admin. Assistant

Jennifer Hamilton

jhamilto@pbcgov.com

(561) 233-3656

“Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by telephone or in writing.”

No IRMA – The Authority is not represented by an Independent Registered Municipal Advisor. Bond underwriters and other participants in the municipal marketplace desiring to communicate with the Authority are solely responsible for determining whether their communication will be considered “advice” on municipal financial products or issuance of municipal securities, and if so, what action is required of such municipal marketplace participant in order to comply with applicable laws and regulations relating thereto.

Address correspondence to:

Housing Finance Authority of Palm Beach County
100 Australian Avenue, Suite 410
West Palm Beach, Fl 33406
Fax: (561) 233-3657

PROFESSIONALS:

General counsel

Morris “Skip” Miller, Esq.
Greenspoon Marder

e-mail address:

skip.miller@gmlaw.com

Telephone:

(561) 838-4556

Bond issue trustee

Amanda Kumar
US Bank Corp. Trust Services

e-mail address:

amanda.kumar@usbank.com
www.usbank.com/corporatetrust/

Telephone:

(954) 938-2475

Accountants

Fred Weinstein
Goldstein, Zugman, Weinstein

e-mail address:

fweinstein@weinsteinzugman.com

Telephone:

(561) 393-0411

Auditors

Jim Hutchison
Caler, Donten, Levine

e-mail address:

JHutchison@cdlcpa.com

Telephone:

(561) 832-9292

Bond counsel

Steve Sanford, Esq.
Greenberg Traurig

e-mail address:

SanfordS@gtlaw.com

Telephone:

(561) 650-7945

Bob Reid, Esq.
Bryant Miller Olive

breid@bمولaw.com

(850) 222-8611

Qualified Bond Underwriter:

Helen Hough Feinberg
Managing Director
RBC Capital Markets

e-mail address:

Helen.feinberg@rbccm.com

Telephone:

(727) 895-8892

Donald Peterson
Managing Director
National Housing Group
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December 6, 2017

Dear David:

First and foremost, we thank you for your continued support of the National Association of Local Housing Finance Agencies. NALHFA remains committed to the development of high value services in the areas of advocacy, education and networking for all members.

As you are no doubt aware, political uncertainty has reigned for much of the year, however NALHFA has kept a laser-like focus on advancing the legislative priorities of the association. This year has provided many legislative challenges with tax reform looming and new pressures threatening the future of critical affordable housing tools such as the low-income housing tax credit, the tax exemption on private activity bonds, HUD grant programs, and much more. NALHFA has been at the forefront advocating on your behalf to ensure that you continue to have the proper tools and resources to deliver on your mission to provide affordable housing to so many around the country that desperately need it.

As a result of NALHFA's advocacy efforts in Washington, DC, there have been several legislative victories to celebrate in 2017. NALHFA visited countless Congressional offices this year to protect the low-income housing tax credit program. Both the House and Senate have preserved this essential affordable housing tool in their tax reform bills. Additionally, this year we saw the Municipal Finance Support Act pass in the House, important affordable housing gap funding programs received level funding despite the President's proposal to cut the programs entirely, and strong relationships with Congressional offices were built through meetings, phone calls, emails and letters. As Congress continues to pursue an aggressive tax reform and financial agenda, rest assured that NALHFA will remain a fervent advocate for HFAs in the coming year.

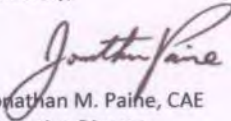
The NALHFA Board of Directors dedicated a tremendous amount of resources and showed an unwavering commitment to protect its members and the affordable housing industry following the HUD Office of Inspector General (OIG) Audit Report that put HFA down payment assistance (DPA) programs at risk. For now, it appears that NALHFA has won this battle but uncertainty still looms ahead and NALHFA must have the resources to continue to protect its members from attacks such as this one.

NALHFA looks to the future. In September, the NALHFA Board of Directors and staff met in Chicago to develop a new strategic plan to provide a road map through 2021 that creates focus in order to align NALHFA's resources for maximum impact and bring added value to the membership. The new plan builds on NALHFA's strengths of advocacy, leadership, and education in the industry with goals of strengthening membership value and creating greater viability for the association. The NALHFA team is excited and eager to get to work and begin to implement the strategic goals and vision set by the board to better serve the membership and to strengthen the impact NALHFA has on the affordable housing industry.

NALHFA has been a leader on behalf of the industry. Therefore, constant vigilance and maintaining a strong advocacy presence is essential to effective representation of your interests. Given the continued high stakes facing our industry and the need to maintain a strong association, particularly with the increased political activity, the NALHFA Board of Directors recently approved a modest five percent increase in dues to allow us to continue our efforts on behalf of the industry while assuring financial stability for the association.

We appreciate your support of NALHFA as we continue to tackle the challenges that lie ahead and deliver on our promise to provide more educational opportunities and member benefits in the future. If you have any questions at all please do not hesitate to contact me or NALHFA's Membership & Operations Coordinator, TJ Jacobs, at tjacobs@nalhfa.org or 202.367.1197.

Sincerely,


Jonathan M. Paine, CAE
Executive Director

2017 Year In Review

NALHFA has had a year of incredible success and growth. From advocacy victories in Congress to meetings with White House leadership, 2017 has brought many significant achievements for the association. It is our pleasure to share with you some of the notable highlights from the year.

NALHFA Protects Members Through HUD OIG Probe

The NALHFA Board of Directors has dedicated a tremendous amount of resources and has shown unwavering commitment to protecting our members and the affordable housing industry following the HUD Office of Inspector General (OIG) Audit Report that put HFA down payment assistance (DPA) programs at risk. With the HUD Inspector General David Montoya's resignation earlier this year and no push from the new Trump Administration to pursue the issue, there has been no advancement of the threats to DPA programs in several months. NALHFA will continue to closely monitor this issue and protect local HFA DPA programs from future harm.

Meetings with White House Leadership

NALHFA had several opportunities this year to work with leadership from the Trump Administration. NALHFA's Board of Directors met with Ja'Ron Smith, Director of Urban Affairs and Revitalization at the Executive Office of the White House. This opportunity allowed members to share some of the local issues HFAs face in implementing affordable housing programs. NALHFA was also invited to participate in an exclusive housing policy working group with key staff from the administration and HUD. This dialogue will continue between the administration and NALHFA in the coming year.



Legislative Victories

NALHFA had many legislative victories in a year of uncertainty for the affordable housing industry. Some of these victories include:

- Passage of the H.R. 1624, the Municipal Finance Support Act of 2017 in the House of Representatives;
- Protection of the Low Income Housing Tax Credit in tax reform legislation;
- Protecting Private Activity Tax Exempt Bonds in the Senate tax reform legislation;
- Level funding for the affordable housing gap funding programs, CDBG and HOME in FY17; Over 50
- Congressional offices visited to further NALHFA's legislative priorities.

NALHFA Holds Successful Annual Conference with Record Attendance

NALHFA held its 2017 Annual Conference in San Francisco, California. The conference theme, "Bridging the Affordability Gap," set the stage for an exciting line up of sessions comprised with industry leaders and innovators. The conference had record attendance with 326 attendees. NALHFA is looking forward to another record breaking conference in 2018 at the historic Hotel Monteleone in New Orleans, LA, May 9-12, 2018.



NALHFA Holds Strategic Planning Session

In September, the NALHFA Board of Directors and staff met to develop a new strategic plan to provide a road map through 2021 that creates focus in order to align NALHFA's resources for maximum impact. The all-day planning session was facilitated by Stephanie Kusibab Principal, Consulting Services and Senior Director at SmithBucklin. The plan builds on NALHFA's strengths of advocacy, leadership, and education in the industry with goals of strengthening membership value and creating greater viability for the association. The NALHFA Board of Directors recently approved the new strategic plan at its December meeting. The NALHFA team is excited to get to work and begin to implement the strategic goals and vision set by the board over the coming years to better serve the membership and to strengthen the impact NALHFA has on the affordable housing industry.

NALHFA Builds and Strengthens Industry Relationships

NALHFA made it a primary focus to build and strengthen its relationships with industry partners such as NAHRO, NCSHA, NLIHC, NCDA, NACo, the U.S. Conference of Mayors, and many more. In an industry with threats coming from all directions, strength in numbers is key. These relationships help protect valuable affordable housing resources and allows NALHFA to provide members with the latest information and resources available.

New Focus On Member Communications and Education

NALHFA made a significant effort this year to greatly increase the quality, frequency, and consistency of communications to members. NALHFA instituted a bi-weekly newsletter, containing valuable legislative information, the latest industry trends, and updates about what NALHFA has been up to. NALHFA has also started releasing legislative alerts to give members the latest information about what's happening in Washington. NALHFA also created a new Legislative Affairs Committee. The committee has been working to identify educational needs for NALHFA members, develop the association's legislative priorities for 2018, and serve as an invaluable resource to staff on legislative issues such as tax reform.

Successful Fall Finance Conference

NALHFA held a Fall Finance Conference at the Chapman and Cutler offices in Chicago, IL. The one-day conference was packed full of panels with the leading experts on housing bonds, tax credits, fair housing, the latest financing tools for local HFAs, and much more. It was a successful day of learning, networking, and information sharing.



NALHFA Grows Membership

In 2017 NALHFA gained 2 members and had a 95 percent retention rate, a fantastic retention percentage for any association. This solid retention rate is a reflection of the strength of NALHFA's membership and a testament to the accomplishments the association has made over the year. NALHFA is excited for the opportunity to continue to develop new industry partnerships and increase membership in 2018.

New Executive Director and Policy Director Announced

The NALHFA staff had some changes at the beginning of 2017 with a new Executive Director and Policy Director. Heather Voorman joined the staff as Policy Director in January. Jonathan Paine became NALHFA's Interim Executive Director in February and was later confirmed in June. Jonathan and Heather have been working hard to enhance and grow NALHFA and look forward to continuing their efforts in 2018.