



HOUSING FINANCE AUTHORITY

ST. LUCIE COUNTY

MEETING AGENDA

September 19, 2024

3:30 PM

St. Lucie County Administration Annex
2300 Virginia Avenue
Fort Pierce, FL 34982
3rd Floor, Conference Room 3

AUTHORITY MEMBERS

Peter Dion

Kathleen Alvira

Michael Blake Combs

Erin O'Brien

Cindy Bridges

REGULAR MEETING

- 1. CALL TO ORDER**
- 2. APPROVAL OF MEETING MINUTES FROM AUGUST 15, 2024**
- 3. LIVE OAK VILLAS**
- 4. DRAFT FUNDING AGREEMENT BETWEEN TREASURE COAST HOMELESS SERVICES COUNCIL AND HFA**
- 5. HFA RESOLUTION NO. 80-65-REVIEW AND POTENTIAL UPDATES**
- 6. SPECIAL DISTRICT STATUTORY REQUIREMENTS**
- 7. OTHER BUSINESS**
- 8. MOTION TO ADJURN**



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MEETING MINUTES

August 15, 2024

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REGULAR MEETING

1. CALL TO ORDER:

The meeting was called to order by Peter Dion, Chair at 3:31pm.

| NAME | STATUS |
|---------------------|---------------|
| Peter Dion | Present |
| Kate Alvira | Present |
| Erin O’Brien | Present |
| Michael Blake Combs | Absent |
| Cindy Bridges | Present |
| STAFF | |
| Katherine Barbieri | Present |
| Jennifer Hance | Present |
| Desiree Cimino | Present |
| | |

2. PUBLIC COMMENT:

No public comments were presented.

3. REQUEST FOR APPLICATIONS-REVIEW AND DISCUSSION OF APPLICATIONS WITH APPLICANTS:

Habitat for Humanity Overview

Mr. Calhoun provided a detailed overview of Habitat for Humanity’s organizational structure and service model. He also addressed questions posed by the Housing Finance Authority (HFA). The HFA followed up with additional questions regarding the presentation.

Treasure Coast Homeless Services Council (TCHSC) Overview

Mr. Nuckles and Mr. Cady from the Treasure Coast Homeless Services Council (TCHSC) presented an overview of their structure and service model. They also addressed questions posed by the Housing Finance Authority (HFA). The HFA followed up with additional questions regarding the presentation.

Review and Scoring of Responses to the Request for Applications (RFA)

Ms. Hance tallied the scores submitted by the HFA for both TCHSC and Habitat for Humanity’s responses to the RFA, as well as their respective presentations. TCHSC received the highest score.

Award Motion for TCHSC

Ms. Alvira made a motion to award \$150,000 to the Treasure Coast Homeless Services Council. The motion was seconded by Ms. O’Brien. All were in favor, and the motion carried.

Letter to Treasure Coast Food Bank

Ms. Hance requested a motion for staff to draft a letter on behalf of the HFA to the Treasure Coast Food Bank, notifying them that their application did not meet the RFA criteria. Ms. Alvira made the motion, seconded by Ms. O'Brien. All were in favor, and the motion carried.

Award Letter and Contract for TCHSC

Ms. Hance requested a motion to authorize staff to draft and send an award letter to the Treasure Coast Homeless Services Council and begin preparing the contract for the award. Ms. Bridges made the motion to award \$150,000 to TCHSC and to initiate contract drafting. Ms. Alvira seconded the motion. All were in favor, and the motion carried.

The next Housing Finance Authority meeting is scheduled for September 19, 2024. This timeline will allow staff and attorneys to draft and review the contract, which will then be presented to the HFA for final review. Since the contract exceeds \$50,000, it will require approval by the Board of County Commissioners, as they serve as the fiduciary for the HFA.

Letter to Habitat for Humanity

Ms. Alvira made a motion for staff to draft a letter to Habitat for Humanity, informing them that they were not selected for funding. Ms. Bridges seconded the motion. All were in favor, and the motion carried.

Establishing Procedures for Future Loan Applications

The HFA discussed the need to establish a procedure for handling loan applications in future RFAs. Ms. O'Brien agreed to research loan procedures used by other counties as potential models.

Review of HFA Attendance Policy

At the HFA's request, Ms. Hance will review the resolution and provide feedback to the HFA.

Sadowski Education Effort Contribution

Ms. Hance read a letter from the Sadowski Education Effort requesting an annual contribution from the HFA to support their educational efforts for incoming Florida legislators. Mr. Dion called for a motion. Ms. O'Brien made a motion to contribute \$5,000 to the Sadowski Education Effort. Ms. Bridges seconded the motion. All were in favor, and the motion carried.

Adjournment

Mr. Dion made a motion to adjourn the meeting. The motion was seconded, and the meeting was adjourned at 5:14 p.m.

INDENTURE OF TRUST

between

ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY,

as Issuer

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

as Trustee

Dated as of October 1, 2024

Securing

\$26,500,000

**ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(FANNIE MAE MBS-SECURED)
(LIVE OAK VILLAS I & II), SERIES 2024**

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INDENTURE OF TRUST

This INDENTURE OF TRUST, made and entered into as of October 1, 2024 (this “**Indenture**”), by and between ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY (together with its successors and assigns, the “**Issuer**”), a public body corporate and politic created, organized and existing under the laws of the State of Florida (the “**State**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth in the State, including such entity’s successors or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder (the “**Trustee**”);

WITNESSETH:

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

WHEREAS, pursuant to the Act, the Board of County Commissioners of St. Lucie County, Florida (the “**County**”), enacted Ordinance No. 80-003 on July 22, 1980, as amended (the “**Ordinance**”), creating the St. Lucie County Housing Finance Authority, to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act; and

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

WHEREAS, in order to provide the funds necessary for the acquisition, rehabilitation and equipping of the Project (as hereinafter defined, along with any other capitalized term used but not defined in the Recitals or Granting Clauses of this Indenture, in Section 1.01), the Issuer has, pursuant to the Act and this Indenture, authorized the issuance of its revenue bonds designated

as Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Live Oak Villas I & II), Series 2024 (the “**Bonds**”), in the principal amount of \$26,500,000; and

WHEREAS, pursuant to the Financing Agreement dated as of the date hereof (the “**Financing Agreement**”) among the Issuer, Live Oak Preservation, Ltd., a limited partnership organized and existing under the laws of the State of Florida (the “**Borrower**”), and the Trustee, the Issuer will use the proceeds of the Bonds to make a loan to the Borrower to finance the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, pursuant to the Financing Agreement, the Borrower has agreed, among other things, to (a) make payments on the Mortgage Note (as hereinafter defined), and (b) pay all required fees associated with the Bonds and the Mortgage Loan (as hereinafter defined); and

WHEREAS, to assist in financing the Project, at the direction of the Borrower, amounts on deposit in the MBS Acquisition Fund will be used on the MBS Delivery Date to acquire the MBS (as hereinafter defined) from Fannie Mae for the benefit of the Trustee, which MBS will be backed by a mortgage loan (the “**Mortgage Loan**”) from PNC Bank, National Association (the “**Lender**”) to the Borrower as evidenced by a multifamily note (the “**Mortgage Note**”) and secured by the Mortgage (as hereinafter defined); and

WHEREAS, the MBS is to be held in trust by the Trustee in the Revenue Fund and pledged under the terms of this Indenture to secure payment of the Bonds; and

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

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

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

The Issuer, in order to secure the payment of the principal of, the premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the

receipt whereof is hereby acknowledged, does hereby grant, bargain, sell, warrant, convey, confirm, assign, transfer in trust, grant a security interest in, pledge and set over unto the Trustee, the property of the Issuer, real and personal, hereinafter described, for the benefit of the Bondholders (as hereinafter defined), subject only to the provisions hereof permitting the application thereof for or to the purposes and on the terms and conditions set forth herein (said property being herein sometimes referred to as the “**Trust Estate**”):

GRANTING CLAUSES

I.

All right, title and interest of the Issuer in and to (a) amounts on deposit in the Bond Proceeds Fund (as hereinafter defined) to be funded at closing in an amount equal to the principal amount of the Bonds and (b) Eligible Funds (as hereinafter defined) on deposit in the Revenue Fund (including but not limited to the Negative Arbitrage Account thereof);

II.

(a) 100% of the beneficial ownership interest in the MBS, if issued by Fannie Mae and acquired by the Trustee, and (b) all MBS Revenues;

III.

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

IV.

All other funds, accounts and property which by the express provisions of this Indenture is required to be subject to the lien hereof, and any additional property that, from time to time, by delivery or by writing of any kind, may be subjected to the lien hereof, by the Issuer or by anyone on its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder; provided, however, that the Trust Estate shall not include amounts on deposit in the Rebate Fund, the Operating Fund or the MBS Acquisition Fund;

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

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the registered owners from time to time of any

of the Bonds authenticated and delivered under this Indenture and issued by the Issuer and Outstanding, without preference, priority or distinction as to lien, or otherwise of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or of any other cause, and for the benefit of Fannie Mae as herein provided;

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

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

“30/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year under the assumption that all months, regardless of length, are comprised of exactly 30 calendar days.

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

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

“Authorized Borrower Representative” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower, which

certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person's authority to act in such capacity. The initial Authorized Borrower Representatives are Matthew Finkle and David Pearson.

"Authorized Denomination" means \$5,000 or any integral multiple of \$1.00 in excess thereof.

"Authorized Officer" means the Chair or Vice Chair of the Governing Body and the Secretary of the Issuer.

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

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

"Bond" or "Bonds" means the Issuer's Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Live Oak Villas I & II), Series 2024, in the principal amount of \$26,500,000, including any bond or bonds, as the case may be, authorized under, secured by this Indenture, and issued pursuant to this Indenture.

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

"Bond Dated Date" means October __, 2024.

"Bond Maturity Date" means the applicable maturity date for each Bond as set forth in Section 2.02(c) hereof.

"Bond Proceeds Fund" means the Fund of that name created and so designated by Section 5.02 hereof.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated October __, 2024, among the Underwriter, the Issuer and the Borrower.

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

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

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

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

“Borrower” has the meaning given to such term in the Recitals hereto, and any permitted successors or assigns of such entity.

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

“Cash Flow Projection” means cashflow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, (a) (i) that following the release of Excess Funds above the \$_____ minimum required to be retained in the Revenue Fund pursuant to this Indenture, there will remain on deposit in the Revenue Fund sufficient funds (without consideration of investment income or Eligible Funds not currently on deposit therein) together with scheduled MBS Payments coming due prior to the next Payment Date, to make the Bond payment on such next Payment Date, and (ii) confirming that the subsequent scheduled MBS Payments will be sufficient, together with any unreleased funds that are retained in the Revenue Fund, to pay the Bonds in the amount due on each subsequent Payment Date; and (b) the sufficiency of any Extension Deposit in accordance with Section 3.04 hereof.

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

“Closing Memorandum” means the memorandum of funds to be delivered to the Trustee and disbursed by the Trustee on the Closing Date as executed by the Borrower.

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

“Compliance Monitoring Fee” means the compliance monitoring fee to be paid by the Borrower to the Compliance Monitor pursuant to the Compliance Monitoring Agreement.

“Compliance Monitor” means First Housing Development Corporation of Florida, its successors and assigns.

“Compliance Monitoring Agreement” means that certain Compliance Monitoring Agreement dated as of October 1, 2024 between the Compliance Monitor and the Borrower; as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

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

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

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

“County” means St. Lucie County, Florida.

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

“Dissemination Agent” means U.S. Bank Trust Company, National Association, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

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

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or any other electronic means of communication approved in writing by Fannie Mae.

“Eligible Funds” means:

(a) the proceeds of the Bonds or any other amounts received by the Trustee from the Underwriter;

(b) moneys drawn on a letter of credit;

(c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Mortgage Loan;

(d) any other amounts for which the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section

362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 547 of the Bankruptcy Code should the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period; and

(f) investment income derived from the investment of the money described in (a) through (e) above.

“Eligible Investments” means any of the following investments which at the time are legal investments for moneys of the Issuer which are then proposed to be invested therein and each of which investments must mature or be guaranteed to be able to be tendered at a price of par at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of this Indenture:

(a) Government Obligations; and

(b) to the extent permitted herein, shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

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

“Excess Funds” means an amount, calculated by a Cash Flow Projection, equal to the excess of (i) the sum of (a) the amounts on deposit in the Revenue Fund in excess of \$_____ and (b) scheduled MBS income to be received prior to the subsequent Bond payment over (ii) the subsequent Bond payments when due and payable on the Bonds.

“Extension Deposit” means the deposit of Eligible Funds described in Sections 3.04 and 5.05(b) hereof.

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

“Extraordinary Services” and “Extraordinary Expenses” mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Issuer under this Indenture or the Financing Agreement, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services

rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Trustee Fees and Expenses” means the expenses and disbursements payable to the Trustee under this Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Trustee and the Trustee’s counsel which are to be paid by the Borrower pursuant to Section 4.02 of the Financing Agreement.

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

“Fannie Mae Certificate” means a guaranteed mortgage pass-through Fannie Mae mortgage-backed security issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal of and interest by Fannie Mae, and backed by the Mortgage Loan.

“Fee Guaranty” means that certain Fee Guaranty and Environmental Indemnity Agreement dated as of October 1, 2024, by and among the Issuer, the Trustee and the Guarantors.

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

“Financing Documents” means the Financing Agreement, the Regulatory Agreement, the Fee Guaranty, the Guaranty of Completion, the Operating Deficits Guaranty, Tax Certificate, this Indenture and the Bond Purchase Agreement.

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

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

“Government Obligations” means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Guarantors” means, collectively, the Borrower, Fairview Live Oak LLC, a New York Delaware limited liability company, [OTHERS TO BE IDENTIFIED IN CREDIT UNDERWRITING REPORT].

“Guaranty of Completion” means the Absolute and Unconditional Guaranty of Completion, dated as of the date hereof, made by the Guarantors in favor of the Trustee and the Issuer.

“Highest Rating Category” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that rating category, provided that such rating shall include but not be below Aaa or Aaa/VMIG-1 if rated by Moody’s or A-1+ or AA+ if rated by S&P.

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

“Initial Payment Date” means [June] 1, 2025.

“Investor Limited Partner” means [TBD], a _____, together with its successors and/or assigns.

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

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

“Lender” has the meaning given to such term in the Recitals hereto, and any successors and assigns of such entity.

“Mandatory Redemption Date” means any date on which the Bonds are subject to mandatory redemption pursuant to Section 3.01 hereof, as such date may be extended pursuant to Section 3.04 hereof.

“MBS” shall mean the Fannie Mae Certificate identified in Section 4.01 hereof that is pledged by the Issuer to the Trustee pursuant to this Indenture.

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

“MBS Dated Date” means the 1st day of the month in which the MBS is delivered.

“MBS Delivery Date” means the date on which the Trustee receives the MBS backed by the Mortgage Loan, which shall occur not later than the MBS Delivery Date Deadline.

“MBS Delivery Date Deadline” means September 26, 2024, or, if such day is not a Business Day, the following Business Day, as such date may be extended pursuant to Section 3.04 hereof.

“MBS Maturity Date” means [December] 1, 2040.

“MBS Purchase Price” means the principal amount outstanding on the Mortgage Loan as of the MBS Delivery Date plus accrued interest on the MBS from the MBS Dated Date to the MBS Delivery Date at the Pass-Through Rate.

“MBS Revenues” means all payments made under and pursuant to the MBS.

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

“Mortgage” means the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of October __, 2024, together with all riders and exhibits, securing the Mortgage Loan, executed by the Borrower in favor of the Lender, as the same may be amended from time to time.

“Mortgage Loan” means the interest-bearing loan for multifamily housing relating to the Bonds which is evidenced by the Mortgage Note and secured by the Mortgage and the Multifamily Loan and Security Agreement.

“Mortgage Loan Amortization Schedule” means the mortgage loan amortization schedule delivered to the Trustee on the Closing Date, as the same may be replaced by an amended mortgage loan amortization schedule delivered to the Trustee pursuant to Section 4.03 of the Financing Agreement.

“Mortgage Loan Documents” means, collectively, the Mortgage Note, the Mortgage, the Multifamily Loan and Security Agreement and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Mortgage Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement, the Fee Guaranty, the Operating Deficit Guaranty or the Guaranty of Completion is a Mortgage Loan Document and none of these documents are secured by the Mortgage.

“Mortgage Note” means the Multifamily Note dated the Closing Date from the Borrower payable to the order of the Lender evidencing the Borrower’s obligation to repay the Mortgage Loan, as the same may be amended from time to time.

“Multifamily Loan and Security Agreement” means the Multifamily Loan and Security Agreement dated August 14, 2024, executed by the Borrower and the Lender.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Revenue Fund created pursuant to Section 5.02 hereof.

“Negative Arbitrage Deposit” means Eligible Funds in the amount of \$_____ to be deposited on the Closing Date into the Negative Arbitrage Account as set forth in Section 5.04 hereof.

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

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

“Operating Deficit Guaranty” means the Unconditional Guaranty of Operating Deficits dated as of the date hereof, made by the Guarantors in favor of the Trustee and the Issuer.

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

“Ordinary Issuer Fees and Expenses” means, collectively, the Issuer’s (i) one (1) time initial issuance fee payable to the Issuer on the Closing Date in the amount of \$_____, and (ii) the ongoing annual fee of the Issuer (the “Issuer’s Ongoing Fee”), payable by the Borrower in the amount of 12.5 basis points (0.125%) of the authorized principal amount of the Bonds payable in semiannual installments in arrears on each [June] 1 and [December] 1, commencing [June] 1, 2025 through the end of the calendar month in which the Bonds are redeemed, provided that if such date occurs prior to the end of the Qualified Project Period (as defined in the Regulatory Agreement), provided that in the event the Bonds are redeemed in full prior to the end of the Qualified Project Period, the Issuer’s Ongoing Fee shall continue through December 31 of the year in which the Qualified Project Period terminates.

“Ordinary Services” and “Ordinary Expenses” mean those services normally rendered, and those expenses normally incurred, by an issuer or a trustee under instruments similar to this Indenture.

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under this Indenture, payable annually in advance on the Closing Date in the amount of \$_____ (consisting of an acceptance fee of \$_____ and the \$_____ initial semi-annual installment of the Trustee’s \$_____ annual fee), and semi-annually in advance thereafter in the amount of \$_____, as well as the annual fee of \$_____ in connection with its duties as Dissemination Agent under the Continuing Disclosure Agreement.

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

- (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Eligible Investments or moneys in the amounts, of the maturities and otherwise as described and required under the provisions of Sections 3.01 and 3.03, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with Section 3.02, and

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to this Indenture.

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

“Pass-Through Rate” means ____%.

“Payment Date” means (i) with respect to interest, [June] 1 and [December] 1 of each year, commencing on the Initial Payment Date, and (i) with respect to principal and interest, the stated maturity date for any of the Bonds or any earlier date of redemption of any of the Bonds.

“Project” means collectively, the multifamily rental housing developments known as Live Oak Villas I and Live Oak Villas II, each located in Fort Pierce, St. Lucie County, Florida, on the sites described in the Mortgage.

“Project Costs” means the following costs of the Project:

(a) Costs incurred directly or indirectly for or in connection with the acquisition (including the acquisition of a fee simple interest), construction, rehabilitation, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work and insurance.

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.

(c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction period.

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

(e) Subject to the limitations set forth in the Tax Certificate, Costs of Issuance, including, financial, legal, accounting, cash flow verification, printing and engraving fees, charges

and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under this Indenture that may become due and payable during the construction period.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, rehabilitation, improvement and equipping of the Project.

(g) Payment of interest on the Bonds during the construction period.

“Rating Agency” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“Rebate Amount” means, with respect to the Bonds, the amount of rebatable arbitrage as computed in accordance with the Code.

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and retained by the Borrower to make the computations and give the directions required pursuant to the Tax Certificate. Initially, the Rebate Analyst will be [Integrity Public Finance].

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

“Record Date” means the close of business on the last day of the calendar month prior to the calendar month in which a payment occurs.

“Redemption Price” means the amount required to be delivered to pay principal of, interest on, and redemption premium, if any, in connection with a redemption of the Bonds in accordance with the provisions of Article III hereof.

“Regulations” means the federal income tax regulations promulgated or proposed under the Code by the Department of the Treasury, as the same may hereafter be amended, including without limitation regulations promulgated by the Department of the Treasury to implement the requirements of Section 148 of the Code.

“Regulatory Agreement” means the Land Use Restriction Agreement relating to the Project, dated as of October 1, 2024, by and among the Issuer, the Trustee, and the Borrower, as it may be amended, supplemented or restated from time to time.

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

“Reserved Rights” of the Issuer means (a) all of the Issuer’s right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts

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

"Resolution" means the resolution of the Issuer adopted on September 19, 2024, authorizing the issuance and sale of the Bonds.

"Revenue Fund" means the Fund created and so designated in Section 5.02 hereof.

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

"State" has the meaning given to such term in the preamble hereto.

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

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

"Tax Certificate" shall mean, collectively, (a) the Certificate as to Arbitrage and Certain Other Tax Matters dated the Closing Date and executed by the Issuer, (b) the Arbitrage Rebate

Agreement dated as of October 1, 2024, executed by the Issuer, the Trustee and the Borrower, and (c) the Proceeds Certificate dated the Closing Date and executed and delivered by the Borrower, in each case including all exhibits and other attachments thereto and in each case as may be amended or supplemented from time to time.

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

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

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

“Underwriter” means RBC Capital Markets, LLC.

Section 1.02. Rules of Construction.

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

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

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

(d) This Indenture shall incorporate the terms defined in the Financing Agreement.

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

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

(g) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Indenture and the Financing Agreement. Accordingly, the parties agree that any rule of construction which disfavors the drafting party

shall not apply in the interpretation of this Indenture or the Financing Agreement or any amendment or supplement or exhibit hereto or thereto.

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

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

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. Bonds of the Issuer, to be entitled Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Live Oak Villas I & II), Series 2024, are hereby authorized to be issued in an aggregate principal amount of \$26,500,000 and shall be issued subject to the terms, conditions and limitations established in this Indenture as hereinafter provided. The Bonds may be executed by or on behalf of the Issuer, authenticated by the Trustee and delivered or caused to be delivered by the Trustee to the original purchasers thereof upon compliance with the requirements set forth in this Indenture.

Section 2.02. Terms of Bonds.

(a) The Bonds shall be dated as of the Bond Dated Date and shall be payable on each Payment Date. Interest shall be calculated on the basis of a year of 30/360. Except as otherwise provided in Section 3.01(d) hereof, the payment of interest on a Payment Date shall be in an amount equal to the interest accrued during the preceding six (6) calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued from the Bond Dated Date to the calendar day immediately preceding the Initial Payment Date.

(b) The Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Bonds shall be lettered “R” and shall be numbered separately from “1” consecutively upwards. The Bonds shall be issued initially as Book-Entry Bonds.

(c) The Bonds shall mature (subject to prior redemption as herein set forth) on the dates, and shall bear interest at the rates per annum, set forth below:

| <u>Bond Maturity</u> | | | |
|----------------------|-------------------------|----------------------|---------------------|
| <u>Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>CUSIP Number</u> |

[December] 1,
2040 \$26,500,000 ____% _____

(d) On each Payment Date, payment of the principal of and interest or premium, if any, on any Bond shall be made to the person appearing on the Bond Register as the registered owner thereof on the applicable Record Date. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Bonds are Book-Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except in connection with a redemption of Bonds pursuant to Section 3.01(d) hereof and a maturity of Bonds pursuant to Section 2.02(c) hereof) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book-Entry Bonds, payments of interest on the Bonds and redemption of the Bonds pursuant to Section 3.01(d) hereof shall be paid by check or draft mailed to the registered owner thereof at such owner's address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. The Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of interest, principal or Redemption Price made to such owners, whether such payment is made by check or wire transfer. All payments of principal of and interest on Book-Entry Bonds shall be made and given at the times and in the manner set out in the Representation Letter, as more fully specified in Sections 2.11 and 2.12 hereof.

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

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

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

THE BONDS, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE REVENUE OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF FLORIDA, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE, THE COUNTY, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF FLORIDA, THE COUNTY, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES. The foregoing statement of limitation shall appear on the face of each Bond.

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

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

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

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

- (a) an executed copy of the Resolution duly certified by an Authorized Officer;
- (b) copies of executed counterparts of this Indenture, the Financing Agreement, the Fee Guaranty, the Guaranty of Completion, the Operating Deficits Guaranty, the Regulatory Agreement and the Tax Certificate;
- (c) a copy of an Opinion of Counsel to the Issuer, dated the Closing Date, stating that the Issuer has duly adopted the Resolution, and has duly authorized, executed and delivered this Indenture and that this Indenture and the Bonds each constitute a legal, valid and binding obligation of the Issuer, subject to any applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors;
- (d) a copy of an Opinion of Bond Counsel, dated the Closing Date, and addressed to the Trustee, to the effect that, subject to any exceptions or qualifications stated therein, interest on the Bonds is excluded from gross income for federal income tax purposes under existing law (except with respect to interest on any Bond for any period during which such Bond is held by a "substantial user" of the Project or by a "related person" to such a "substantial user," each within the meaning of Section 147(a) of the Code);
- (e) a copy of an opinion of counsel to the Borrower addressed to the Trustee stating that the Borrower has duly authorized, executed and delivered the Financing Documents to which it is a party and that such Financing Documents each constitute a legal, valid and binding obligation of the Borrower, subject to any applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors;
- (f) a copy of a request and authorization to the Trustee by the Issuer to authenticate and deliver the Bonds to or at the direction of the Underwriter upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization, plus accrued interest thereon, if any, to the date of delivery. The proceeds of such payment shall be paid over to the Trustee and deposited in the various Funds and Accounts pursuant to, and as specified in, Article V hereof; and
- (g) evidence that the Bonds have been rated the Highest Rating Category by the Rating Agency.

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

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

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

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

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

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

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

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

Section 2.09. Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby, for replacement pursuant to Section 2.07 or for transfer or exchange pursuant to Section 2.08, such Bond shall be canceled and destroyed by the Trustee and, upon written request of the Issuer, counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer.

Section 2.10. Pledge Effected by Indenture. All amounts that may be received under a Fannie Mae trust agreement, all rights of the Issuer or the Trustee under a Fannie Mae trust agreement, and the Trust Estate are hereby ratably pledged to secure the payment of the principal of and the interest on the Bonds, subject only to the provisions of this Indenture permitting the application thereof for other purposes. Such pledge shall be valid and binding and immediately effective, upon its being made or granted, without any physical delivery, filing, recording or further act, and shall be valid and binding as against, and superior to any claims of all others having claims of any kind against the Issuer or any other person, irrespective of whether such other parties have notice of the pledge. Fannie Mae is not responsible for the application of MBS payments to Bondholders. Fannie Mae has made no representation as to whether the scheduled MBS payments will be sufficient in amounts to provide for the scheduled payments on the Bonds, including interest payments, sinking fund payment pursuant to Section 3.01(d), or prepayments pursuant to Section 3.01(e).

Section 2.11. Book-Entry System; Limited Obligation. The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee

of the Depository. Except as provided in Section 2.13, all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a Substitute Depository or to another nominee of the Depository or of a Substitute Depository. Each global Bond shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THIS INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the MBS, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part in accordance with the operational arrangements of DTC and as set forth in Section 3.02(b), or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving redemption notices pursuant to Section 3.02 and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

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

respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

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

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OR OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS INDENTURE RELATING TO THE DELIVERY OF PHYSICAL BONDS SHALL BE DEEMED TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM AND ALL DELIVERIES OF ANY SUCH BONDS SHALL BE MADE PURSUANT TO THE DELIVERY ORDER PROCEDURES OF DTC, AS IN EFFECT FROM TIME TO TIME.

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

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

Section 2.13. Transfers Outside Book-Entry System. If at any time the Issuer determines that continuation of the book-entry system through DTC (or a successor securities Depository) is not in the best interest of the owners of the Bonds, if at any time the Depository notifies the Issuer and the Trustee that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a Substitute Depository is not appointed by the Issuer within 90 days after the Issuer and the Trustee receive notice or become aware of such condition, as the case may be, the provisions of

Section 2.11 shall no longer be applicable and the Issuer shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. In addition, the Issuer may determine at any time that the Bonds shall no longer be represented by global certificates and that the provisions of Section 2.11 shall no longer apply to the Bonds. In any such event, the Issuer shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for global certificates pursuant to this Section shall be registered in such names and delivered in such authorized denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Issuer and the Trustee. The Trustee shall deliver such certificates representing the Bonds to the persons in whose names such Bonds are so registered. Prior to any transfer of the Bonds outside of the book-entry only system (including, but not limited to, the initial transfer outside of the book-entry only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

If the Issuer determines to replace the Depository with another qualified securities depository, the Issuer shall prepare or cause to be prepared a new fully registered global certificate for each of the maturities of each type of Bond, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Issuer, the Trustee and such securities depository and not inconsistent with the terms of this Indenture.

Section 2.14. Payments and Notices to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

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

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Terms of Redemption. The Bonds shall be subject to redemption prior to maturity under this Indenture as set forth in this Section. Any redemption in part shall be in Authorized Denominations and the Lender shall furnish the Trustee with a revised Mortgage Loan Amortization Schedule in connection with such redemption in part:

(a) Optional Redemption. Notwithstanding anything to the contrary in this Indenture, the Bonds are not subject to optional redemption, but are subject to mandatory

redemption prior to maturity in connection with a prepayment of the Mortgage Loan, as set forth in Section 3.01(e) of this Indenture.

(b) Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline. The Bonds are subject to mandatory redemption in whole five (5) calendar days after the MBS Delivery Date Deadline at a Redemption Price equal to 100% of the Outstanding principal amount thereof, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred (or, if no Payment Date has occurred, from the Bond Dated Date) to, but not including, such redemption date, if the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, payable with respect to principal first, from money on deposit in the MBS Acquisition Fund, and with respect to premium, if any, and interest, from money on deposit in the Revenue Fund.

(c) Mandatory Redemption in Part on the MBS Delivery Date. The Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred to, but not including, the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS purchased on the MBS Delivery Date and (ii) the aggregate principal amount of the Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the MBS Acquisition Fund, and with respect to interest and premium, if any, from money on deposit in the Revenue Fund and other Eligible Funds.

(d) Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory redemption on the respective dates set forth in the schedule below, at the Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date.

| <u>Sinking Fund Payment Date</u> | <u>Amount</u> | <u>Sinking Fund Payment Date</u> | <u>Amount</u> |
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| <u>Sinking Fund Payment Date</u> | <u>Amount</u> | <u>Sinking Fund Payment Date</u> | <u>Amount</u> |
|--------------------------------------|---------------|--------------------------------------|---------------|
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* Final maturity.

(e) Mandatory Redemption Following the MBS Delivery Date. In addition to the mandatory sinking fund redemption of the Bonds pursuant to Section 3.01(d), the Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which each principal payment or prepayment is received pursuant to the MBS, other than principal payments made pursuant to the Mortgage Loan Amortization Schedule, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date.

(f) Selection of Bonds for Redemption. If less than all of the Bonds are redeemed pursuant to Section 3.01(d), Bonds shall be redeemed in accordance with the respective schedules set forth in this Indenture. In the event the Bonds are redeemed in part and not in whole pursuant to Section 3.01(d), the Bonds shall be redeemed ratably across all maturities and the scheduled principal payments on the Bonds to remain outstanding and the mandatory redemption requirements for each maturity described in this Indenture shall be adjusted so that the resulting debt service on the Bonds (including scheduled mandatory redemption payments) during each six-month period commencing on each Payment Date is proportional, as nearly as practicable, to the payments on the MBS during each such six-month period, without exceeding the amount available from MBS payments, and other available funds under this Indenture that may be used to pay debt service on the Bonds, during each such six-month period. All Bonds to be redeemed within the same maturity shall be selected randomly by lot.

Except as otherwise described above, any Bonds to be called for redemption shall be selected by the Trustee by lot, such selection to be made prior to the date on which notice of such redemption must be given and Bonds shall be redeemed as soon as practicable after an event causing a redemption shall have occurred. The Trustee shall have no liability for such selections made without gross negligence or willful misconduct.

If it is determined that less than all of the principal amount represented by any Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (a) payment on the redemption date to such Bondholder of the Redemption Price of the amount called for redemption and (b) delivery to such Bondholder of a new Bond or Bonds of such Series in an aggregate principal amount equal to the unredeemed balance of such Bond. A new Bond representing the unredeemed balance of such Bond shall be issued to the registered owner thereof, without charge therefor. If the registered owner of any Bond selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only).

Section 3.02. Notice of Redemption.

(a) Anytime the Bonds are subject to redemption in whole or in part pursuant to Section 3.01 hereof (except for a sinking fund redemption pursuant to Section 3.01(d) and a mandatory redemption pursuant to Section 3.01(e)), the Trustee, in accordance with the provisions of this Indenture, shall give at least five (5) calendar days' notice, in the name of the Issuer, of the redemption of the Bonds, which notice shall specify the following: (i) the maturity and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Notice delivered as required in this Section 3.02(a) with respect to a redemption pursuant to Section 3.01(a) hereof may be rescinded and annulled on or before the redemption date set forth in such notice if (i) the MBS is delivered on or prior to such redemption date or (ii) the MBS Delivery Date Deadline is extended pursuant to Section 3.04 hereof. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption. Notwithstanding anything herein to the contrary, no notice of redemption shall be required with respect to redemptions pursuant to Sections 3.01(d) or (e) hereof.

(b) The Bonds to be redeemed in part pursuant to Section 3.01 will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant thereto shall be made in accordance with the "Pro Rata Pass-Through Distributions of Principal" procedures of DTC or comparable procedures of any successor Substitute Depository.

(c) In the event that the MBS has not been purchased by, and delivered to, the Trustee ten (10) Business Days prior to the MBS Delivery Date Deadline (as such date may be extended hereunder), the Trustee shall provide, ten (10) Business Days prior to the MBS Delivery Date Deadline, to the Borrower, the Lender, the Issuer and the Underwriter, written notice of such non-purchase.

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

Section 3.03. Payment of Redemption Price. With respect to any redemption pursuant to Section 3.01 hereof, notice having been given in the manner provided in Section 3.02 hereof (or not required to be given as a result of a redemption pursuant to Section 3.01(d) hereof) and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at

the Redemption Price specified in Section 3.01 hereof, as applicable, and, except in the case of a redemption pursuant to Section 3.01(d) hereof, upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter of the Issuer. If, on the redemption date, moneys for the redemption of all of the Bonds or the Bonds to be redeemed, together with all accrued interest on such Bonds (which shall equal all interest accrued on the MBS, if delivered), to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

Section 3.04. Extension of MBS Delivery Date Deadline. At any time prior to the MBS Delivery Date Deadline, the Borrower may extend the MBS Delivery Date Deadline by (i) providing to the Trustee, the Lender, the Issuer, the Rating Agency and the Underwriter written notice of any extension of the MBS Delivery Date Deadline, (ii) depositing Eligible Funds for the credit of the Negative Arbitrage Account of the Revenue Fund in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the Bonds to the date that is five (5) calendar days after the extended MBS Delivery Date Deadline (the “**Extension Deposit**”) and (iii) providing to the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit and/or Eligible Funds to cover debt service on the Bonds to such date. Extension Deposits may continue to be made by or on behalf of the Borrower until the MBS Delivery Date occurs or the Borrower declines to make an Extension Deposit resulting in the mandatory redemption pursuant to Section 3.01(b) hereof; provided, however, the MBS Delivery Date Deadline may not be extended to a date that is later than the third anniversary of the Bond Dated Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

Section 3.05. Cancellation. All Bonds which have been redeemed, paid or retired or received by the Trustee for exchange shall not be reissued but shall be canceled and held by the Trustee in accordance with Section 2.09 hereof.

ARTICLE IV

DELIVERY OF MBS

Section 4.01. Delivery of MBS. The obligation of the Trustee to purchase the MBS on the MBS Delivery Date shall be subject to receipt by the Trustee of written notification from the Lender upon which the Trustee may conclusively rely and act without further investigation certifying that the MBS duly executed by Fannie Mae is available for purchase by the Trustee at

the MBS Purchase Price, and the Trustee shall confirm that such MBS meets the following requirements:

(A) the MBS shall bear interest at the Pass-Through Rate payable on the 25th day of each month, commencing on the 25th day of the month following the month in which the Trustee purchases the MBS, or if any such 25th day is not a Business Day, the next succeeding Business Day, and mature on the MBS Maturity Date; and

(B) the MBS shall be acquired by the Trustee on behalf of the Issuer, shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held only in book-entry form through the United States Federal Reserve Bank book-entry system, pursuant to which the MBS shall have been registered on the records of the Federal Reserve Bank in the name of the Trustee.

The MBS shall be registered in the name of the Trustee or its designee. Upon purchase of the MBS on the MBS Delivery Date, the Trustee shall post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

ARTICLE V

TRUST ESTATE AND FUNDS

Section 5.01. Pledge of Trust Estate. The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses hereof for the payment of the principal of, premium, if any, and interest on the Bonds, in accordance with their terms and provisions, and for the payment of all other amounts due hereunder, shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Section 5.02. Establishment of Funds. The Trustee shall establish, maintain and hold in trust the following funds, each of which shall be maintained by the Trustee as a separate and distinct fund or account, and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund, including therein a Negative Arbitrage Account;
- (b) Operating Fund;
- (c) Costs of Issuance Fund;

- (d) Bond Proceeds Fund;
- (e) MBS Acquisition Fund; and
- (f) Rebate Fund.

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

Section 5.03. Application of Funds on MBS Delivery Date. On the MBS Delivery Date, the Trustee shall remit to the Lender, from amounts on deposit in the MBS Acquisition Fund, as payment for the MBS, an amount equal to the aggregate principal amount of the MBS, plus, from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein), accrued and unpaid interest on the MBS at the Pass-Through Rate from the first of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

Section 5.04. Initial Deposits; Operating Fund. All Operating Fund Deposits shall be deposited into the Operating Fund. Amounts in the Operating Fund shall be withdrawn by the Trustee and used solely to pay first, any amount required to be deposited in the Rebate Fund in accordance with the provisions of the Tax Certificate to the extent sufficient funds are not otherwise made available to the Trustee for such purposes; second, the Ordinary Issuer Fees and Expenses on the dates specified in the definition of such term in this Indenture; and on each Payment Date the Ordinary Trustee Fees and Expenses on the dates specified in the definition of such term in this Indenture; and third, the fees and expenses incurred in connection with the determination of rebatable arbitrage in accordance with the provisions of the Tax Certificate. In the event the amounts in the Operating Fund are not equal to the amounts payable from the Operating Fund on any date on which such amounts are due and payable to fund such deficiency, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within five Business Days to the Trustee of the amount of such deficiency. No amount shall be charged against the Operating Fund except as expressly provided in this Section.

In addition, on the Closing Date, the Trustee shall make the following deposits:

- (a) \$[26,500,000.00], representing the principal amount of the Bonds, shall be deposited into the Bond Proceeds Fund as set forth in this Article V;

(b) \$_____, representing the Negative Arbitrage Deposit, shall be deposited into the Negative Arbitrage Account of the Revenue Fund;

(c) \$[26,500,000.00], from the Lender, shall be deposited into the MBS Acquisition Fund; and

(d) \$_____, on behalf of the Borrower, shall be deposited into the Costs of Issuance Fund.

Section 5.05. Revenue Fund.

(a) There shall be deposited into the Negative Arbitrage Account of the Revenue Fund as and when received, (i) the Negative Arbitrage Deposit and (ii) any Extension Deposit.

(b) There shall be deposited into the Revenue Fund, as and when received, (i) all moneys received by the Trustee representing principal payments or repayments, and premium, if any, under the MBS, together with all other amounts required pursuant to this Indenture to be deposited therein, (ii) accrued interest on the MBS from the first (1st) day of the month in which the MBS is delivered, to the MBS Delivery Date, and (iii) all moneys received by the Trustee representing interest payments under the MBS, to be held therein pending distribution in accordance with the terms hereof.

(c) On the MBS Delivery Date, the Trustee shall remit from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein) to the Lender accrued and unpaid interest on the MBS at the Pass-Through Rate from and including the first calendar day of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

(d) On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Trustee shall disburse from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein), an amount equal to the amount of principal, if any, and interest due on the Bonds on such Payment Date. On the first Business Day following the first Payment Date following the MBS Delivery Date, the Trustee shall transfer from (i) from the Negative Arbitrage Account to the Revenue Fund an amount that, when added to the balance in the Revenue Fund, equals a total of \$[20,000.00] and (ii) any remaining balance in the Negative Arbitrage Account to the Borrower.

(e) On each Payment Date, the Trustee shall pay to the Bond owners, from the Revenue Fund, the amount listed in the applicable maturity, sinking fund and interest payment schedule set forth in subsection (c) above. All payments of principal and interest shall be paid to Bond owners in proportion to the principal amount of Bonds owned by each Bond owner as set forth on the records of the Trustee at the close of business on the applicable Record Date.

(f) If the Trustee does not receive a scheduled payment on the MBS by 5:00 p.m. Eastern Time on the 25th day of any month (or the next succeeding Business Day if such day of the month is not a Business Day), the Trustee shall immediately notify Fannie Mae and immediately demand payment under the terms of the guaranty thereof.

(g) The Trustee is authorized to release Excess Funds (in excess of \$_____) from the Revenue Fund to or upon the direction of the Borrower, upon receipt by the Trustee of (1) a written notice from the Borrower to the Trustee to release such Excess Funds, and (2) a Cash Flow Projection acceptable to the Rating Agency and prepared in accordance with the terms hereof.

Section 5.06. Rebate Fund. The Rebate Fund shall not be subject to the lien or encumbrance of this Indenture, but shall be held in trust for the benefit of the United States of America, and shall be subject to the claim of no other person, including that of the Trustee and Bondholders. The interest on any Eligible Investments representing an investment of moneys in the Rebate Fund and any profit arising from the sale thereof shall be retained in the Rebate Fund. Any moneys deposited therein in accordance with the provisions of this Indenture shall be used for no other purpose than to make payments to the United States Treasury, at the time and in the manner and amount specified in Section 9.12.

Section 5.07. Costs of Issuance Fund. The Trustee shall use amounts in the Costs of Issuance Fund, if any, on the Closing Date in accordance with the Closing Memorandum, and thereafter in accordance with written instructions to be given to the Trustee by the Borrower, accompanied by written invoices for such costs. Any unexpended amounts attributable to deposits made by the Borrower remaining on deposit in the Costs of Issuance Fund six months after the Closing Date shall be returned to the Borrower and the Costs of Issuance Fund shall be closed. The amounts on deposit in the Bond Proceeds Fund shall not be applied to the payment of Costs of Issuance.

Section 5.08. Bond Proceeds Fund. Amounts on deposit in the Bond Proceeds Fund shall be disbursed by the Trustee to fund the Project Costs pursuant to requisitions executed by the Borrower and approved by the Lender, in the form of Exhibit C attached hereto. For purposes of the initial disbursement from the Bond proceeds Fund, the executed Closing Memorandum shall serve as the first requisition hereunder. The moneys in the Bond Proceeds Fund shall, pending disbursement to the Borrower at the written direction of the Lender, pursuant to the terms of the Multifamily Loan and Security Agreement, be pledged by the Borrower to the Lender until the MBS Delivery Date, and thereafter to Fannie Mae. All investment earnings from amounts on deposit in the Bond Proceeds Fund shall be retained in the Bond Proceeds Fund until all Project Costs have been paid as certified by the Borrower to the Trustee, and following such certification, any remaining monies on deposit in the Bond Proceeds Fund shall be transferred to the Revenue Fund.

Section 5.09. MBS Acquisition Fund. The Trustee shall establish, create and maintain a MBS Acquisition Fund under this Indenture and moneys shall be held in the MBS Acquisition Fund for reasons of convenience and tax accounting only. The MBS Acquisition Fund shall not

be a part of the Trust Estate. The Trustee shall hold such funds as custodian for Lender as the pledgee and not for the Bondholders. Amounts deposited into the MBS Acquisition Fund shall be used by the Trustee (i) on the MBS Delivery Date to pay the principal portion of the MBS Purchase Price in accordance with Section 5.03 hereof, (ii) to redeem a portion of the Bonds on the MBS Delivery Date in accordance with Section 3.01(c) hereof, and (iii) to redeem the Bonds in the event the MBS is not delivered by the MBS Delivery Date in accordance with Section 3.01(b) hereof. The moneys in the MBS Acquisition Fund shall, pending the purchase of the MBS on the MBS delivery Date and/or the redemption of Bonds on or after the MBS Delivery Date, be pledged by the Borrower to the Lender until the MBS Delivery Date, and thereafter to Fannie Mae. All investment earnings from amounts on deposit in the MBS Acquisition Fund shall be transferred to the Revenue Fund not less frequently than semi-annually on or before each [March] 25 and [September] 25.

Section 5.10. Accounting Records. The Trustee shall maintain accurate books and records for all Funds and Accounts established hereunder.

Section 5.11. Amounts Remaining in Funds. After full payment of the Bonds (or provision for payment thereof having been made in accordance with Section 7.01) and full payment of the fees and expenses of the Trustee and other amounts required to be paid hereunder and under the Financing Agreement including fees payable to the Issuer and Fannie Mae, any amounts remaining in any Fund hereunder other than the Rebate Fund shall be paid to the Lender for the payment of any amounts due and payable to the Lender and/or Fannie Mae and thereafter, to the Borrower; provided, however, that if a default shall have occurred and remain uncured under the Mortgage Loan of which the Trustee shall have received written notice from Fannie Mae or the Lender, then any such amounts remaining in any Fund or Account hereunder shall be paid to Fannie Mae up to the amount due and payable to Fannie Mae and thereafter to the Borrower.

Section 5.12. Investment of Funds. The moneys held by the Trustee shall constitute trust funds for the purposes hereof. Any moneys attributable to each of the Funds and Accounts hereunder shall be invested by the Trustee at the written direction of the Borrower in Eligible Investments which mature or are redeemable at par, without penalty, on or before the date on which such funds are expected to be needed for the purposes for which they are held. Written direction may include written direction by Electronic Means within the meaning of Section 11.06(b) of this Indenture. Notwithstanding anything herein to the contrary, (i) prior to the MBS Delivery Date, all amounts in the MBS Acquisition Fund and the Revenue Fund shall be invested solely in Eligible Investments, and (ii) following the MBS Delivery Date, payments received with respect to the MBS shall be invested solely in Eligible Investments. All investment earnings from amounts on deposit in the MBS Acquisition Fund and the Revenue Fund shall be credited to the Revenue Fund. If the Trustee does not receive written direction from the Borrower regarding the investment of funds, the Trustee shall hold such funds uninvested. The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments. The Trustee shall have no discretion in investing funds or advising any parties regarding investment of funds. The Trustee may make any and all such investments through its

own banking department or the banking department of any affiliate and may invest in its own proprietary money market funds or deposit products.

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

All Eligible Investments acquired by the Trustee pursuant hereto shall be purchased in the name of the Trustee and shall be held for the benefit of the Bondholders pursuant to the terms of this Indenture. The Trustee shall take such actions as shall be necessary to ensure that such Eligible Investments are held pursuant to the terms of this Indenture and are subject to the trust and security interest herein created. The parties acknowledge that the Trustee is not providing investment supervision, recommendations or advice.

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

In computing for any purpose hereunder the amount in any Fund or Account on any date, obligations so purchased shall be valued at the lower of cost or par exclusive of accrued interest, and may be so valued as of any time within four (4) days prior to such date.

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

Section 5.13. Moneys Held for Particular Bonds. The amounts held by the Trustee for the payment of the interest, principal or premium, if any, due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Bondholders entitled thereto, and for the purposes hereof such interest, principal or premium, if any, after the due date thereof, shall no longer be considered to be unpaid.

Section 5.14. Funds Held in Trust. All moneys held by the Trustee, as such, at any time pursuant to the terms of this Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 5.15. Reports from the Trustee. The Trustee shall furnish to the Borrower (and to Fannie Mae, the Lender, the Investor Limited Partner and the Issuer upon request) quarterly statements of the activity and assets held in each of the Funds and Accounts maintained by the Trustee hereunder. Upon the written request of the owner of a Bond, the Trustee, at the cost of the Borrower, shall provide a copy of such statement to the owner of the Bond.

Section 5.16. Covenants Respecting Arbitrage and Rebate. The Trustee shall keep and make available to the Borrower such records concerning the investment of the gross proceeds of the Bonds and the investments of earnings from those investments as may be requested by the Borrower in order to enable the Borrower to fulfill the requirements of Section 148 of the Code. The Trustee expressly covenants and agrees to all document retention and reporting requirements contained in the Tax Certificate.

Section 5.17. Allocation and Accounting of Bond Expenditures. Notwithstanding anything to the contrary in this Indenture or the other Financing Documents, it is the purpose and intent of the Issuer that the proceeds of the Bonds be expended on Project Costs and that the proceeds of the Mortgage Loan be used to purchase the MBS. The parties covenant and agree that the foregoing can be accomplished by either (i) tracing direct expenditures or (ii) adhering to the allocation and accounting rules set forth in Treas. Reg. § 1.148-6 which allow for bond proceeds to be deemed expended for federal income tax purposes in the manner allocated by the Issuer notwithstanding the actual use of bond proceeds to the contrary. On the Closing Date, \$_____ of the Bonds will be expended on (or allocated to) Project Costs. Project Costs may include, without limitation, costs incurred for or in connection with the acquisition of the Project and reimbursement for certain eligible expenditures incurred by the Borrower in connection with the predevelopment of the Project, all as set forth in the requisition delivered by the Borrower on the Closing Date. The balance of the proceeds of the Bonds, if any, and any investment earnings thereon, will be expended on Project Costs pursuant to requisitions executed by the Borrower and approved by the Lender in the form of Exhibit C attached hereto. The Borrower covenants with the Trustee to maintain all books and records provided by the Borrower necessary to establish and support the final written allocation for the Bonds, all of which shall be subject to the inspection and use of the Borrower and of its partners and their respective attorneys upon demand during normal business hours.

ARTICLE VI

COVENANTS OF ISSUER

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

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

Section 6.02. Performance of Covenants by Issuer.

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

(b) [Reserved].

(c) Rights Under Financing Agreement. The Financing Agreement sets forth covenants and obligations of the Issuer and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations. The Issuer agrees to cooperate in the enforcement of all covenants and obligations of the Borrower under the Financing Agreement and agrees that the Trustee, in its name, may enforce all rights of the Issuer (other than the Reserved Rights) and all obligations of the Borrower under and pursuant to the Financing Agreement and on behalf of the Bondholders, whether or not the Issuer has undertaken to enforce such rights and obligations.

(d) Issuer's Further Assurance. At the sole cost and expense of the Borrower, the Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered by the parties within its control, such instruments supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require

for the better assuring, transferring, mortgaging, conveying, pledging, assigning, and confirming unto the Trustee, the Issuer's interest in and to all interests, revenues, proceeds, and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds in the manner and to the extent contemplated herein. The Issuer shall be under no obligation to prepare, record, or file any such instruments or transfers.

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

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

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

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

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

Section 6.05. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of the principal due on any of the Bonds or the time of payment of interest due on the Bonds, and if the time for payment of any such claims for interest shall be extended through any other means, such Bonds or claims for interest shall not be entitled in case of any default hereunder to any payment out of the Trust Estate or the funds (except funds held in trust for the payment of particular Bonds pursuant hereto) held by the Trustee, except subject to the provisions of Section 7.02 and subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds which is not represented by such extended claims for interest.

If an Extension Deposit has not been made pursuant to Sections 3.04 and 5.05(b) hereof, such that the aggregate balance in the MBS Acquisition Fund and the Revenue Fund is equal to 100% of the principal amount of the Bonds plus interest accrued on the Bonds to the date which is five (5) calendar days following the MBS Delivery Date Deadline (as such date may be extended hereunder), then the Bonds shall be subject to mandatory redemption as set forth in Section 3.01(b) hereof.

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

Section 6.07. Powers as to Bonds and Pledge. The Issuer is duly authorized pursuant to law to authorize and issue the Bonds, to enter into this Indenture and to pledge, assign, transfer and set over unto the Trustee in trust the Trust Estate herein purported to be so pledged, assigned, transferred and set over unto the Trustee in trust hereby in the manner and to the extent provided herein. The Trust Estate so pledged, assigned, transferred and set over in trust is and will be free and clear of any pledge, lien, charge or encumbrance thereon with respect thereto prior to, or of equal rank with, the pledge and assignment in trust created hereby, and all action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions hereof are and will be the valid and binding limited obligations of the Issuer in accordance with their terms and the terms hereof. The Trustee shall at all times, to the extent permitted by law and subject to Section 9.01, defend, preserve and protect the pledge and assignment in trust of the Trust Estate created hereby and all the rights of the Bondholders hereunder against all claims and demands of all persons whomsoever. The Bonds shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof, other than the Issuer to the limited extent herein provided, or a pledge of the faith and credit or the taxing power of the State or of any such political subdivision, but shall be payable solely from funds provided therefor pursuant hereto. The Issuer has no taxing power.

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

effect that such action or such amendment or modification will not affect adversely the validity of the Bonds or the exclusion from gross income for federal income tax purposes of interest on the Bonds. Notwithstanding the foregoing, Fannie Mae and the Borrower may amend the Mortgage Note and the Mortgage without the consent of the Issuer, the Trustee or the holders of the Bonds so long as any such amendment does not change the amount of principal due under, or the rate of interest payable on the unpaid principal amount of, the MBS or otherwise reduce or modify the payments due under the MBS or adversely impact the tax-exempt status of the Bonds.

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

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

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

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

ARTICLE VII

DISCHARGE OF INDENTURE

Section 7.01. Defeasance.

(a) If all Bonds shall be paid and discharged as provided in this Section, then all obligations of the Trustee and the Issuer under this Indenture with respect to all Bonds shall cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds

pursuant to Section 2.08 hereof, (ii) the obligation of the Issuer to pay the amounts owing to the Trustee under Section 9.02 hereof from the Trust Estate, and (iii) the obligation of the Issuer to comply with Sections 6.03 and 9.12 hereof. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer or the Trustee, shall be paid as provided in Section 5.11. Notwithstanding the defeasance of the Bonds, the Borrower shall remain obligated to pay the amounts owing to the Trustee under Section 9.02 hereof.

Any Bond or portion thereof in an Authorized Denomination shall be deemed no longer Outstanding under this Indenture if paid or discharged in any one or more of the following ways:

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

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

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

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

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

(B) the maturity of such Bond.

(c) The Trustee shall be entitled to receive a report from a nationally recognized accounting firm or other nationally recognized verification agent, verifying the mathematical calculations of the sufficiency of monies or investments so deposited, to provide for the payment of all Bonds to be defeased pursuant to this Section and an opinion of Bond Counsel to the effect that all conditions precedent to the defeasance have been complied with.

Section 7.02. Unclaimed Moneys. Anything herein to the contrary notwithstanding, and subject to applicable escheatment laws of the State, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at maturity or by call for redemption, if such moneys are held by the Trustee at said date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such Bonds became due and payable, shall be paid by the Trustee to the Issuer as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the holders of such Bonds shall look only to the Issuer for the payment thereof; provided, however, that before being required to make any such payment to the Issuer, the Trustee shall cause to be mailed to the holders of such Bonds, at their addresses shown on the Bond Register, notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 nor more than 60 days after the date of mailing such notice, the balance of such moneys then unclaimed will be paid to the Issuer; and provided further, that the provisions of this Section shall not apply to the extent disposition of any moneys so held by the Trustee shall be governed by any laws applicable to the Trustee or the Issuer dealing with the disposition of such unclaimed property.

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

Section 7.04. Transfer of MBS. While the Bonds are Outstanding, the Trustee shall maintain the MBS in book-entry form in the name of the Trustee and may not sell, assign, transfer or otherwise dispose of the MBS.

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

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

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

(a) On and after the MBS Delivery Date, failure by Fannie Mae to pay principal, interest or premium, if any, due under the MBS (upon such failure, the Trustee shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) and require the failure to be remedied);

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

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in this Indenture and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of not less than 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee will immediately notify in writing the Issuer, the Bondholders, the Investor Limited Partner, the Lender and Fannie Mae after the Trustee obtains actual knowledge or receives written notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Section 8.02. Acceleration; Rescission of Acceleration.

(a) Upon the occurrence of an Event of Default under Section 8.01(a) or Section 8.01(b) hereof, the Trustee may, and upon the written request of the holders of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds Outstanding, shall declare (and shall deliver written notice of such declaration to the Issuer, the Lender, the Borrower and Fannie Mae) the principal of all Bonds Outstanding, premium, if any, and the interest accrued thereon immediately due and payable.

(b) Upon the occurrence of an Event of Default under Section 8.01(c), at the written request of the holders of not less than one hundred percent (100%) in aggregate principal amount of the Bonds Outstanding, the Trustee shall declare (and shall deliver written notice of such declaration to the Issuer, the Lender, the Borrower and Fannie Mae) the principal of all Bonds Outstanding, premium, if any, and the interest accrued thereon immediately due and payable.

(c) The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the MBS. If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been

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

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

(a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the MBS;

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

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

If an Event of Default shall have occurred, and if requested by the holders of not less than 75% (or 100% as set forth in Section 8.02(b) hereof) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above and in this Indenture.

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

or remedy given to the Trustee or to the Bondholders hereunder or under the Financing Agreement, the Regulatory Agreement or the MBS or now or hereafter existing at law or in equity.

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

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

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

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

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

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

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

Section 8.07. Restriction on Bondholder Action. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision hereof or for the execution of any trust hereunder or for any other remedy hereunder, unless (a)(i) such holder previously shall have given to the Issuer and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and (ii) after the occurrence of such Event of Default, a written request shall have been made of the Trustee to institute such suit, action or proceeding by the holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding and there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (iii) the Trustee shall have been enjoined or restrained from complying or shall have refused or neglected or otherwise failed to comply with such request within a reasonable time; or (b)(i) such holder previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (ii) such suit, action or proceeding is brought for the ratable benefit of the Bondholders subject to the provisions hereof.

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

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

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

Subject in all instances to the provisions of Section 8.11, in the event that at any time the moneys credited to the Revenue Fund, or any other funds held by the Issuer or the Trustee available for the payment of interest or principal then due with respect to the Bonds, shall be

insufficient for such payment, such moneys and funds (other than funds held for the payment or redemption of particular Bonds as provided in Section 5.13 hereof) shall be applied as follows:

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

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

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

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

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

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

Section 8.09. Control of Proceedings. In the case of an Event of Default pursuant to Section 8.01(a), the holders of at least 75% in aggregate principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of Section 8.07, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding

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

Section 8.10. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then Outstanding with respect to which there is an Event of Default; provided, however, that there shall not be waived (a) any default in the payment of the principal amount of any Bonds at the date of maturity specified therein or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium, if any, on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such monetary default, shall have been paid or provided for, and in case of any such waiver or rescission, the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively.

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

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

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

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

under the MBS, (b) enforce the Issuer's Reserved Rights, (c) enforce the tax covenants in this Indenture and the Financing Agreement, (d) enforce rights of specific performance under the Regulatory Agreement; or (e) enforce its rights under the Fee Guaranty, the Guaranty of Completion, the Guaranty of Recourse Obligation or the Operating Deficits Guaranty; provided, however, that any enforcement under subsections (b), (c) or (d) above shall not include seeking monetary damages other than actions for the Issuer Fees and Expenses or the Trustee Fees and Expenses and indemnification amounts.

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

ARTICLE IX

THE TRUSTEE

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

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

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

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of authentication on the Bonds, endorsed by the Trustee), or for

insuring the Project or collecting any insurance moneys, or for the registration, filing or recording or re registration, re-filing or re-recording of this Indenture or the Mortgage or any financing statements relating hereto or thereto or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project or otherwise as to the maintenance of the security hereof. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Borrower under the Financing Agreement, except as hereinafter set forth; but the Trustee may require of the Issuer or the Borrower full information and advice as to their performance of the covenants, conditions and agreements aforesaid. The Trustee acknowledges it has assumed certain duties of the Issuer under the Financing Agreement and the Regulatory Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder or for the use of any amounts paid out in accordance with the provisions of this Indenture. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if it were not Trustee hereunder. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the holders of a majority in aggregate principal amount of the Bonds Outstanding.

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

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

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

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

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

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

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture (other than enforcement of the Regulatory Agreement), any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee, but the resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warranty, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

(l) Before taking any action under Article VIII of this Indenture, the Trustee may require that a satisfactory indemnity bond or other indemnity satisfactory to the Trustee be furnished for the reimbursement of all expenses to which it may be put and to protect it against

all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in conjunction with any action so taken.

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

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

(o) The Trustee's rights to indemnification, immunities and protection from liability hereunder and under the other Financing Documents, as applicable, and its rights to payment of its Ordinary Trustee Fees and Expenses and Extraordinary Trustee Fees and Expenses shall survive its resignation or removal and the final payment or the defeasance of the Bonds (or the discharge of the Bonds or the defeasance of the lien of this Indenture).

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

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

(r) The Trustee shall have no duty to review, verify or analyze any financial statements and shall hold any such financial statements solely as a repository for the benefit of Bondholders; the Trustee shall not be deemed to have notice of any information contained therein or default or event of default which may be disclosed therein in any manner.

(s) The Trustee shall at all times, to the extent permitted by law and subject to Section 9.01, defend, preserve and protect the pledge and assignment in trust of the Trust Estate created hereby and all the rights of the Bondholders hereunder against all claims and demands of all persons whomsoever.

(t) All provisions of this Indenture related to the duties and obligations, standards of care, protections and immunities from liability afforded the Trustee under this Indenture shall also apply to the Trustee in the performance of its duties and obligations under any of the other Financing Documents and related documents and instruments.

(u) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Borrower or any of their directors, partners, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. Trustee may assume performance by all such persons of their respective obligations. The Trustee shall have

no enforcement or notification obligations relating to breaches of representations or warranties of any other person except as expressly set forth in the Financing Documents.

Section 9.02. Fees, Charges and Expenses of Trustee. Notwithstanding any provision to the contrary herein, the Trustee shall be entitled to payment for reasonable fees for its services rendered hereunder and under the Financing Agreement and the Regulatory Agreement and reimbursement for all advances, counsel fees and other expenses reasonably made or incurred by the Trustee (including any co-Trustee) in connection with such services which shall be paid from time to time as provided in the Financing Agreement; provided that no such amounts shall be paid to the Trustee from the proceeds of the MBS. Prior to the MBS Delivery Date, upon an Event of Default under Section 8.01(b), or after the MBS Delivery Date, upon an Event of Default under Section 8.01(a) as a result of a failure by Fannie Mae to make payment under the MBS, but only upon such an Event of Default, the Trustee shall have a lien upon the Trust Estate for Ordinary Trustee Fees and Expenses and Extraordinary Trustee Fees and Expenses incurred by it. The Issuer shall require the Borrower to indemnify and save harmless the Trustee against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties hereunder, under the Financing Agreement and under the Regulatory Agreement which are not due to its own negligence or willful misconduct, and to reimburse the Trustee for any fees and expenses of the Trustee to the extent they exceed funds available under this Indenture for the payment thereof, subject only to the right of the Borrower to contest the reasonableness of any such fees or the necessity for any such expenses in good faith. The Trustee shall continue to perform its duties and obligations hereunder until such time as its resignation or removal is effective pursuant to Section 9.05 or Section 9.06, respectively.

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

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

Section 9.05. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the Issuer and

Fannie Mae, and such resignation shall only take effect upon the appointment, pursuant to Section 9.07, of, and acceptance by, a successor Trustee. The successor Trustee shall give notice of such succession by first class mail, postage prepaid, to each Bondholder at the address of such Bondholder shown on the Bond Register.

Section 9.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing with 30 days' notice delivered to the Trustee and to Fannie Mae, and signed by the Issuer (or if an Event of Default shall have occurred and be continuing, by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, in which event such instrument or instruments in writing shall also be delivered to the Issuer) provided that such removal shall not take effect until the appointment of a successor Trustee by the Issuer (or by the Bondholders).

Section 9.07. Appointment of Successor Trustee. In case at any time the Trustee or any successor thereto shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of such Trustee or of its property shall be appointed, or if any public officer shall take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Issuer with the approval of Fannie Mae (if it is not in default in its obligations under the MBS), or if Fannie Mae does not approve a successor the Issuer proposes to appoint, or if the Issuer is in default hereunder, by the holders of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders, or their attorneys duly authorized in writing, and delivered to such successor Trustee, notification thereof being given to the Issuer, Fannie Mae, the Borrower, the Investor Limited Partner and the predecessor Trustee. If in a proper case no appointment of a successor Trustee shall have been made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Issuer written notice as provided in Section 9.05 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

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

Section 9.08. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer and Fannie Mae, and any Bondholder 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 named herein as such Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, Fannie Mae or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request, and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Issuer.

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

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

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

Section 9.12. Arbitrage Covenants.

(a) Moneys and securities held by the Trustee in the Rebate Fund are not pledged or otherwise subject to any security interest in favor of the Trustee to secure the Bonds or any other

payments required to be made hereunder or any other document executed and delivered in connection with the issuance of the Bonds.

(b) Moneys in the Rebate Fund shall be held separate and apart from all other Funds and Accounts established under this Indenture and shall be separately invested and reinvested by the Trustee in Eligible Investments. The interest accruing thereon and any profit realized therefrom shall be credited to the Rebate Fund, and any loss resulting therefrom shall be charged to the Rebate Fund. The Trustee shall sell and reduce to cash a sufficient amount of such Eligible Investments whenever the cash balance in the Rebate Fund is insufficient for its purposes.

(c) The Trustee covenants that it will invest funds held under this Indenture in accordance with the covenants and terms of this Indenture and the Tax Certificate (this covenant shall extend through the Bond Maturity Date to all Funds and Accounts created under this Indenture and all money on deposit to the credit of any such Fund or Account). The Trustee covenants that, notwithstanding any other provisions of this Indenture or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. This covenant shall extend through the Bond Maturity Date to all Funds and Accounts created under this Indenture and all money on deposit to the credit of any such Fund or Account. Pursuant to this covenant, with respect to the investments of the Funds and Accounts under this Indenture, the Trustee obligates itself to comply, so long as any Bonds remain Outstanding, with the requirements of Sections 103(b) and 148 of the Code; provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Issuer, Bond Counsel or the Rebate Analyst. The Trustee further covenants that should the Issuer or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file), or should the Trustee receive, an Opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become "arbitrage bonds," then the Trustee will comply with any written instructions of the Issuer, the Borrower or Bond Counsel regarding such investment (which shall, in any event, be an Eligible Investment) or use so as to prevent the Bonds from becoming "arbitrage bonds," and the Trustee will bear no liability to the Issuer or the Borrower for investments made in accordance with such instructions.

(d) The Issuer hereby covenants to provide, or to cause the Borrower to provide, at the Borrower's expense, for the calculation by the Rebate Analyst, and rebate to the federal government, in accordance with the Code, the Rebate Amount to the extent required by Section 148(f) of the Code.

(e) The determination of the Rebate Amount shall be made by the Rebate Analyst in accordance with the Tax Certificate and the Rebate Amount shall be paid at such times and in such installments as provided therein. As further provided in the Tax Certificate, the Borrower shall be responsible for calculating or causing to be calculated and paying the Rebate Amount.

(f) In order to provide for the administration of this Section, the Trustee may provide for the employment of independent attorneys, accountants and consultants compensated on a reasonable basis and in addition and without limitation of the provisions of Section 9.01, the Trustee may rely conclusively upon and be fully protected from all liability in relying upon the opinions, determinations, calculations and advice of such attorneys, accountants and consultants employed hereunder.

(g) The Borrower shall be responsible for any fees and expenses incurred by the Issuer or the Trustee under or pursuant to this Section.

(h) Withdrawals from the Rebate Fund may be made to the extent the Rebate Analyst determines that amounts on deposit therein exceed amounts required to be on deposit therein pursuant to this Section. All amounts so withdrawn shall be transferred to the Revenue Fund. Once a final Rebate Amount has been calculated and paid, any balance shall be paid to the Borrower pursuant to its written instructions.

(i) The provisions of this Section may be amended or deleted from this Indenture upon receipt by the Issuer and the Trustee of an Opinion of Bond Counsel that such amendment or deletion will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Any moneys on deposit in the Rebate Fund may be applied by the Trustee as permitted in such Opinion. Fees and expenses incurred in connection with the determination of rebatable arbitrage shall be paid by the Borrower pursuant to the provisions of the Financing Agreement.

(j) In the event of a conflict between the provisions of this Section 9.12 and the Tax Certificate, the provisions of the Tax Certificate shall control.

Section 9.13. Compliance of Borrower Under Regulatory Agreement. The Trustee shall give written notice to the Issuer, the Lender, the Investor Limited Partner and Fannie Mae of any failure by the Borrower to comply with the terms of the Regulatory Agreement.

ARTICLE X

SUPPLEMENTAL INDENTURES

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

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

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

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

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

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

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

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

(h) To make such changes and modifications that are necessary or desirable to provide for all interest, principal and premium, if any, paid with respect to the Bonds are in the exact respective amounts of the payments of interest, principal and premium, if any, paid under and pursuant to the MBS.

Section 10.02. Supplemental Indentures Requiring Consent of Bondholders. In addition to those amendments to this Indenture which are authorized by Section 10.01, any modification or amendment of this Indenture may be made by a Supplemental Indenture with the written consent, given as hereinafter provided in Section 10.03, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under this Indenture prior to or on a parity with the lien of this Indenture, (d) deprive the holders of the Bonds of the lien created by this Indenture upon the Trust Estate (except as expressly provided in this Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the immunities, indemnities, rights, protections, privileges, limitations on liability or obligations of the Trustee without the written consent thereto of the Trustee. All fees, costs and expenses (including

reasonable attorneys' fees, costs and expenses) incurred in connection with any modification, amendment or Supplemental Indenture shall be payable by the Borrower.

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

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

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

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

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

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

Section 10.08. Opinion of Bond Counsel Concerning Supplemental Indentures. The Trustee shall not execute or consent to any Supplemental Indenture unless prior to the execution and delivery thereof the Trustee shall have received the written Opinion of Bond Counsel to the

effect that the modifications or amendments effected by such Supplemental Indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and are authorized and permitted under the provisions of this Indenture.

ARTICLE XI

MISCELLANEOUS

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

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

(b) The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is authorized by a corporate resolution (a copy of which shall be delivered to the Trustee) and signed by a person purporting to be the president or a vice president of such corporation; and

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

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

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

Section 11.03. Preservation and Inspection of Documents. All reports, certificates, statements and other documents received by the Trustee under the provisions hereof shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer, Fannie Mae or any Bondholder and their agents and representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time six years after such date as the pledge of the Trust Estate created hereby shall be discharged as provided in Section 7.01.

Section 11.04. No Recourse on Bonds. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any of its officers or employees or members of its governing body, past, present or future, in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or Redemption Price or purchase price of or interest on the Bonds or for any claim based thereon or on this Indenture or the Financing Documents against any such member, officer, employee or agent of the Issuer or member of its governing body, past present or future, or any natural person executing the Bonds.

Section 11.05. Severability. If any one or more of the provisions, covenants or agreements in this Indenture on the part of the Issuer or the Trustee to be performed should be illegal, inoperative, unenforceable or contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements, shall be deemed severable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions hereof or of the Bonds.

Section 11.06. Notices. (a) Unless otherwise specified in this Indenture, it shall be sufficient service or giving of any notice, request certificate, demand or other communication if the same is sent by (and all notices required to be given by mail will be given by) first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery, or sent by Electronic Means which produces evidence of transmission, and in each case will be deemed to have been given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To the Issuer: St. Lucie County Housing Finance Authority
c/o Office of County Attorney
2300 Virginia Avenue
Ft. Pierce, Florida 34982
Attention: Chair

With a copy to: St. Lucie County
c/o Office of County Attorney
2300 Virginia Avenue

Ft. Pierce, Florida 34982
Attention: Assistant County Attorney
Email: barbierik@stlucieco.org

To the Trustee:

U.S. Bank National Association
500 West Cypress Creek Road,
Suite 460
Fort Lauderdale, Florida 33309
Attention: [Robert Hedgecock]
Email:

With a copy to:

To the Borrower:

Live Oak Preservation, Ltd.
c/o Fairview Live Oak, LLC

Attention:
Email:

With a copy to:

with a copy to:

To the Underwriter:

RBC Capital Markets, LLC
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701
Attention: Helen Feinberg
Email: helen.feinberg@rbccm.com

With a copy to: Norris George & Ostrow PLLC
1627 Eye Street N.W., Suite 1220
Washington, DC 20006
Attention: Ethan Ostrow, Esq.
Email: eostrow@ngomunis.com

To the Lender: PNC Bank, National Association

Email:

With a copy to:

To the Investor Limited
Partner:

With a copy to:

To the Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, New York 10007
Attention: Public Finance Group – Housing Team
E-mail: housing@moodys.com

To Fannie Mae:

Fannie Mae
1100 15th Street, N.W.
Drawer AM
Washington, D.C. 20005
Attn: Director, Multifamily Asset Management
Facsimile: (240) 699-3880
RE: Housing Finance Authority of St. Lucie County,
Florida Multifamily Housing Revenue Bonds –
Live Oak Villas I & II

with a copy to:

Copies of all notices given to Fannie Mae must be given concurrently to the Lender. By notice given under this Indenture, any entity whose address is listed in this Section may designate any different address to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity (except for Fannie Mae) will be required to be sent to more than two addresses. All approvals required under this Indenture will be given in writing. In addition, any notice delivered by the Lender to the Trustee shall be sent by the Trustee to the Bondholders as soon as practical after receipt thereof.

(b) 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 the Issuer or the Borrower, as applicable, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**” for the purpose of this subsection (b)) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer or the Borrower, as applicable, whenever a person is to be added or deleted from the listing. For the purposes of this subsection (b), “Electronic Means” shall mean the following communications methods: e-mail, 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. If the Issuer or the Borrower, as applicable, 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 Issuer and the Borrower 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. The Issuer and the Borrower shall each

be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Issuer, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer or the Borrower, as applicable. 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 Issuer and the Borrower agree: (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 directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method selected by the Issuer or the Borrower, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.07. Certain Notices to be Provided to the Rating Agency. In addition, the Trustee shall provide notice to the Rating Agency under the following circumstances: (i) prepayments with respect to the MBS, in whole or in part; (ii) defeasance or discharge of this Indenture; (iii) release from the Trust Estate of (A) the pledge of the MBS or (B) the assignment of the MBS Revenues received; (iv) supplements or amendments to the Financing Documents or Mortgage Note; (v) extension of the MBS Delivery Date Deadline; (vi) appointment of a successor Trustee; (vii) sale of Eligible Investments at a price below par, except as permitted under Section 5.12, (viii) any change in the investment of funds subject to the lien of this Indenture not permitted under Section 5.12, (ix) Events of Default of which the Trustee has actual written notice, and (x) delivery of the MBS pursuant to Article IV hereof.

Section 11.08. Action Required to be Taken on a Non-Business Day. In any case where any Payment Date, any other date fixed for the payment of interest on or principal of the Bonds, any maturity date or any date fixed for redemption of any Bonds, shall be a day other than a Business Day, then any payment of interest or principal (and premium, if any) required to be made on such date need not be taken or made on such date but may be taken or made on the next succeeding Business Day with the same force and effect as if made or taken on the date herein otherwise provided and, in the case of any Payment Date, no interest shall accrue for the period from and after such date.

Section 11.09. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Issuer, the Trustee, Fannie Mae and the holders of the Bonds, any right, remedy or claim under or by reason hereof, and any covenants, stipulations, obligations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, Fannie Mae and the Bondholders.

Section 11.10. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.11. Tax Certificate. In the event of any conflict between this Indenture and the Tax Certificate, the requirements of the Tax Certificate shall control.

Section 11.12. Applicable Provisions of Law; Venue. This Indenture and the Bonds are contracts made under the laws of the State and shall be construed in accordance with and governed by the Constitution and the laws of the State applicable to contracts made and performed in the State. This Indenture and the Bonds shall be enforceable in the State, and any action arising hereunder or in connection with the Bonds shall (unless waived by the Issuer in writing) be filed and maintained in the County and the State.

Section 11.13. Electronic Transactions; Electronic Signatures. The transactions described in this Indenture may be conducted and related documents may be sent, received or stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The parties agree that the electronic signature of a party to this Indenture shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. For purposes hereof: "electronic signature" means a manually signed original signature that is then transmitted by Electronic Means.

Section 11.14. Patriot Act Notice. The Trustee hereby notifies the Issuer that to help the government fight the funding of terrorism and money laundering activities pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Trustee to identify the Issuer in accordance with the Patriot Act. The Issuer hereby agrees that it shall promptly provide such information upon request by the Trustee.

[Remainder of page intentionally left blank – signature page follows]

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed on its behalf by its Authorized Officers and the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized signatories, all as of the day and year first above written.

**ST. LUCIE COUNTY HOUSING FINANCE
AUTHORITY**, as Issuer

[SEAL]

By: _____

Name: Peter Dion

Title: Chair

ATTEST:

Name: Kathleen Alvira

Title: Secretary

(Signature Page - Indenture of Trust – Live Oak Villas I & II)

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as
Trustee

By: _____

Name: _____

Title: _____

EXHIBIT A

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF FLORIDA**

**ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(FANNIE MAE MBS-SECURED)
(LIVE OAK VILLAS I & II), SERIES 2024**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-1 **\$26,500,000**

| <u>Bond Interest Rate</u> | <u>Bond Maturity Date</u> | <u>Bond Dated Date</u> | <u>CUSIP Numbers</u> |
|--------------------------------------|--------------------------------------|-------------------------|--------------------------------------|
| As set forth in Indenture | As set forth in Indenture | October __, 2024 | As set forth in Indenture |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWENTY-SIX MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$26,500,000)

ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY (together with its successors and assigns, the “**Issuer**”), a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (the “**State**”), for value received, hereby promises to pay (but only from the sources specified in the Indenture hereinafter defined) to the Registered Owner named above or registered assigns, on the Bond Maturity Date stated above subject to the provisions of the Indenture, including, but not limited to, the definition of Payment Date therein and as hereinafter defined (unless this Bond shall have been previously called for redemption and payment of the Redemption Price shall have been made or duly provided for), the principal

amount set forth in the Indenture in lawful money of the United States of America, and to pay interest thereon in like lawful money at the Bond Interest Rate specified above in the amounts as accrued and for the periods interest is paid as set forth in the Indenture, payable on each Payment Date. Interest shall be calculated on the basis of a year of 30/360.

The payment of interest on a Payment Date shall relate to the interest accrued during the preceding six (6) calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued from the Closing Date to the calendar day immediately preceding such Initial Payment Date. Interest payable on the Bonds if redeemed upon failure to purchase the MBS as described in the Indenture will be paid on the redemption date.

“Initial Payment Date” means [June] 1, 2025.

“Payment Date” means (i) with respect to interest, [June] 1 and [December] 1 of each year, commencing on the Initial Payment Date, and (i) with respect to principal and interest, the stated maturity date for any of the Bonds or any earlier date of redemption of any of the Bonds.

Interest hereon is payable by U.S. Bank Trust Company, National Association (the “Trustee”). On each Payment Date, payment of the principal of and interest or premium, if any, on any Bond shall be made to the person appearing on the Bond Register as the registered owner thereof on the applicable Record Date. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Bonds are Book-Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except in connection with a redemption of Bonds from principal payments or prepayments on the MBS) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book-Entry Bonds, payments of interest on the Bonds and redemption of Bonds from principal payments or prepayments on the MBS shall be paid by check or draft mailed to the registered owner thereof at such owner’s address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. All payments of principal of and interest on Book-Entry Bonds shall be made and given at the times and in the manner set out in the representation letter of The Depository Trust Company, New York, New York and the provisions of the Indenture related thereto, or any replacement securities depository appointed under the Indenture.

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

The Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. Notwithstanding anything to the contrary in the Indenture, the Bonds are not subject to optional redemption, but are subject to mandatory redemption prior to maturity in connection with a prepayment of the Mortgage Loan, as set forth in Section 3.01(e) of the Indenture.

(b) Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline. The Bonds are subject to mandatory redemption in whole five (5) calendar days after the MBS Delivery Date Deadline at a Redemption Price equal to 100% of the Outstanding principal amount thereof, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred (or, if no Payment Date has occurred, from the Bond Dated Date) to, but not including, such redemption date, if the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, payable with respect to principal first, from money on deposit in the MBS Acquisition Fund, and with respect to premium, if any, and interest, from money on deposit in the Revenue Fund.

(c) Mandatory Redemption in Part on the MBS Delivery Date. The Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred to, but not including, the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS purchased on the MBS Delivery Date and (ii) the aggregate principal amount of the Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the MBS Acquisition Fund, and with respect to interest and premium, if any, from money on deposit in the Revenue Fund and other Eligible Funds.

(d) Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory redemption on the respective dates set forth in the schedule below, at the Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date.

| <u>Sinking Fund Payment Date</u> | <u>Amount</u> | <u>Sinking Fund Payment Date</u> | <u>Amount</u> |
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* Final maturity.

(e) Mandatory Redemption Following the MBS Delivery Date. In addition to the mandatory sinking fund redemption of the Bonds pursuant to Section 3.01(d), the Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which each principal payment or prepayment is received pursuant to the MBS, other than principal payments made pursuant to the Mortgage Loan Amortization Schedule, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date.

Anytime the Bonds are subject to redemption pursuant to the Indenture (except for a Sinking Fund Redemption and Mandatory Redemption pursuant to Sections 3.01(d) and (e) of the Indenture), the Trustee, in accordance with the provisions of the Indenture, shall give at least five (5) calendar days' notice, in the name of the Issuer, of the redemption of the Bonds, which notice shall specify the following: (i) the maturity and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Notice delivered as required in this paragraph with respect to a redemption pursuant to Section (a), above, may be rescinded and annulled on or before the redemption date set forth in such notices if (i) the MBS is delivered on or prior to such redemption date or (ii) the MBS Delivery Date Deadline is extended pursuant to the Indenture. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption. Notwithstanding anything herein to the contrary, no notice of redemption shall be required with respect to redemptions pursuant to Sections (d) and (e) above.

Notwithstanding anything to the contrary in the Indenture, no prior notice shall be a prerequisite to the effectiveness of any redemption described in the above paragraphs, which redemptions shall occur and be effective irrespective of whether the Trustee fulfills its obligations, if any, to provide the notice required by the Indenture with respect to the redemptions described above.

This Bond is one of the duly authorized bonds of the Issuer designated as Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Live Oak Villas I & II), Series 2024 (the "**Bonds**"), limited in aggregate principal amount to \$26,500,000 issued pursuant to the Act and pursuant to an Indenture of Trust, dated as of October 1, 2024 (the "**Indenture**"), by and between the Issuer and the Trustee and a resolution duly adopted by the governing body of the Issuer. The Bonds are limited obligations of the Issuer payable from and all equally secured by the lien of the Indenture, and the other security pledged thereby, including certain funds and accounts created pursuant thereto. The Bonds are issued for the benefit of Live Oak Preservation, Ltd., a

Florida limited partnership (the “**Borrower**”), to finance the acquisition, rehabilitation and equipping of two multifamily rental housing developments in St. Lucie County, Florida, known as Live Oak Villas I & Live oak Villas II (the “**Project**”). Capitalized terms used herein and not otherwise defined shall have the meanings assigned in the Indenture.

The payment and other obligations of the Issuer with respect to the Bonds are intended to be, and shall be, independent of the payment and other obligations of the issuer or maker of the Mortgage Note and the MBS (as hereafter defined), even though the principal amount of both instruments is expected to be identical, except in the case of a default with respect to one or more of the instruments.

The Bonds are secured by certain funds held under the Indenture as described therein, and after the MBS Delivery Date, if any, by (i) the pledge of a MBS (the “**MBS**”) issued by the Federal National Mortgage Association (“**Fannie Mae**”) and delivered to the Trustee, under the terms of which timely payment of principal of and interest on the MBS is guaranteed by Fannie Mae regardless of whether corresponding payments on the Mortgage Loan are paid when due, and (ii) amounts payable under and pursuant to the MBS. After the MBS Delivery Date, the MBS is held in trust and pledged under the Indenture to secure the payment of the Bonds.

Reference is hereby made to the Act and to the Indenture, a copy of which is on file at the principal office of the Trustee, and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the payments and funds pledged and assigned as security for payment of the Bonds and the nature and extent thereof, of the terms on which the Bonds are issued and the terms and conditions on which the Bonds will be deemed to be paid at or prior to maturity or redemption upon provision for payment thereof in the manner set forth in the Indenture, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

THE BONDS OF WHICH THIS BOND IS A PART, TOGETHER WITH INTEREST THEREON, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE REVENUE OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF FLORIDA, MIAMI-DADE COUNTY, FLORIDA (THE “**COUNTY**”) OR ANY OTHER POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY OTHER

POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR, **THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF FLORIDA, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.**

The Bonds are subject to redemption in the amounts and on the dates, in whole or in part, in the event of optional prepayment of amounts payable under the Mortgage Loan and a corresponding prepayment of the MBS.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute actions to enforce the pledge, assignments in trust or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

If an Event of Default shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding.

The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple of \$1.00 in excess thereof (an "**Authorized Denomination**"). Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged at the designated corporate trust office of the Trustee for Bonds in the same aggregate principal amount.

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

In any case where any Payment Date, any other date fixed for the payment of interest on or principal of the Bonds, any maturity date or any date fixed for redemption of any Bonds, shall be a day other than a Business Day, then any payment of interest or principal (and premium, if

any) required to be made on such date need not be taken or made on such date but may be taken or made on the next succeeding Business Day with the same force and effect as if made or taken on the date herein otherwise provided and, in the case of any Payment Date, no interest shall accrue for the period from and after such date.

The Issuer and the Trustee shall treat the registered owner of this Bond as the owner hereof for all purposes, and any notice to the contrary shall not be binding on the Issuer and the Trustee.

The Indenture contains provisions permitting the Issuer and the Trustee, with the written consent of Fannie Mae and the registered owners of not less than two thirds in aggregate principal amount of the Bonds Outstanding, as specified in the Indenture, and in certain instances without such consent, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon such Trust Estate (except as expressly provided in the Indenture), without (with respect to clauses (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

Neither the members of the governing body of the Issuer nor any officer, agent, representative or employee of the Issuer nor any person executing this Bond shall be subject to any personal liability or accountability by reason of the issuance hereof, whether by virtue of any Constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly waived as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

It is hereby certified and recited by the Issuer that all conditions, acts and things required by the Indenture or by the laws of the State, including the Act, to exist, to have happened or to have been performed precedent to or in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond and the issue of which it forms a part is within every debt and other limit prescribed by said Constitution or statutes.

In the event of any inconsistencies between the provisions of this Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY has caused this Bond to be executed on its behalf by the manual or facsimile signature of its Chair, and attested to by the manual or facsimile signature of its Secretary, all as of the Bond Dated Date identified above.

ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY, as Issuer

(SEAL)

By: _____
Chair

ATTEST

By: _____
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds described in the within mentioned Indenture.

Date of Authentication: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____

Authorized Officer

FORM OF ASSIGNMENT

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

(Please Print or Type Name and Address of Assignee)

Social Security or Taxpayer Identification Number: _____

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

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

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B

[RESERVED]

EXHIBIT C

**FORM OF REQUISITION
(bond Proceed Fund)**

U.S. Bank Trust Company, National Association

Re: ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING
REVENUE BONDS (FANNIE MAE MBS-SECURED) (LIVE OAK VILLAS I & II),
SERIES 2024

Ladies and Gentlemen:

You are requested to disburse funds from the Bond Proceeds Fund pursuant to Section 5.09 of the Indenture (defined below) in the amount(s), to the person(s) and for the purpose(s) set forth in this requisition (this "**Requisition**"). The terms used in this Requisition shall have the meaning given to those terms in the Indenture of Trust (the "**Indenture**"), dated as of October 1, 2024 by and between ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY, as Issuer, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee, securing the above-referenced Bonds (the "**Bonds**").

1. REQUISITION NO.:
2. PAYMENT DUE TO:
3. AMOUNT TO BE DISBURSED: \$_____.
4. The undersigned certifies that:

(i) the expenditures for which moneys are requisitioned by this Requisition represent proper charges against the Bond Proceeds Fund, have not been included in any previous requisition, have been properly recorded on the Borrower's books and are set forth in Schedule I attached to this Requisition, with paid invoices attached for any sums for which reimbursement is requested;

(ii) the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Borrower for its funds actually advanced for the Project; and

(iii) the Borrower is not in default under the Financing Agreement, the Regulatory Agreement or the Mortgage Loan Documents and nothing has occurred to the knowledge of the Borrower that would prevent the performance of its obligations under the Financing Agreement, the Regulatory Agreement or the Mortgage Loan Documents; and

(iv) the foregoing certifications remain true and correct as of the date hereof.

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

DATE OF REQUISITION: _____

LIVE OAK PRESERVATION LTD, a Florida
limited partnership

By: Fairview Live Oak LLC, a Delaware limited
liability company, its general partner

By: _____

Name: Russell Condas

Title: Vice President

APPROVED:

PNC BANK, NATIONAL ASSOCIATION,
as Lender

By: _____
Authorized Officer

SCHEDULE I TO REQUISITION FORM

| | ITEM: | AMOUNT: |
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This Instrument prepared by
(and after recording should be returned to):
Robert Reid
Bryant Miller Olive P.A.
1545 Raymond Diehl Road, Suite 300
Tallahassee, FL 32308

LAND USE RESTRICTION AGREEMENT

Owner's Name and Address: Live Oak Preservation Ltd.
c/o Fairview Live Oak LLC

Location of Properties:
919 S. 25th Street and 907 S. 27th Street
Fort Pierce, Florida 34947

Name of Project: Live Oak Villas I and Live Oak Villas II

Trustee's Name and Address: U.S. Bank Trust Company, National Association.
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, Florida 33309

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement") is made and entered into as of October 1, 2024 among the ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY (the "Issuer"), LIVE OAK PRESERVATION LTD., a Florida limited partnership (the "Owner"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee under the hereinafter referenced Indenture (the "Trustee").

Preamble

WHEREAS, the Issuer 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 St. Lucie County, Florida (the "County"); and

WHEREAS, the Issuer has agreed under certain conditions to issue its revenue bonds under the Act and to loan the proceeds thereof to the Owner to finance a loan (the "Loan") for the purpose of the acquisition and rehabilitation of two multi-family residential projects (collectively, the "Projects" and each individually, a "Project") to be located within the County to be occupied partially (at least 40% of the units) by "individuals of low or moderate income," within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder, all for the public purpose of assisting persons of low, moderate and middle income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Issuer has issued and delivered its \$26,500,000 Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)(Live Oak Villas I & II), Series 2024 (the "Series 2024 Bonds"), pursuant to a Indenture of Trust dated as of the date hereof, by and between the Issuer and the Trustee (the "Indenture") to obtain moneys to make a loan to the Owner which will be used to finance the acquisition and rehabilitation of the Projects pursuant to a Financing Agreement dated as of October 1, 2024 (the "Financing Agreement") by and between the Issuer, the Trustee and the Owner, all under and in accordance with the Constitution and laws of the State of Florida; and

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

WHEREAS, in order to satisfy such requirement, the Issuer, the Trustee and the Owner have determined to enter into this Agreement to set forth certain terms and conditions relating to the Projects;

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 is hereby acknowledged, the Issuer, the Trustee and the Owner do hereby contract and agree as follows:

AGREEMENT

Section 1. Definitions and Interpretation. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for all purposes of this Agreement. In addition, the capitalized words and terms used herein which are not otherwise defined herein shall have the same meanings ascribed to them in the Financing Agreement and the Indenture.

"Affiliated Party" of a person shall mean a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code or (ii) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80

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

“Available Units” means residential units in a residential rental project that are actually occupied and residential units in the project that are unoccupied and have been leased at least once after becoming available for occupancy, provided that (a) in the case of an acquisition of an existing residential rental project, a residential unit that is unoccupied on the later of (i) the date each Project is acquired or (ii) the issue date of the First Bonds, is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after the renovations are completed.

“Bond Counsel” means the firm of attorneys whose opinion is provided in connection with issuance of the Series 2024 Bonds to the effect that interest thereon is exempt from gross income for purposes of federal income taxation, or their successor appointed by the Issuer.

“Certificate Concerning Commencement and Termination of Qualified Project Period” means a Certificate in the form of Exhibit C to this Agreement, as such form may be revised by the Issuer from time to time upon advice of Bond Counsel.

“Certificate of Continuing Program Compliance” or “Compliance Certificate” means a Compliance Certificate in the form provided by the Compliance Agent, typically as an Excel spreadsheet, as such form may be revised by the Issuer from time to time upon advice of Bond Counsel.

“Code” shall mean the Internal Revenue Code of 1986, as amended. Reference herein to any specific provision of the Code shall be deemed to include any successor provision of such provision of the Code.

“Compliance Agent” shall mean initially, first housing Development Corporation of Florida, its successors and assigns, and thereafter such other organization subsequently designated by the Issuer to serve as Compliance Agent for the Projects.

“County” means St. Lucie County, Florida.

“First Bonds” means the first issue of bonds to which Section 142(d) of the Code applies issued to finance the acquisition of a residential rental project.

“Income Certification” means an Income Certification initially in the form of **Exhibit B** hereto, as such form may be revised by the Issuer from to time upon advice of Bond Counsel.

“Indenture” shall mean the Indenture of Trust dated as of October 1, 2024, between the Issuer and the Trustee relating to the issuance of the Series 2024 Bonds, as amended or supplemented from time to time.

“Investor Partner” means _____, a _____, or an affiliate thereof, or its successors and assigns, as permitted hereunder.

“Issuer Project Administration Fee” shall mean the ongoing Issuer Fee (as defined in the Indenture) payable to the Issuer from the Owner; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Issuer, Bond Counsel or Counsel to the Issuer, to be paid by the Owner pursuant to the Financing Agreement and the Indenture, which annual fee shall be payable for the Term of this Agreement.

“Land Use Restriction Agreement” or “Agreement” shall mean this Land Use Restriction Agreement, as amended or supplemented from time to time.

“Loan” means the loan originated by the Issuer with respect to the Projects, made in accordance with the Issuer's program guidelines, this Agreement and the Financing Agreement, for the purpose of financing a portion of the cost of the acquisition and rehabilitation of the Projects.

“Financing Agreement” means the Financing Agreement, dated as of October 1, 2024, by and among the Issuer, the Trustee and the Owner, as amended and supplemented from time to time.

“Lender” means PNC Bank, National Association, and any successors and assigns of such entity.

“Loan Documents” means the Financing Agreement, this Land Use Restriction Agreement, and all other instruments, documents and certificates evidencing and securing the Loan.

“Lower-Income Tenants” shall mean and include individuals or families with income (adjusted for family size), calculated in the manner prescribed in Section 142(d)(2)(B), and accounting for Section 142(d)(2)(E)(i) of the Code, as in effect on the delivery date of the Series 2024 Bonds, which does not exceed sixty percent (60%) of the annual median gross income for the area in which each Project is located, determined in a manner consistent with determinations of median gross income for Multifamily Tax Subsidy Programs (MTSP) made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended. In no event, however, will the occupants of a residential unit be considered to be Lower-Income Tenants if all the occupants are students, no one of which is entitled to file a joint federal income tax return. Notwithstanding the foregoing, a residential unit shall not fail to be treated as a residential unit that is occupied by Lower-Income Tenants merely because such

residential unit is occupied (a) by an individual who is (i) a student and receiving assistance under Title IV of the Social Security Act, (ii) a student who was previously under the case and placement responsibility of a foster care program (under Part B or Part E of the Title IV of the Social Security Act), or (iii) a student enrolled in a government supported job training program, or (b) entirely by full-time students if such students are (i) single parents and their children and such parents are not dependents of any person other than the full-time student occupying the unit, or (ii) married and file a joint return.

“Mortgage” shall mean that certain Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of October __, 2024, together with all riders and exhibits, securing the Mortgage Loan, executed by the Borrower in favor of the Lender, as the same may be amended from time to time.

“Mortgage Loan” means the interest-bearing loan for multifamily housing relating to the Series 2024 Bonds which is evidenced by the Mortgage Note and secured by the Mortgage and the Multifamily Loan and Security Agreement.

“Mortgage Note” means the Multifamily Note dated the Closing Date from the Borrower payable to the order of the Lender evidencing the Borrower’s obligation to repay the Mortgage Loan, as the same may be amended from time to time.

“Multifamily Loan and Security Agreement” means the Multifamily Loan and Security Agreement dated August 14, 2024, executed by the Borrower and the Lender.

“Projects” shall mean, collectively, Live Oak Villas I and Live Oak Villas II, and separately each as a “Project”, containing in the aggregate approximately 180 residential rental units located at, respectively, 919 S. 25th Street and 9807 S. 27th Street, Fort Pierce, Florida 34947, as more particularly described in **Exhibit A** hereto, with respect to which the Issuer has made the Loan, which has been approved by resolution of the Issuer, and which will be acquired and rehabilitated, and will be operated and maintained in compliance with the requirements of the Financing Agreement and this Land Use Restriction Agreement.

“Qualified Project Period” shall mean a period beginning on the first day on which at least 10 percent of the residential units are occupied, and ending on the latest of the date (x) which is fifteen (15) years after the date on which at least 50 percent of the residential units in each Project are first occupied; (y) the first day on which no tax-exempt private activity bonds issued with respect to each Project are outstanding; or (z) on which any assistance provided with respect to each Project under Section 8 of the United States Housing Act of 1937 terminates.

“Rental Housing” shall mean a residential rental project within the meaning of Section 1.103-8(b)(4) of the Treasury Regulations under Section 142(d) of the Code. As such, Rental Housing shall consist of a building or structure or proximate buildings or structures, (a) containing one or more similarly constructed residential units which are to be used on other than

a transient basis and any facilities which are functionally related and subordinate to such units, and (b) all of the residential units of which are rented or available for rental on a continuous basis to members of the general public in accordance with the requirements of Section 142(d) of the Code. The Rental Housing consists of similar residential units together with any functionally related and subordinate facilities within the meaning of Section 142(d) of the Code. A building or structure is a discrete edifice or other man-made construction consisting of an independent (i) foundation, (ii) outer walls, and (iii) roof, and containing one or more similarly constructed residential units. Buildings or structures are proximate if they are all located on a single parcel of land or several parcels of land which are contiguous except for the interposition of a road, street, stream or similar property. Proximate buildings or structures are part of the same project only if owned for federal tax purposes by the same person and if the buildings are financed pursuant to a common plan. In no event shall Rental Housing include a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or court. Furthermore, Rental Housing shall not include any building or structure which contains fewer than five residential units, one residential unit of which is occupied by an owner of the units or a party related to such owner.

“State” shall mean the State of Florida.

“Term of this Agreement” means the term determined pursuant to Section 9 hereof.

Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. 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 terms and phrases used in the recitals of this Agreement have been included for convenience of reference only and the meaning, construction and interpretation of all such terms and phrases for purposes of this Agreement shall be determined by references to this Section 1. 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 and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Project. The Issuer and the Owner hereby declare their understanding and intent that, during the term of this Agreement, each 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. To that end, the Owner hereby represents, covenants and agrees as follows:

(a) that the Projects will be acquired and rehabilitation for the purpose of providing multifamily Rental Housing, and the Owner shall own, manage and operate the Projects as multifamily Rental Housing, all in accordance with Section 142(d) of the Code and Treasury Regulations Section 1.103-8(b), as the same may be amended from time to time;

(b) each Project comprises one or more similarly constructed residential rental units, each of which will contain separate and each such dwelling unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family;

(c) that during the Term of this Agreement (i) none of the dwelling units in each Project shall at any time be utilized on a transient basis; (ii) none of the dwelling units in each Project shall ever be leased or rented for a period of less than six (6) months plus one (1) day; and (iii) neither each Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer court or park;

(d) that during the Term of this Agreement (i) the dwelling units in each Project shall be leased and rented or made available for rental on a continuous basis to members of the general public, (ii) not less than forty percent (40%) of the Available Units in each Project shall be leased and rented or made available for rental on a continuous basis to Lower-Income Tenants, and (iii) the Owner shall not give preference in renting dwelling units in either Project to any particular class or group of persons, other than Lower-Income Tenants as provided herein; provided, however, that an insubstantial number of dwelling units in each Project, not to exceed (0) units, may be occupied by maintenance, security or managerial employees of the Owner or its property manager, which employees must be reasonably necessary for operation of each Project, unless such employee otherwise would qualify as a Lower-Income Tenant;

(e) that during the Term of this Agreement no part of either Project will at any time be owned or used by a cooperative housing corporation;

(f) that each Project consists of one or more discrete edifices and other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which will be (i) owned by the same person for federal tax purposes, (ii) located on a common tract of land or two or more tracts of land which are contiguous except for being separated only by a road, street, stream or similar property, and (iii) financed by the Loan or otherwise pursuant to a common plan of financing, and which will consist entirely of:

(aa) Units which are similar in quality and type of construction and amenities; and

(bb) Facilities functionally related and subordinate in purpose and size to property described in (aa) above, e.g., parking areas, laundries, swimming pools, tennis courts and other recreational facilities (none of which may be unavailable to any person because such person is a Lower-Income Tenant) and other facilities which are reasonably required for a Project, e.g., heating and cooling equipment, trash disposal equipment or units for residential managers or maintenance personnel;

(g) that during the Term of this Agreement each Project will not include a unit in a building where all units in such building are not also included in such Project;

(h) that during the Term of this Agreement the Owner will not convert to condominium ownership;

(i) that during the Term of this Agreement no dwelling unit in either Project shall be occupied by the Owner at any time unless the Owner resides in a dwelling unit in a building or structure which contains at least five (5) dwelling units and unless the resident of such dwelling unit is a resident manager or other necessary employee (e.g., maintenance and security personnel);

(j) that substantially all (at least 95%) of the proceeds of the Series 2024 Bonds will be used for the cost of acquisition of land or other depreciable assets and rehabilitation of the buildings and property constituting the Projects that qualify as residential Rental Housing or facilities related and/or subordinate thereto;

(k) that less than 25% of the proceeds of the Series 2024 Bonds will be used for the acquisition of land;

(l) that the Owner shall not discriminate on the basis of race, creed, religion, color, age, sex, marital status, family status, handicapped status or national origin in the lease, use or occupancy of either Project or in connection with the employment or application for employment of persons for the operation and management of either Project, and will comply with all Federal, State and local fair housing laws, regulations and ordinances, and to the extent applicable, shall not discriminate against any tenant or potential tenant on the basis that such tenant offers a housing voucher as partial or full payment of any rent obligation, provided nothing herein shall require the Owner to accept discounted rent payments; and

(m) that the Owner will not refuse or deny rental occupancy in either Project to persons whose family includes minor dependents (those under eighteen years of age) who will occupy such unit, unless such refusal is based upon factors not related to the presence of such minors in the family.

Unless the provisions of this Section 2 are amended as permitted under Section 14(b) hereof, the provisions of this Section shall remain in effect during the Term of this Agreement; provided, however, that after payment in full of the Loan prior to the termination of the Qualified Project Period, the Owner may be discharged from its obligations under this Section 2 and Section 3 hereof to the extent that the same are assumed by any successor in interest to the Owner pursuant to Section 8 hereof.

Section 3. Lower-Income Tenants. In order to satisfy the requirements of the Act and Section 142(d) of the Code, the Owner hereby represents, covenants and agrees that, during the Qualified Project Period:

(a) Commencing with the later of the date on which at least 10% of the units in each respective Project are occupied, or the date of issuance of the Series 2024 Bonds (i) the Owner shall rent all Available Units on at least a proportional basis so that at least forty percent (40%) of all Available Units in each Project shall be occupied by Lower-Income Tenants, and (ii) after initial rental occupancy of such dwelling units by Lower-Income Tenants, at least forty percent (40%) of the Available Units in each Project at all times shall be rented to and occupied (or held available for rental if previously rented to and occupied by a Lower-Income Tenant) by Lower-Income Tenants as required by Section 142(d) of the Code. The Available Units occupied or held for occupancy by Lower-Income Tenants shall be distributed throughout each respective Project.

The determination of income will be made both on the date the Lower-Income Tenant first occupies a residential unit in each Project and as often as required to comply with the provisions of Section 142(d) of the Code. Increases in a Lower-Income Tenant's income of up to 140% of the applicable limit (adjusted for family size) will not result in disqualification. In the event that a Lower-Income Tenant's income increases to a level more than 140% of the applicable limit (or if a Lower-Income family size decreases so that a lower maximum income applies to the Lower-Income Tenant), that Lower-Income Tenant may no longer be counted toward satisfaction of the lower-income requirement, unless thereafter, the next unit of comparable or smaller size in each respective Project which becomes vacant is rented to a Lower-Income Tenant until such Project again is in compliance. These income requirements include adjustments for family size. Notwithstanding the foregoing, for any year the requirement to recertify a tenant's income shall not apply if during such year no residential unit in a Project is occupied by a new resident whose income exceeds the applicable income limit.

(b) The Owner shall obtain and maintain on file an Income Certification from each Lower-Income Tenant dated immediately prior to the initial occupancy of such tenant in each Project (with notification to the Owner of any material change of information in the Income Certification and initial occupancy of such tenant in each Project) in the form and containing such information as may be required by Section 142(d) of the Code (substantially in the form attached hereto as **Exhibit B**), as the same may be from time to time amended by the Issuer, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Department of the

Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Copies (which may be electronic) of each such Income Certification and any verifications of such income to the extent requested by the Compliance Agent, shall be submitted to the Compliance Agent (i) within 10 days following the end of the calendar month during which the tenant first occupies a unit in each Project, (ii) within 10 days following the end of calendar month thereafter in which the lease is renewed or extended, and (iii) as reasonably requested by the Issuer or the Compliance Agent, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Compliance Agent, such submissions may be made electronically.

(c) The Owner shall maintain complete and accurate records pertaining to the dwelling units occupied or to be occupied by Lower-Income Tenants, and to permit, upon reasonable notice, any duly authorized representative of the Compliance Agent, the Issuer, and upon proper proceedings, the Department of the Treasury or the Internal Revenue Service, to inspect the books and records of the Owner pertaining to the income and Income Certifications of Lower-Income Tenants residing in each Project.

(d) The Owner shall immediately notify the Issuer, the Compliance Agent and the Trustee if at any time the dwelling units in a Project are not occupied or available for occupancy as provided in subparagraph (a) above, and the Owner shall prepare and submit to the Compliance Agent, not later than the tenth (10th) day of each month following the initial occupancy of any of the units in such Project, a Compliance Certificate, executed by the Owner, stating among other matters, the number of dwelling units of each Project which, as of the first day of such month, in each case, were occupied by Lower-Income Tenants, were deemed to be occupied by Lower-Income Tenants as provided in subparagraph (a) above, and stating that those units in such Project as provided in subparagraph (a) above are occupied by or held available for rental to only Lower-Income Tenants.

(e) Prior to execution of the Owner's Statement portion of the Income Certification, the Owner shall verify the income of each Lower-Income Tenant. To the extent requested by the Compliance Agent, as evidence of such verification, the Owner shall send to the Compliance Agent a copy of such tenant's employer's written income verification or federal income tax return for the preceding calendar year or other written evidence of verification satisfying the requirements for verifying income pursuant to Section 8 of the United States Housing Act of 1937, as amended.

(f) The Owner shall immediately notify the Trustee, the Compliance Agent and the Issuer of any change of project management although consent for such change is not required.

(g) The Owner shall render a yearly report to the Secretary of the Treasury if required by Section 142(d) of the Code, by filing IRS Form 8703 on an annual basis, and providing the Issuer with a copy of the filed IRS Form 8703.

(h) The Owner shall complete and deliver to the Issuer for execution and recording the Certificate of Commencement of Qualified Project Period substantially in the form attached hereto as **Exhibit C** as such form may be changed from time to time by the Issuer.

The provisions of this Section 3 relating to Lower-Income Tenants shall terminate upon the expiration of the Qualified Project Period.

Section 4. Indemnification. The Owner hereby covenants and agrees that the provisions of Section 5.09 of the Financing Agreement relating to the Owner's indemnity obligations apply to any violations by the Owner of this Agreement.

Section 5. Consideration. The Issuer has issued the Series 2024 Bonds to obtain moneys for the purpose, among others, of financing the Loan made to the Owner for the acquisition and rehabilitation of the Projects as residential developments principally for persons of low or moderate income. In consideration of the issuance of the Series 2024 Bonds by the Issuer, the Owner has entered into this Agreement.

Section 6. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Series 2024 Bonds and in the exemption from federal income taxation of the interest on the Series 2024 Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Owner, and Lower-Income Tenants believed to be genuine and to have been executed by the proper purported person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of each Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Lower-Income Tenants reasonably believed to be genuine and to have been executed by the proper person or persons.

Section 7. Project Within the County Limits. The Owner hereby represents and warrants that the Projects are located entirely within the limits of the County.

Section 8. Sale and Conveyance of Project. (a) The Owner shall not sell, transfer or encumber either Project (other than by the Mortgage Loan), in whole or in part, without the prior written consent of the Issuer, which consent shall be given promptly provided that (i) the Owner shall not be in Default hereunder, (ii) the continued operation of each Project shall comply with the provisions of Sections 2 and 3 of this Agreement, (iii) the subsequent purchaser or assignee shall execute any document requested by the Issuer, to acknowledge that it holds title to the Projects subject to the covenants and obligations contained in this Agreement, (iv) the purchaser and assignee shall have first executed a document in recordable form addressed to the Issuer and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions

of this Agreement, and (v) such other conditions as may be reasonable under the circumstances. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Loan and the Land Use Restriction Agreement to the satisfaction of the Issuer, Owner may be released from its obligations thereunder and hereunder. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the following shall be permitted, unless prohibited by the Act, and shall not require the prior written approval of Issuer, (a) the removal of the managing member of Borrower in accordance with the Operating Agreement and the replacement thereof with Investor Partner or any of its affiliates, (b) the transfer of ownership interests in the Investor Partner or the interests of Investor Partner in Borrower to any of its affiliates or an entity controlled by any of its affiliates, and (c) any amendment to the Operating Agreement to memorialize the transfers or removal described in this paragraph.

Section 9. Term. This Agreement shall become effective upon its execution and delivery, and shall remain in full force and effect until the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof may survive the repayment in full of the Loan, if such repayment occurs prior to the later of such events. Upon the termination of this Agreement as aforesaid, upon request of any party hereto, the Issuer, the Trustee, the Owner and any successor party hereto shall execute a recordable document further evidencing such termination.

Notwithstanding the foregoing, this Agreement shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure or comparable conversion, change in a federal law or an action of a federal agency after the date the Series 2024 Bonds are issued which prevents compliance with the covenants expressed herein, or condemnation or similar event (as determined by the Trustee), but only if, within a reasonable period either (i) all Series 2024 Bonds are redeemed and paid in full and the Note is paid in full, or (ii) amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulations Section 1.103-8(b), in such event, upon the request of the Owner and at the expense of the Owner, the parties hereto shall execute an appropriate document in recordable form to evidence such automatic termination (but the failure to execute or record such document shall not affect the automatic termination); provided, however, that the restrictions thereof shall nevertheless apply to the Projects if, at any time during that part of the Qualified Project Period subsequent to any involuntary event as described in this paragraph, the obligor on the acquired purpose obligation (as that phrase is defined in Treasury Regulations Section 1.103-13(b)(4)(iv)(a) or a related person (as that term is defined in Treasury Regulations Section 1.103-10(e)) obtains an ownership interest in the Projects for tax purposes.

Notwithstanding anything contained in this Agreement or any other document relating to the Series 2024 Bonds to the contrary, the Owner covenants to pay any expenses of the Issuer set forth in the Indenture or the Financing Agreement while the Series 2024 Bonds are outstanding and shall pay once the Series 2024 Bonds have been retired in full, the Issuer Project Administration Fee for the Term of this Agreement.

Notwithstanding any other provisions of this Agreement, this entire Agreement, or any of the provisions or Sections hereof, may be terminated upon agreement by the Issuer, the Trustee and the Owner if there shall have been received an opinion of Bond Counsel that such termination will not adversely affect the exemption from federal income taxation of the interest on the Series 2024 Bonds.

Section 10. Compliance Monitoring of Project. (a) Compliance monitoring of the Projects shall be a responsibility of a Compliance Agent designated by the Issuer. The Issuer has designated the initial Compliance Agent, and the Compliance Agent shall be responsible for monitoring the Owner's compliance with restrictions regarding the use or occupancy of each Project in order to assure that the requirements of Section 142(d) of the Code and regulations thereunder, are being satisfied on a continuing basis. In the event that the Compliance Agent shall ever resign, be removed, or otherwise, in the opinion of the Issuer, fail to perform the duties of the Compliance Agent set forth in this Section 10, the Issuer shall direct the hiring of a successor Compliance Agent (which may be the Issuer or an entity of St. Lucie County, Florida). The Compliance Agent shall:

(i) conduct an initial briefing with the Projects manager and upon any change in the entity responsible for management of the Projects, with such new entity, regarding procedures for filing tenant Income Certification forms, and Compliance Certificates, with the Trustee, and for verifying income of Lower-Income Tenants;

(ii) provide a monthly summary report to the Issuer detailing the ratios of units occupied by Lower-Income Tenants; and

(iii) conduct annual on-site audits of Projects' tenant records to augment the forms provided to the Compliance Agent, when requested by the Issuer and when the Compliance Agent becomes aware that potential deficiencies or violations may exist with respect to occupancy or use of the Projects.

(b) The Compliance Monitoring duties of the Compliance Agent shall continue until the expiration of the Qualified Project Period with respect to satisfying the requirements of Section 142(d) of the Code.

Section 11. Enforcement. If the Owner Defaults in the performance of its obligations under this Agreement or breaches any covenant, agreement or warranty of the Owner set forth in this Agreement, and if such Default remains uncured for a period of 30 days after notice thereof shall have been given by the Trustee (at the direction of any one person or entity owning all of the Series 2024 Bonds; or otherwise in accordance with the Indenture) or the Issuer to the Owner (or for an extended period, if such Default stated in such notice can be corrected, but not within such 30-day period but within a reasonable time, and if the Owner commences such correction within such 30-day period, and thereafter diligently pursues the same to completion within such

extended period), then, subject to Section 15 hereof, the Issuer may, or the Trustee shall, at the written direction of the Issuer, take such action at law or in equity, as is necessary in order to obtain specific performance of any covenant or other obligation of the Owner in this Agreement provided that the Trustee is indemnified to the reasonable satisfaction of the Trustee for all expenses to which it may be put and against any liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct. The Owner specifically acknowledges and agrees that the only viable remedy available to the Issuer and the Trustee for the Owner's default under this Agreement is specific performance or other injunctive relief. A reasonable time shall be at least 60 days (or 90 days for any Default not caused by a violation of Section 2 or 3 hereof) after such Default is first discovered by the exercise of reasonable diligence.

The Trustee and the Issuer shall have the right, either jointly or severally, to enforce this Agreement and require curing of Defaults in such shorter periods than specified above as Bond Counsel may determine necessary to maintain the exemption from federal income taxation of the interest on the Series 2024 Bonds.

The Trustee shall have the right but not the obligation, in accordance with this Section 11, following written notice to the Issuer, to exercise any or all of the Issuer's rights or remedies hereunder.

Notwithstanding anything contained in this Agreement to the contrary, the occurrence of an event of default under this Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the Loan Documents (exclusive of this Agreement) except as specified in the Loan Documents. The parties hereto agree that the maturity date of the Loan may be accelerated solely by the holder thereof upon the occurrence of a default on the part of the Owner under the Loan Documents (exclusive of this Agreement) which is not cured during any applicable grace period in accordance with their respective terms and for no other reason.

Notwithstanding anything contained in this Agreement to the contrary, in the event the Owner is in default under this Agreement and fails to take steps necessary to cure such default within a reasonable time, then any partner of Owner, including the Investor Partner and its successors and assigns, shall have the right, but not the obligation, to undertake a cure of such default and the Trustee and Issuer shall not call a default or exercise any rights or remedies hereunder without providing notice and 30 day cure period to Investor Partner.

Section 12. Recording and Filing; Covenants to Run With the Land. (a) Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the official public deed records of the County and in such manner and in such other places as the Issuer or the Trustee may reasonably request, and shall pay all fees and charges incurred in connection therewith.

(b) This Agreement and the covenants contained herein shall run with the Land and shall bind, and the benefits shall inure to, respectively, the Owner, the Issuer, and the Trustee and their respective successors and assigns during the Term of this Agreement.

Section 13. Governing Law. This Agreement shall be governed by the laws of the State of Florida, both substantive and relating to remedies.

Section 14. Assignments and Amendments.

(a) The interest of the Issuer in this Agreement (but not its consent rights and its rights to direct the Trustee) shall be assigned to the Trustee and the rights of the Issuer hereunder shall be enforceable by the Trustee pursuant to Section 11 hereof. The Owner shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 8 hereof.

(b) To the extent the Code and the regulations promulgated thereunder, or any amendments thereto, shall impose requirements upon the ownership or operation of the Projects that are in addition to or more or less restrictive than those imposed by this Agreement, the Owner, the Issuer and the Trustee agree that this Agreement shall be deemed to be automatically amended to impose such additional restrictive requirements, less restrictive requirements or more restrictive requirements, but only to the extent required by an opinion of Bond Counsel to maintain the exemption from federal income taxation of the interest income on the Series 2024 Bonds, or to delete or impose less restrictive requirements, as appropriate; and the Owner, the Trustee and the Issuer shall execute, deliver, and if applicable, file of record any and all documents and instruments necessary in the opinion of Bond Counsel to maintain the tax-exempt status of the interest on the Series 2024 Bonds, and if the Owner or the Issuer defaults in the performance of its obligation under this subsection; the Owner and the Issuer hereby appoint the Trustee as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument; provided, however, that the Trustee shall take no action under this subsection without first notifying the Owner and the Issuer of its intention to take such action, without provision for indemnification by the Owner and without first providing the Owner or the Issuer, or all such parties, as is applicable, an opportunity to comply with the requirements of this subsection; and provided further that the Trustee shall take no action under this subsection which will have substantially detrimental effect upon the Owner or upon the operation of the Project without first notifying the Owner in writing. The Issuer, the Trustee and the Owner may from time to time enter into one or more amendments or supplements to this Agreement, for any of the following purposes:

(i) To correct or amplify the description of either Project;

(ii) To evidence the succession of another person or entity to the Issuer, the Trustee or the Owner and the agreement by any successor to perform the covenants of their predecessor;

(iii) To add to the covenants of the Owner for the benefit of the other parties to this Agreement or the owners of the Series 2024 Bonds to the extent required in order to maintain the tax-exempt status of interest on the Series 2024 Bonds pursuant to the Code;

(iv) To cure any ambiguities, to correct or supplement any provisions of this Agreement which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement, which will not be inconsistent with the provisions of this Agreement, provided that such action will not adversely affect the interests of the owners of the Series 2024 Bonds;

(v) To preserve or perfect any exemption from federal income taxes of interest on the Series 2024 Bonds; or

(vi) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the tax-exempt status of interest on the Series 2024 Bonds, to amend the covenants of the Owner hereunder to the extent consistent with any applicable amendment to the Code and the regulations promulgated thereunder.

Section 15. Nonrecourse Liability of the Owner. Notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, (i) from and after the date of this Agreement, the liability of the Owner with respect to its obligations under this Agreement (other than its indemnity obligations) shall be limited to the interest in the Projects, and the Issuer shall look exclusively thereto, or to such other security as may from time to time be given for payment of the obligations under the Loan Documents, and any judgment rendered against the Owner in its capacity as such under this Agreement shall be limited to the Projects, and any other security so given for satisfaction thereof; and (ii) from and after the date of this Agreement, no deficiency or other personal judgment shall be rendered against the Owner, its heirs, personal representatives, successors, transferees or assigns, as the case may be, in any action or proceeding arising out of this Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding.

Section 16. Automatic Termination of Trustee as a Party Hereto. Upon the retirement in full of the Series 2024 Bonds, the Trustee shall thereupon cease to be a party to this Agreement, and any reference to the Trustee shall thereafter mean the Authority without further action on the part of any party. In such event, upon the request of the Trustee but at the expense of the Owner, the parties hereto shall execute an appropriate document in recordable form prepared by the Authority or its counsel to evidence such automatic termination of the Trustee as a party hereto, but the failure to execute or record such document shall not affect the automatic termination of the Trustee as a party hereto.

Section 17. Notice. Any notice required to be given hereunder shall be given by personal delivery, by registered U.S. mail or by registered expedited service at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto, and any

such notice shall be deemed received on the date of delivery if by personal delivery or expedited delivery service, or upon actual receipt if sent by registered U.S. mail.

Issuer: St. Lucie County Housing Finance Authority
c/o Office of the County Attorney, St. Lucie County
2300 Virginia Avenue
Fort Pierce, Florida 34981
Attention: Chair

Owner: Live Oak Preservation Ltd.
c/o Fairview Live oak LLC

Attention:

With copy to:

Investor Partner:

Trustee: U.S. Bank National Association
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, Florida 33309
Attention: [Robert Hedgecock]

Section 18. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

Section 19. 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.

[Remainder of page left intentionally blank]

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

ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY

ATTEST:

By: _____
Peter Dion, Chairman

Kathleen Alvira, Secretary

WITNESSES:

Name: _____
Address: _____

Name: _____
Address: _____

ACKNOWLEDGEMENT OF ISSUER

STATE OF FLORIDA)
COUNTY OF ST. LUCIE)

The foregoing LAND USE RESTRICTION AGREEMENT was acknowledged before me by means of physical presence or online notarization, this ___ day of _____, 2021, by Peter Dion and Kathleen Alvira, respectively, as Chair and Secretary, respectively of the St. Lucie County Housing Finance Authority, who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that they did such on behalf of the Issuer. He (___) is personally known to me or (___) produced _____ as identification.

NOTARY PUBLIC -- STATE OF FLORIDA
Print, Type or Stamp Commissioned

[Issuer's Signature page to LURA – Live Oak Villas I & II]

LIVE OAK PRESERVATION LTD., a Florida limited liability company

Witness:

By: Fairview live Oak LLC, a Delaware limited liability company, its general partner

By: _____

Name: _____

Address: _____

By: _____

Name: Russell Condas, Vice President

By: _____

Name: _____

Address: _____

ACKNOWLEDGEMENT OF OWNER

STATE OF _____)

COUNTY OF _____)

The foregoing LAND USE RESTRICTION AGREEMENT was acknowledged before me by means of physical presence or online notarization, this ___ day of _____, 2024, by Russell Condas, as Vice President of Fairview Live Oak LLC, the general partner of Live Oak Preservation Ltd., who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that they did such on behalf of the Owner. He (___) is personally known to me or (___) produced _____ as identification.

Notary PUBLIC

[Owner's Signature page to LURA – Live Oak Villas]

U.S. BANK TRUST COMPANY NATIONAL ASSOCIATION, as Trustee

By: _____

Name: [Robert Hedgecock]

Title: [Assistant] Vice President

ACKNOWLEDGEMENT OF TRUSTEE

STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing LAND USE RESTRICTION AGREEMENT was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2021, by [Robert Hedgecock], as [Assistant] Vice President of U.S. Bank National Association, a national banking association, who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that he did such on behalf of U.S. Bank National Association. He (__) is personally known to me or (__) produced _____ as identification.

NOTARY PUBLIC

[Trustee's Signature page to LURA – Live Oak Villas]

EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein below is situated in the County of St. Lucie, State of Florida, and described as follows:

EXHIBIT B
FORM OF INCOME CERTIFICATION

EXHIBIT C

FORM OF CERTIFICATE CONCERNING COMMENCEMENT
AND TERMINATION OF QUALIFIED PROJECT PERIOD

THIS CERTIFICATE is being executed pursuant to the provisions of the Financing Agreement, dated as of October 1, 2024 (the "Agreement"), among the St. Lucie County Housing Finance Authority (the "Issuer"), U.S. Bank Trust Company, National Association (the "Trustee") and Live Oak Preservation Ltd. (the "Owner"), in connection with the financing by the Issuer of Live Oak Villas I and Live Oak Villas II (the "Project") in the County located on real property described on Exhibit "A" hereto, through the issuance of the Issuer's \$26,500,000 Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)(Live Oak Villas I & II), Series 2024 (the "Bonds").

The period for which the restrictions set forth in the Agreement are applicable to the Project is referred to as the "Qualified Project Period" and is defined in the Agreement as follows:

"Qualified Project Period" shall mean a period beginning on the date on which ten percent (10%) of the units are first occupied, and ending on the latest of the date (x) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Project are first occupied; (y) the first day on which no tax-exempt private activity bonds issued with respect to the Project are outstanding; or (z) on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

To evidence the Qualified Project Period with respect to the Project, the Owner certified to the following:

This Instrument prepared by
(and after recording should be returned to):
Robert Reid
Bryant Miller Olive P.A.
1545 Raymond Diehl Road, Suite 300
Tallahassee, FL 32308

1. The Bonds were issued on October __, 2024.
2. The date of acquisition of the Project was October __, 2024.
3. The maturity date of the Bonds with the longest maturity is [TBD].
4. The first day on which at least ten percent (10%) of the units in the Project were first occupied was _____ __, 202_.
5. The date on which at least fifty percent (50%) of the units in the Project were first occupied was _____ __, 202_.
6. The date of initial occupancy of any unit in the Project was _____ __, 202_.
7. [Assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates on _____ __, 20__]. [No assistance is provided to the Project with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended.]

Prior to the recording of this Certificate in the land records of the County, the Owner has supplied the Issuer with documentation to establish the facts relating to the Project 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 Project be rented as residential rental property for the term during which any of the Bonds are outstanding or any provision of the Agreement.

IN WITNESS WHEREOF, the Owner has caused this Certificate to be executed by its duly authorized representative, and the Issuer has caused this Certificate to be accepted by its duly authorized representative as of this __ day of _____, 202_.

[Counterpart Signature page to Qualified Project Period Certificate]

LIVE OAK PRESERVATION LTD., a Florida
limited partnership

By: Fairview Live Oak LLC, a Delaware limited
liability company, its general partner

By: _____
Russell Condas, Vice President

ACKNOWLEDGEMENT OF OWNER

STATE OF _____)
COUNTY OF _____)

The foregoing CERTIFICATE CONCERNING COMMENCEMENT AND
TERMINATION OF QUALIFIED PROJECT PERIOD was acknowledged before me by means of
 physical presence or online notarization, this ____ day of _____, 2021, by Russell
Condas as Vice President of Fairview Live Oak LLC, the general partner of Live Oak Preservation
Ltd., who executed the within Certificate and acknowledged to me that he did such on behalf of
the Owner. He is personally known to me or has produced _____ as identification.

(Signature of Notary)

(Stamp)

[Counterpart Signature page to Qualified Project Period Certificate]

Acceptance by Issuer:

**ST. LUCIE COUNTY HOUSING
FINANCE AUTHORITY**

ATTEST:

_____, Secretary

By: _____
_____, Chair

STATE OF FLORIDA
COUNTY OF ST. LUCIE

The foregoing CERTIFICATE CONCERNING COMMENCEMENT AND TERMINATION OF QUALIFIED PROJECT PERIOD was acknowledged before me by means of physical presence or online notarization, this ___ day of _____, 202_, by _____ and _____, respectively, as Chairman and Secretary, respectively of the St. Lucie County Housing Finance Authority, who executed the within Certificate and acknowledged to me that they did such on behalf of the Issuer. They are personally known to me or have produced _____ as identification.

NOTARY PUBLIC
(STAMP)

**FEE GUARANTY AND ENVIRONMENTAL
INDEMNITY AGREEMENT**

This **FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT** (herein this "Agreement") is made and entered into as of October 1, 2024, by and among the ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY, a public body corporate and politic of the State of Florida (together with its successors and assigns, the "Issuer"), U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, and having a designated corporate trust office located in Fort Lauderdale, Florida, as trustee (together with its permitted successors and assigns, the "Trustee"), and LIVE OAK PRESERVATION LTD., a Florida limited partnership ((together with its permitted successors and assigns, the "Borrower"), FAIRVIEW LIVE OAK LLC, a Delaware limited liability company, as its general partner, [ADDITIONAL GUARANTORS DESIGNATED IN CREDIT UNDERWRITING REPORT] (collectively, the "Indemnitors").

W I T N E S S E T H:

WHEREAS, the Borrower has requested that the Issuer issue its \$26,500,000 Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)(Live Oak Villas I & II), Series 2024 (the "Series 2024 Bonds") for the primary purpose of financing a portion of the costs of the acquisition, rehabilitation and equipping of two multifamily rental housing projects commonly known as Live Oak Villas I and Live Oak Villas II consisting of an aggregate 184 residential units and located respectively at 919 S. 25th Street and 907 S. 27th Street, Fort Pierce, St. Lucie County, Florida, [and to pay a portion of the costs of issuance of the Series 2024 Bonds] (the "Project"); and

WHEREAS, the Series 2024 Bonds shall be issued by the Issuer pursuant to the terms and provisions of that certain Indenture of Trust dated as of October 1, 2024 (the "Indenture"), by and between 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 Indenture or that certain Financing Agreement, dated as of October 1, 2024 (the "Financing Agreement"), by and among the Issuer, the Trustee and the Borrower; and

WHEREAS, as a condition of the Issuer issuing the Series 2024 Bonds for the benefit of the Borrower, the Issuer has requested that the Indemnitors enter into this Agreement and the Indemnitors have agreed subject to the terms and conditions set forth herein; and

WHEREAS, the Borrower and each Indemnitor acknowledges that it shall receive significant benefit from the issuance of the Series 2024 Bonds and the other financial assistance provided by the Issuer and the application of the proceeds as intended.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Recitals. That the above recitals are hereby adopted by the parties hereto.

Section 2. Indemnification.

A. Notwithstanding any other provision in the Indenture, the Financing Agreement, or the Land Use Restriction Agreement (collectively, the "Bond Documents") to the contrary, the Indemnitors hereby agree, jointly and severally, to indemnify and hold harmless the Issuer and the Trustee, its officers, employees, agents, beneficiaries and their 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 actually paid by the Indemnified Party) and expenses of every kind and nature whatsoever, whether joint or several, that arise out of or relate to any Hazardous Material (as hereinafter defined) at, on, in, under, affecting 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, remediation, and implementing corrective action required by the 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, 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 (provided reasonable cause existed for incurring such costs); all actual out-of-pocket costs associated with claims for injury to persons, property or natural resources and any matter relating to the removal, monitoring or remediation of any material, substance or containment from the underground storage tanks located on the Project.

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 "super lien" law, including the judicial interpretation thereof, (ii) any "pollutant or contaminant" as defined in 42 U.S.C.A. § 9601(33), (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) 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, 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, or property, 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 maintenance of mortgaged property and to substances in limits acceptable under applicable law.

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 the Indemnitors within 15 days after receipt of such notice and notice from any one Indemnified Party shall be deemed notice from all Indemnified Parties. 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 Borrower, 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 the Borrower and any Indemnified Party or among any Indemnified Parties, each Indemnified Party respecting 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 Borrower 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 Bond Documents, the Indemnitors shall remain obligated to indemnify each Indemnified Party pursuant to this Agreement with respect to acts and occurrences during the Borrower'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 any mortgage, acceptance by any person of a deed in lieu of foreclosure (except as provided in paragraph K below), the redemption of the Series 2024 Bonds, and/or the release by the Issuer or the Trustee of the Bond Documents and shall be independent of the obligations of Borrower to the Issuer or the Trustee in connection with any of the Bond Documents. The rights of the Issuer and the Trustee under this Agreement shall be in addition to any other rights and remedies of the Issuer and the Trustee under any of the Bond Documents or at law.

E. Any amount claimed hereunder accompanied by appropriate backup information by an Indemnified Party, not paid by the Indemnitors within thirty (30) days after written demand from such Indemnified Party with an explanation of the amounts claimed, shall

bear interest at the prime rate as published in the Wall Street Journal on the date such demand is made (or if no such publication occurs, the prime rate selected by the Indemnified Party), plus 2.00%.

F. In the event of any inconsistencies or conflicts between the terms of this Section 2 and the terms of the Bond Documents, the terms of this Section 2 shall control, provided however, that it is not the intention of the parties hereto to change directly or indirectly the nature of the Borrower's nonrecourse obligation with respect to payment of the Series 2024 Bonds or other financial assistance under the Bond Documents or related financing arrangements, or to supersede any other indemnity obligations of the Indemnitors under the Bond Documents.

G. The liability of the Indemnitors under this Section 2 shall in no way be limited, impaired or otherwise affected by, and the Indemnitors hereby consent to and agree to be bound by, any amendment or modification of the provisions of the Bond Documents with the consent of the Borrower in accordance with the terms thereof so long as same does not expand any liability hereunder. In addition, except as otherwise provided herein, the liability of the Indemnitors under this Section 2 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 any of the Bond Documents, (ii) any sale, assignment or transfer of the Series 2024 Bonds, the Bond Documents or any sale or transfer of all or part of the Project or other security relating to the Series 2024 Bonds, (iii) the release of Borrower or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Bond Documents by operation of law, the Issuer's or the Trustee's voluntary act, or otherwise, or (iv) the Issuer's or the Trustee's failure to perfect, protect, secure or insure any security interest or lien given or granted as security for the performance of the obligations and covenants of Borrower pursuant to the Bond Documents, or (v) any delay or omission by the Issuer or the Trustee in its choice of remedies under the Bond Documents, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Issuer or the Trustee at the lowest cost to Borrower, it being understood that such choice of remedies will necessarily be and should properly be a matter of business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by an Indemnified Party at the lowest cost to the Borrower.

H. To the extent allowed by law, the Indemnitors each 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 except as required hereunder, (ii) any defense, right of set-off or other claim which the Indemnitors 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 for any claims settled without the Indemnitors' consent and shall have no liability hereunder unless the Indemnitors receives timely written notice as set forth in paragraph B hereof.

I. No modification or waiver of any of the provisions of this Section 2 shall be binding upon any party hereto except as expressly set forth in a writing duly signed and delivered on behalf of such party.

J. 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 terms of the Indenture.

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 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 mortgage foreclosure or deed in lieu of foreclosure whereby as a result therefrom neither the Borrower or a related party to the Borrower has any interest in the Project.

Section 3. Fee Guaranty. Notwithstanding any provision in the Bond Documents or any resolution or document to the contrary, the Indemnitors agree to pay the Issuer Fee, the Trustee's Fee and all other reasonable fees and reasonable out of pocket expenses incurred by the Issuer, their counsel, financial advisors and Bond Counsel, the Trustee and its counsel in connection with the transactions contemplated under the Bond Documents, including, but not limited to, any costs and expenses in connection with any litigation that may at any time be instituted involving the Borrower, the Bond Documents, the Series 2024 Bonds, the Financing Agreement, or any of the other documents contemplated thereby, in connection with any challenge to the validity or tax-exemption of any of the Series 2024 Bonds, any compliance monitoring fee and expenses under the Land Use Restriction Agreement and the Compliance Monitoring Agreement entered into with respect thereto, and any reasonable expenses incurred related to enforcing such agreement, the costs and fees described in Section 4.02 of the Financing Agreement, the Compliance Monitoring Fee and any fees and expenses under the Land Use Restriction Agreement and the Compliance Monitoring Agreement entered into with respect thereto, and any reasonable expenses incurred related to enforcing such agreements. This section shall survive the payment of the Series 2024 Bonds and/or the disposition of the Project.

Section 4. Termination. Except as may otherwise be provided in the Land Use Restriction Agreement with respect to the payment of the Issuer's Fee, this Agreement shall terminate with respect to any future liability hereunder on the date the Series 2024 Bonds are no longer outstanding; provided, however, that this Agreement shall continue and the Indemnitors shall remain obligated hereunder for any causes or matters described in Section 2 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 of 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.

[Remainder of page intentionally left blank – signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Guaranty and Environmental Indemnity Agreement to be executed as of the date set forth above.

Issuer:

**ST. LUCIE COUNTY HOUSING
FINANCE AUTHORITY**

By: _____
Peter Dion, Chair

ATTEST:

By: _____
Name: Kathleen Alvira
Title: Secretary

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]

Trustee:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as trustee**

By: _____

Name: [Robert Hedgecock]

Title: [Assistant] Vice President

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]

Borrower/Indemnitor:

LIVE OAK PRESERVATION LTD., a Florida limited partnership

By: Fairview Live Oak LLC, a Florida limited liability company, its general partner

By: _____

Name: Russell Condas

Title: Vice President

FAIRVIEW LIVE OAK LLC, a Delaware limited liability company

By: _____

Name: Russell Condas

Title: Vice President

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]

Indemnitor:

[ADDITIONAL INDEMNITORS]

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]

FINANCING AGREEMENT

by and among

ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY,
as Issuer,

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee,

and

LIVE OAK PRESERVATION LTD.,
a Florida limited partnership
as Borrower

relating to

\$26,500,000

St. Lucie County Housing Finance Authority
Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)
(Live Oak Villas I & II), Series 2024

Dated as of October 1, 2024

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “**Financing Agreement**”), is dated as of October 1, 2024, and entered into by and among the **ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY** (together with its successors and assigns, the “**Issuer**”), a public body and body created, organized and existing under the laws of the State of Florida, **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee under the Indenture referred to below (together with its successors and assigns, the “**Trustee**”), and **LIVE OAK PRESERVATION LTD.** (together with its successors and assigns, the “**Borrower**”).

RECITALS:

A. Pursuant to the Act (as defined in the Indenture), the Issuer is authorized to issue revenue bonds, notes or other evidence of indebtedness for the purpose of, among other things, financing the acquisition, construction, rehabilitation and equipping of multifamily rental housing and for the provision of capital improvements in connection therewith and determined to be necessary thereto.

B. As more fully set forth in the Indenture of Trust, of even date herewith, between the Issuer and the Trustee (the “**Indenture**”), the Issuer is issuing its Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Live Oak Villas I & II), Series 2024, in the aggregate principal amount of \$26,500,000 (herein, the “**Bonds**”).

C. To secure the payment of all of the principal of, premium, if any, and interest on the Bonds, the Issuer has assigned (with certain exceptions described herein) its rights, title and interests in, and delegated its duties under, this Financing Agreement, without recourse, to the Trustee.

D. The parties hereto acknowledge the matters set forth in the Recitals to the Indenture.

NOW, THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants and commitments of the parties set forth herein, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Capitalized terms used herein without definition shall have the respective meanings set forth in the Indenture. In addition to the terms elsewhere defined in this Financing Agreement, the following terms used in this Financing Agreement (including the Recitals) shall have the following meanings unless the context indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined:

“Event of Default” means any event of default specified and defined in Section 8.01 of this Financing Agreement.

“General Partner” means Fairview Live Oak LLC, a Delaware limited liability company and its successors and assigns.

“Mortgage Note Rate” means a per annum rate of interest calculated in accordance with the Mortgage Note.

“Permitted Liens” shall mean any easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy delivered with respect to the Project as required by the Mortgage Loan Documents.

“Person” means any natural person, firm, partnership, association, limited liability company, corporation or public body.

“Placed in Service Date” means the date the Project is placed in service for purposes of Section 42 of the Code.

“Single Purpose Entity” means an entity that (i) is formed solely for the purpose of owning and operating a single asset; (ii) does not engage in any business unrelated to such asset, (iii) keeps its own books and records and its own accounts separate and apart from the books, records and accounts of any other Person, and (iv) holds itself out as being a legal entity, separate and apart from any other Person.

Section 1.02. Rules of Construction.

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

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

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

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

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

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

Section 1.03. Effective Date. The provisions of this Financing Agreement shall be effective on and as of the Closing Date, immediately upon the effectiveness of the Indenture.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations, Warranties and Covenants by the Borrower. The Borrower represents, as of the date hereof, and warrants and covenants as follows:

(a) The Borrower is a Florida limited partnership and is qualified to do business in the State and in every other state in which the nature of its business requires such qualification. The General Partner is a Delaware limited liability company and is qualified to do business in the State and in every other state in which the nature of its business requires such qualification. The Borrower and the General Partner has full power and authority to own its properties and to carry on its business as now being conducted and as contemplated to be conducted with respect to the Project, and to enter into, and to perform and carry out the transactions provided for in this Financing Agreement, all other Financing Documents contemplated hereby to be executed by the Borrower and/or the General Partner and the Mortgage Loan Documents. This Financing Agreement, the other Financing Documents to which the Borrower or the General Partner is a party, the Mortgage Loan Documents and all other documents to which the Borrower or the General Partner is a party and contemplated hereby or thereby have been duly authorized, executed and delivered by the Borrower or the General Partner and constitute the legal, valid and binding obligations of the Borrower or the General Partner, respectively, enforceable against the Borrower or the General Partner, each in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general equitable principles. The officers of the Borrower and/or each General Partner executing this Financing Agreement, all other Financing Documents contemplated hereby to be executed by the Borrower or the General Partner and the Mortgage Loan Documents are duly and properly in office and fully authorized to execute the same. All corporate partners, if any, of the Borrower are duly organized and in good standing under the laws of their respective states of organization and are duly qualified to transact business in the State as either domestic or foreign corporations, as applicable. All partnership or limited liability

company partners, if any, of the Borrower are duly formed and in good standing under the laws of their respective states of formation and, to the extent required by the laws of the State, are duly qualified to transact business in the State as either domestic or foreign partnerships or limited liability companies, as applicable.

(b) Neither the execution and delivery of this Financing Agreement, all other Financing Documents to be executed by the Borrower, the Mortgage Loan Documents or any other documents contemplated hereby or thereby to be executed by Borrower, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, all other Financing Documents to be executed by the Borrower, the Mortgage Loan Documents or any other documents contemplated hereby or thereby, will, as of the Closing Date, violate or contravene any provision of law, any order of any court or other agency of government, or any of the organizational or other governing documents of the Borrower, or any indenture, agreement or other instrument to which the Borrower is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument or any license, judgment, decree, law, statute, order, rule or regulation of any governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for Permitted Liens.

(c) The Borrower has and will have fee simple title to the Project, subject to the Permitted Liens. The Borrower is the sole borrower under the Mortgage Loan. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities. The Borrower possesses, and will at all times possess, all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted or as it is intended to be conducted with respect to the Project, without known conflict with any rights of others.

(d) As of the Closing Date, no litigation or proceeding is pending or, to the knowledge of the Borrower or any General Partner, threatened in writing against or affecting the Borrower or any General Partner or any of the Borrower's properties (including, without limitation, the Project) which has a reasonable probability of having a material adverse effect on its financial condition or business, or the transactions contemplated by this Financing Agreement, the Indenture, the other Financing Documents or the Mortgage Loan Documents, or which in any way would adversely affect the validity or enforceability of the Bonds, the Indenture, this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents, or the exclusion from gross income for federal income tax purposes of interest on the Bonds, or the ability of the Borrower to perform its obligations under this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents executed by the Borrower.

(e) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform in all material respects with all applicable zoning (or a legal non-

conforming use), planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, all necessary utilities are available to the Project, and the Borrower will obtain all requisite zoning, planning, building and environmental and other permits which may become necessary with respect to the Project. The Borrower has obtained, or will timely obtain, all licenses, permits and approvals necessary for the ownership, operation and management of the Project, including all approvals essential to the transactions contemplated by this Financing Agreement, the Indenture, the other Financing Documents, the Mortgage Loan Documents and any other documents contemplated hereby or thereby.

(f) The financial statements which have been furnished to date by or on behalf of the Borrower to the Issuer, are complete and accurate in all material respects and present fairly the financial condition of the Borrower as of their respective dates in accordance with generally accepted accounting methods applied by the Borrower on a consistent basis, and since the date of the most recent of such financial statements there has not been any material adverse change, financial or otherwise, in the condition of the Borrower, and there have not been any material transactions entered into by the Borrower other than transactions in the ordinary course of business, and the Borrower does not have any material contingent obligations which are not otherwise disclosed in its financial statements. There (i) is no completed, pending or to the actual knowledge of the Borrower or any General Partner threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Project, the Borrower, or any General Partner; and (ii) has been no assertion or exercise of jurisdiction over the Project, the Borrower or any General Partner by any court empowered to exercise bankruptcy powers.

(g) No event has occurred and no condition exists with respect to the Borrower or the Project that would constitute an Event of Default or which, to the Borrower's actual knowledge, with the lapse of time, if not cured, or with the giving of notice, or both, would become an Event of Default. The Borrower is not in default under the Regulatory Agreement.

(h) The Borrower has complied with all the terms and conditions of the Tax Certificate, including the terms and conditions of the exhibits thereto, and the representations and warranties set forth in the Tax Certificate and the Regulatory Agreement pertaining to the Borrower and the Project are true and accurate. The Borrower has furnished to the Issuer in the Tax 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.

(i) The Project is, as of the Closing Date, in compliance with all requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code. The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code. All leases will comply with all applicable laws and the Regulatory Agreement. The Project meets, or will meet upon completion of the anticipated

rehabilitation, the requirements of this Financing Agreement, the Regulatory Agreement, the Act and the Code with respect to multifamily rental housing.

(j) No information, statement or report furnished in writing to the Issuer, Fannie Mae, the Lender or the Trustee by the Borrower in connection with this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents or the consummation of the transactions contemplated hereby and thereby (including, without limitation, any information furnished by the Borrower in connection with the preparation of any materials related to the issuance, delivery or offering of the Bonds on the Closing Date) contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Closing Date, are true, correct and complete, do not contain any untrue statement or misleading statement of a material fact, and do not omit to state a material fact required to be stated therein or necessary to make the certifications, representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and the estimates and the assumptions provided by the Borrower contained herein and in any certificate of the Borrower delivered as of the Closing Date are reasonable and based on the best information available to the Borrower. Each of the certifications, representations, warranties, statements, information and descriptions contained in the Tax Certificate is hereby incorporated into this Financing Agreement by reference, as if fully set forth herein.

(k) To the best knowledge of the Borrower, no partner, member, officer, commissioner, agent or employee of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Bonds, the Financing Documents, the Mortgage Loan Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents or the Mortgage Loan Documents.

(l) No authorization, consent, approval, order, registration declaration or withholding of objection on the part of or filing of or with any governmental authority not already obtained or made (or to the extent not yet obtained or made the Borrower has no reason to believe that such authorizations, consents, approvals, orders, registrations or declarations will not be obtained or made in a timely fashion) is required for the execution and delivery or approval, as the case may be, of this Financing Agreement, the other Financing Documents, the Mortgage Loan Documents or any other documents contemplated by this Financing Agreement, the other Financing Documents or the Mortgage Loan Documents, or for the performance of the terms and provisions hereof or thereof by the Borrower.

(m) The Borrower is not presently under any cease or desist order or other orders of a similar nature, temporary or permanent, of any federal or state authority which would have the effect of preventing or hindering performance of its duties hereunder, nor are there any

proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any such order.

(n) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary including, without limitation, the Indenture; that it approves the initial appointment of the Trustee under the Indenture; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and that it has not relied on the Issuer, the Lender or Fannie Mae for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Financing Agreement and the Indenture or otherwise relied on the Issuer, the Lender or Fannie Mae in any manner.

(o) The Borrower has not received any notice that it is not in compliance with all provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (“**CERCLA**”); the Resource Conservation and Recovery Act; the Superfund Amendments and Reauthorization Act of 1986; the Toxic Substances Control Act and all environmental laws of the State (the “**Environmental Laws**”), or with any rules, regulations and administrative orders of any governmental agency, or with any judgments, decrees or orders of any court of competent jurisdiction with respect thereto; and the Borrower has not received any assessment, notice (primary or secondary) of liability or financial responsibility, and no notice of any action, claim or proceeding to determine such liability or responsibility, or the amount thereof, or to impose civil penalties with respect to a site listed on any federal or state listing of sites containing or believed to contain “hazardous materials” (as defined in the Environmental Laws), nor has the Borrower received notification that any hazardous substances (as defined under CERCLA) that it has disposed of have been found in any site at which any governmental agency is conducting an investigation or other proceeding under any Environmental Law.

(p) The Borrower has not received any notice that it is not in full compliance with the Employment Retirement Income Security Act of 1974 (“**ERISA**”), as amended, and the Department of Labor regulations thereunder, with the Code and Regulations thereunder and with terms of such plan or plans with respect to each pension or welfare benefit plan to which the Borrower is a party or makes any employer contributions with respect to its employees, for the current or prior plan years of such plans. 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 in 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.

(q) The weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the facilities of the Project financed with the original net proceeds.

(r) The Bonds are not and shall not be “federally guaranteed” as defined in Section 149(b) of the Code.

(s) Except as described in subparagraph 2.01(v), the Borrower intends to hold the Project for its own account and has no current plans to sell and has not entered into any agreement to sell all or any portion of the Project.

(t) All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein.

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

(v) All of the partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and, except as described in the following sentence, there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Financing Agreement shall prevent the Borrower from issuing additional partnership interests or ownership interests if such units are issued in accordance with all applicable securities laws.

(w) The Borrower is, and will at all times be, a Single Purpose Entity.

(x) The Project is located wholly within the State and within the city of Ft. Pierce, St. Lucie County, Florida.

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

(z) No part of the proceeds of the loan to the Borrower evidenced by this Financing Agreement will be used for the purpose of 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 any Mortgage Loan Document.

(aa) 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.

(bb) The Borrower covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”)), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively, “Sanctions”).

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

(dd) 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.

Section 2.02. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants as follows:

(a) **Authority.** The Issuer is a public body corporate of the State, is authorized and empowered by the provisions of the Act and the Resolution to enter into the transactions contemplated by this Financing Agreement and the Indenture and to carry out its obligations hereunder and thereunder, and by proper action of its governing body has been duly authorized to execute and deliver this Financing Agreement, the Indenture and the Tax Certificate, and this Financing Agreement, the Indenture and the Tax Certificate have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable in accordance with their terms. The Issuer finds and determines that the financing of the Project is in compliance with the purposes and provision of the Act.

(b) **Pledge.** The Bonds are to be issued and secured by the Indenture, pursuant to which certain of the Issuer’s interests in this Financing Agreement and the Indenture, and the revenues and income to be derived by the Issuer pursuant to this Financing Agreement and the Indenture, will be pledged and assigned to the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds. The Issuer covenants that it has not and will not pledge or assign its interest in the Indenture or this Financing Agreement, or the revenues and income derived pursuant to this Financing Agreement or the Indenture, excepting the Reserved Rights of the Issuer, other than to the Trustee under the Indenture to secure the Bonds. The Issuer will comply with all provisions of the Act (and the rules promulgated thereunder) applicable to the Bonds and the transactions contemplated by this Financing Agreement and the Indenture.

(c) **Conflicts.** To the best knowledge of the Issuer, neither the execution and delivery of this Financing Agreement, the Indenture, the Regulatory Agreement and the Tax Certificate,

the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, the Indenture, the Regulatory Agreement or the Tax Certificate conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

ARTICLE III

THE BONDS AND THE PROCEEDS THEREOF

The Issuer has authorized the issuance of the Bonds in the aggregate principal amount of \$26,500,000 and Bonds in such amount shall be issued and Outstanding as of the Closing Date. The obligations of the Issuer, the Trustee and the Borrower under this Financing Agreement are expressly conditioned upon (i) the sale, issuance and delivery of the Bonds, (ii) receipt by the Trustee of the amounts set forth in Section 5.04 of the Indenture, and (iii) the making of the Mortgage Loan by the Lender. None of the Issuer, the Lender, the Trustee nor Fannie Mae shall have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses shall be paid by the Borrower.

ARTICLE IV

THE BONDS, THE MORTGAGE LOAN AND FEES

Section 4.01. Sources, Deposits and Uses. Upon the issuance and delivery of the Bonds, the Lender will make the Mortgage Loan to the Borrower. The Trustee shall apply the proceeds of the Bonds as provided in Section 5.04 of the Indenture. The Borrower accepts the Mortgage Loan from the Lender, upon the terms and conditions set forth herein, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Bond Proceeds Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture. The Borrower has made arrangements for the delivery to the Trustee of the MBS and of certain other Eligible Funds as contemplated herein and in the Indenture. Payments on the MBS received by the Trustee shall be used to make payments of principal of, and interest on the Bonds.

Section 4.02. Payment of Fees and Expenses. In addition to all fees, costs, expenses and other amounts required to be paid by the Borrower under the Mortgage Loan Documents, the Borrower shall pay, without duplication, the following fees and expenses:

(a) All amounts required to (i) pay the Ordinary Trustee Fees and Expenses and the Extraordinary Trustee Fees and Expenses, (ii) reimburse the Trustee for all out of-pocket expenses, fees, costs and other charges, including reasonable counsel fees and taxes (excluding

income, value added and similar business taxes), reasonably and necessarily incurred by the Trustee in performing its duties as Trustee under the Indenture, and (iii) pay any indemnification obligation owed to the Trustee under this Financing Agreement. All payments for fees and expenses shall be made by the Borrower not later than ten (10) days after receipt of invoices or other statements rendered to the Borrower by the Trustee.

(b) The Ordinary Issuer Fees and Expenses, the Extraordinary Issuer Fees and Expenses, and the reasonable fees and expenses of the Issuer or any agents, attorneys, accountants, and consultants selected by the Issuer to act on its behalf in connection with the Financing Documents, the Mortgage Loan Documents or the Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds or in connection with any litigation which may at any time be instituted involving the Financing Documents, the Mortgage Loan Documents or the Bonds or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing.

(c) All taxes and assessments of any type or character charged to the Issuer or to the Trustee affecting the amount available to the Issuer or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby or thereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Trustee.

(d) The fees of the Rebate Analyst as required by the Indenture and all out-of-pocket expenses of the Rebate Analyst.

(e) All Costs of Issuance of the Bonds, including, but not limited to, Rating Agency fees, printing expenses, attorneys' fees and the Underwriter's fees, and all expenses of originating the Mortgage Loan by the Lender, the Borrower acknowledging that all such fees, costs and expenses (excluding any portions included in the Mortgage Note Rate) must be paid by the Borrower separate and apart from payments due under the Mortgage Loan and will not be included in the Mortgage Note Rate.

(f) The Costs of Issuance Deposit to be made to the Costs of Issuance Fund on the Closing Date pursuant to Sections 5.04 and 5.07 of the Indenture.

(g) The Compliance Monitoring Fee.

(h) The Borrower shall pay to the Issuer as additional loan payments, within fifteen (15) days of the receipt of demand therefor, an amount equal to the sum of the out-of-pocket expenses of the Issuer and the members thereof actually incurred (i) by reason of the Issuer's financing and refinancing of the Project, or (ii) in connection with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under this Financing Agreement. The foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Issuer. The Borrower shall pay to the Trustee amounts due and owing under paragraphs (b), (c) and (g) of this Section 4.02, as Operating Fund Deposits, for deposit to the Operating Fund of the Indenture, in amounts sufficient to enable the Trustee to pay such items in a timely manner.

(i) These obligations and those in Section 5.09 hereof shall remain valid and in effect notwithstanding repayment of the Mortgage Loan hereunder or termination of this Financing Agreement or the Indenture.

All fees and expenses not included in the Mortgage Note Rate shall not be secured by the Mortgage, except as provided for therein, and shall be subordinate to the Borrower's obligations under the Mortgage Loan in all respects. No such fees or expenses payable to the Issuer or the Trustee shall be paid from the proceeds of the MBS, except with respect to the Trustee to the extent set forth in Section 9.02 of the Indenture.

Section 4.03. Notification of Prepayment of Mortgage Note. The Lender shall notify the Trustee promptly of the receipt of any prepayment of the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise. If such prepayment results in revisions to the amortization schedule, the Lender shall provide the revised amortization schedule to the Trustee.

ARTICLE V

COVENANTS, UNDERTAKINGS AND OBLIGATIONS OF THE BORROWER

Section 5.01. Taxes, Other Governmental Charges and Utility Charges. The Borrower shall pay, or cause to be paid, promptly as the same become due and payable, every lawful cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which the Issuer, the Trustee, the Lender or Fannie Mae is or shall become liable by reason of its or their estate or interest in the Project or any portion thereof, by reason of any right or interest of the Issuer, the Trustee, the Lender or Fannie Mae in or under this Financing Agreement, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, including, without limitation, all taxes (except income and similar taxes of such entities), assessments, whether general or special, all costs of maintenance and repair, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or

renewals thereof, all utility and other charges and assessments concerning or in any way related to the Project, and governmental charges and impositions of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Borrower therein or thereon; provided that any amounts payable hereunder that are also required to be paid by the terms of the Mortgage shall be paid without duplication on the terms provided in the Mortgage.

Upon request, the Borrower shall furnish to the Issuer, the Trustee, the Lender and Fannie Mae proof of the payment of any such tax, assessment or other governmental or similar charge, or any other charge which is payable by the Borrower as set forth above.

Section 5.02. Compliance With Laws. The Borrower shall, throughout the term of this Financing Agreement and at no expense to the Issuer, the Trustee, the Lender or Fannie Mae promptly comply or cause compliance with all laws, ordinances, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project, including, but not limited to, the applicable provisions of the Americans With Disabilities Act and all applicable federal, State and local environmental, labor, health and safety laws, rules and regulations.

Section 5.03. Maintenance of Legal Existence. During the term of this Financing Agreement, the Borrower shall maintain its existence as set forth in Section 2.01(a) and shall not terminate, dissolve or dispose of all or substantially all of its assets; provided, however, that the Borrower may, with the written permission of the Issuer, consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or transfer all or substantially all of its assets to another entity, but only on the condition that the assignee entity or the entity resulting from or surviving such merger or consolidation (if other than the Borrower), or the entity to which such transfer shall be made, shall be duly organized and existing, in good standing and qualified to do business under the laws of the State, shall remain so continuously during the term hereof, and shall expressly assume in writing and agree to perform all of the Borrower's obligations hereunder and under all other documents executed by the Borrower in connection with the issuance of the Bonds; provided, further, that (i) the Borrower delivers an opinion of Bond Counsel to the effect that such consolidation or merger shall not cause interest on the Bonds to be included in gross income for federal income tax purposes, and (ii) any transfer of the Project shall be effected in accordance with the Mortgage. Nothing in this Section 5.03 shall be deemed to relieve the Borrower of its obligations to comply with the provisions of the Mortgage Loan Documents.

Section 5.04. Operation of Project. The Borrower will not sell, transfer or otherwise dispose of the Project except as provided in the Regulatory Agreement, the Mortgage Loan Documents and Section 5.03 of this Financing Agreement.

Section 5.05. Tax Covenants. The Borrower hereby covenants and agrees as follows:

(a) It shall (a) take or cause to be taken all actions necessary or appropriate in order to ensure fully and timely compliance with Section 9.12 of the Indenture, and (b) if required to do so under Section 9.12 of the Indenture, select at the Borrower's expense, a Rebate Analyst reasonably acceptable to the Issuer for the purpose of making any and all calculations required under Section 9.12 of the Indenture. Such calculations, if required, shall be made in the manner and at such times as specified in Section 9.12 of the Indenture. The Borrower shall cause the Rebate Analyst to provide such calculations to the Trustee and the Issuer at such times and with such directions as are necessary to comply fully with the arbitrage and rebate requirements set forth in the Indenture and to comply fully with Section 148 of the Code, including the timely payment of any arbitrage rebate owed.

(b) It will at all times comply with the terms of the Tax Certificate and the Regulatory Agreement.

(c) It will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Bonds to be included in gross income of the holders thereof for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation, the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the Regulatory Agreement).

(d) No changes will be made to the Project, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the interest on the Bonds.

(e) It will comply with the requirements of Section 148 of the Code and the Regulations issued thereunder so long as any Bonds remain Outstanding and will not make any use of the proceeds of the Bonds, or of any other funds which may be deemed to be proceeds of the Bonds under the Code and the related regulations of the United States Treasury, which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) If the Borrower becomes aware of any situation, event or condition which would, to the best of its knowledge, result in the interest on the Bonds becoming includable in gross income of the holders thereof for federal income tax purposes, it will promptly give written notice of such circumstance, event or condition to the Issuer, the Trustee, the Lender and Fannie Mae.

(g) The full amount of the proceeds of the Bonds will be applied to pay or to reimburse the Borrower for the payment of Project Costs and (i) at least 95% of the net proceeds of the Bonds (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Bonds will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none

of the proceeds of the Bonds (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital.

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

(i) All leases will comply with all applicable laws and the Regulatory Agreement.

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

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

(l) From the proceeds of the Bonds and investment earnings thereon, an amount not in excess of 2% of the proceeds of the Bonds will be used for Costs of Issuance of the Bonds, all within the meaning of Section 147(g)(1) of the Code.

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

(n) Neither the Borrower nor any related party to the Borrower (as defined in Treasury Regulation 1.150-1(b)) will purchase any of the Bonds in an amount related to the obligation represented by this Financing Agreement. This covenant shall survive the defeasance of the Bonds and shall remain in effect until the payment in full of the Bonds.

(o) No person that was a "substantial user" (as defined in Section 147(a)(1) of the Code) of the Project, any time during the 5-year period before the issue date of the Bonds, or any "related person" (as defined in Section 144(a)(3) of the Code) to that user, who receives (directly or indirectly) 5 percent or more of the proceeds of the Bonds for the user's interest in the Project will be a substantial user of the Project at any time during the 5-year period after the issue date of the Bonds.

In the event of a conflict between the terms and requirements of this Section 5.05 and the Tax Certificate, the terms and requirements of the Tax Certificate shall control.

Section 5.06. Further Assurances and Corrective Instruments. The parties hereto agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and to the other documents contemplated hereby as may reasonably be required to carry out the intention of or to facilitate the performance of this Financing Agreement, the Mortgage Loan Documents or the other Financing Documents or to perfect or give further assurances of any of the rights granted or provided for herein, the Mortgage Loan Documents or the other Financing Documents. With respect to the Issuer, any such action taken by the Issuer shall be at the expense of the Borrower.

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

Section 5.07. Compliance With Other Documents. The Borrower shall make all payments and shall observe and perform all covenants, conditions and agreements required to be paid, observed or performed by the Borrower under the Financing Documents, the Mortgage Note, the Mortgage, the other Mortgage Loan Documents, the Regulatory Agreement and all other documents, instruments or agreements which may at any time, or from time to time, be entered into by the Borrower with respect to the Project or the operation, occupancy or use thereof. The Indenture has been submitted to the Borrower for examination, and the Borrower, by execution of this Financing Agreement, acknowledges and agrees that it has participated in the negotiation of the Indenture that it has approved and agreed to each of the provisions of the Indenture and that it is bound by, shall adhere to the provisions of, and shall have the rights set forth by the terms and conditions of, the Indenture and covenants and agrees to perform all obligations required of the Borrower pursuant to the terms of the Indenture.

The Borrower hereby grants to the Trustee for the benefit of the Lender, Fannie Mae and the Bondholders a security interest in all of its rights in and to all funds created or established by the Trustee under the Indenture (other than the Rebate Fund) in the manner and subject to the terms and conditions of the Indenture.

Section 5.08. Notice of Certain Events. The Borrower hereby covenants to advise the Lender, the Issuer and the Trustee promptly in writing of the occurrence of any default by the Borrower in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Borrower set forth in this Financing Agreement, in any of the other Financing Documents or any other documents contemplated hereby or thereby, or of any Event of Default hereunder known to it or of which it has received notice, or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken

with respect thereto. Such notice shall be given promptly, and in no event less than ten (10) Business Days after the Borrower receives notice or has knowledge of the occurrence of any such event. The Borrower further agrees that it will give prompt written notice to the Trustee and the Lender if insurance proceeds or condemnation awards are received with respect to the Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or award.

The Borrower further covenants to provide such parties notice of the Placed in Service Date promptly upon its occurrence.

Section 5.09. Indemnification.

(a) **Issuer Indemnification.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER HEREBY COVENANTS AND AGREES AS FOLLOWS: TO PROTECT, INDEMNIFY AND SAVE THE ISSUER AND ITS GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ALL LIABILITY, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), TAXES, CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS AND JUDGMENTS OF ANY NATURE OR FORM, BY OR ON BEHALF OF ANY PERSON ARISING IN ANY MANNER FROM THE TRANSACTION OF WHICH THIS FINANCING AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ARISING FROM (I) THE WORK DONE ON THE PROJECT OR THE OPERATION OF THE PROJECT DURING THE TERM OF THIS FINANCING AGREEMENT OR (II) ANY BREACH OR DEFAULT ON THE PART OF THE BORROWER IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS FINANCING AGREEMENT, OR (III) THE PROJECT OR ANY PART THEREOF, OR (IV) ANY VIOLATION OF CONTRACT, AGREEMENT OR RESTRICTION RELATING TO THE PROJECT EXCLUDING THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, OR (V) ANY LIABILITY, VIOLATION OF LAW, ORDINANCE OR REGULATION AFFECTING THE PROJECT OR ANY PART THEREOF OR THE OWNERSHIP OR OCCUPANCY OR USE THEREOF. UPON NOTICE FROM THE ISSUER OR ANY OF ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES, THE BORROWER SHALL DEFEND THE ISSUER OR ANY OF ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES IN ANY ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH ANY OF THE ABOVE; PROVIDED, HOWEVER, THAT THE ISSUER SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

IT IS THE INTENTION OF THE PARTIES HERETO THAT THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES SHALL NOT INCUR PECUNIARY LIABILITY BY REASON OF THE TERMS OF THIS FINANCING AGREEMENT OR BY REASON OF THE UNDERTAKINGS REQUIRED OF

THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES IN CONNECTION WITH THE ISSUANCE OF THE BONDS, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS FINANCING AGREEMENT, THE TAX CERTIFICATE, THE REGULATORY AGREEMENT, AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; THE PERFORMANCE OF ANY ACT REQUIRED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES BY THIS FINANCING AGREEMENT; OR THE PERFORMANCE OF ANY ACT REQUESTED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES BY THE BORROWER OR IN ANY WAY ARISING FROM THE TRANSACTION OF WHICH THIS FINANCING AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS FINANCING AGREEMENT, THE TAX CERTIFICATE, THE REGULATORY AGREEMENT AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; NEVERTHELESS, IF THE ISSUER OR ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES SHOULD INCUR ANY SUCH PECUNIARY LIABILITY WITH RESPECT TO EVENTS OCCURRING AFTER THE DATE HEREOF, THEN IN SUCH EVENT THE BORROWER SHALL INDEMNIFY AND HOLD THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS AGAINST ALL CLAIMS BY OR ON BEHALF OF ANY PERSON, ARISING OUT OF THE SAME, AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR IN CONNECTION WITH ANY ACTION OR PROCEEDING BROUGHT THEREON, AND UPON TIMELY NOTICE FROM THE ISSUER, THE BORROWER SHALL DEFEND THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES IN ANY SUCH ACTION OR PROCEEDING, AND PROVIDE COMPETENT COUNSEL SATISFACTORY TO THE ISSUER AND THE BORROWER SHALL PAY THE ISSUER EXPENSES INCLUDING PAYMENT OF THE COUNSEL USED BY THE ISSUER; PROVIDED HOWEVER, THAT THE ISSUER SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED ABOVE AT THE EXPENSE OF THE BORROWER.

NOTWITHSTANDING ANY PROVISION OF THIS FINANCING AGREEMENT TO THE CONTRARY, THE ISSUER SHALL BE INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM THE ISSUER'S OWN GROSS NEGLIGENCE, NEGLIGENCE OR BREACH OF CONTRACTUAL DUTY, BUT NOT FOR ANY LIABILITIES ARISING FROM THE ISSUER'S OWN BAD FAITH, FRAUD OR WILLFUL MISCONDUCT.

NOTWITHSTANDING ANY PROVISION OF THIS FINANCING AGREEMENT TO THE CONTRARY THE BORROWER'S OBLIGATIONS WITH RESPECT TO INDEMNIFICATION WILL NOT BE SECURED BY THE PROJECT AND SHALL BE PERSONAL OBLIGATIONS OF THE BORROWER AND ANY SUCCESSOR OWNER OF THE PROJECT BY FORECLOSURE, DEED IN LIEU OF FORECLOSURE OR OTHERWISE SHALL NOT BE

RESPONSIBLE FOR OR INCUR ANY LIABILITY WITH RESPECT TO ANY INDEMNIFICATION OBLIGATIONS DESCRIBED HEREIN.

(b) **Trustee Indemnification.** The Borrower covenants and agrees to indemnify, hold harmless and defend the Trustee and its respective officers, members, directors, commissioners, officials, agents and employees and each of them (each an “**indemnified party**”) from and against, (a) any and all claims, joint or several, by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated hereby or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating thereto, including, but not limited to, the Financing Documents; (b) any and all claims, joint or several, arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Mortgage Loan, or the execution or amendment of any document related thereto, including, but not limited to, the Mortgage Loan Documents; (c) any and all claims, joint or several, arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Project or the Mortgage Loan, including but not limited to, the Mortgage Loan Documents; (d) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought thereon; (e) any and all claims arising in connection with the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any Person other than the party seeking indemnification in connection therewith and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Financing Documents, and the Mortgage Loan Documents; (f) any and all claims arising in connection with the operation of the Project, or the conditions thereof, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, rehabilitation, equipping, installation or construction of, the Project or any part thereof; and (g) any and all losses, claims, damages, liabilities or expenses, joint or several, arising out of or connected with the Trustee’s acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under this Financing Agreement, the Regulatory Agreement or any other agreements in connection therewith to which it is a party; except to the extent such damages are caused by the negligence or willful misconduct of such Person. In the event that any action or proceeding is brought against any indemnified party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the indemnified party in such party’s sole but reasonable discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Trustee shall have the right to review and approve or disapprove any such compromise or settlement. Each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each indemnified party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless such indemnified party has consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

During any period that the Lender or Fannie Mae owns the Project and that this Section 5.09 is applicable to the Lender and Fannie Mae, the obligations of the Lender or Fannie Mae, as applicable, under this Section 5.09 shall be limited to acts and omissions of the Lender or Fannie Mae occurring during the period of the Lender's or Fannie Mae's ownership of the Project.

Nothing contained in this Section 5.09 shall in any way be construed to limit the indemnification rights of the Issuer contained in the Regulatory Agreement. With respect to the Issuer, the Regulatory Agreement shall control in any conflicts between this Section 5.09 and the Regulatory Agreement.

Section 5.10. Right to Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Financing Agreement, the Issuer, the Lender, Fannie Mae, the Investor Limited Partner and/or the Trustee, after giving the requisite notice, if any, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Lender, Fannie Mae, the Investor Limited Partner or the Trustee shall become an additional obligation of the Borrower hereunder, payable on demand with interest thereon at the default rate of interest payable under the Mortgage Loan Documents.

Section 5.11. Nonrecourse Provisions. Notwithstanding anything to the contrary, the obligations of the Borrower pursuant to this Financing Agreement shall not be secured by or create a lien or charge on in any manner the property of the Borrower or its partners, including the Project or the rents, issues and profits thereof, and except with respect to Sections 4.02 and 5.09 hereof shall be non-recourse to the Borrower and its partners, officers, employees and agents. Sections 4.02 and 5.09 shall be recourse to the Borrower but non-recourse to the partners, officers, employees and agents of the Borrower. The Borrower has arranged for the delivery of the MBS to the Trustee to secure the obligations of the Borrower under this Financing Agreement (other than its obligations under Section 4.02 hereof not otherwise secured by the Mortgage) and to secure the repayment of the Bonds.

Section 5.12. Trust Indenture. The provisions of the Indenture concerning the Bonds and other matters therein are an integral part of the terms and conditions of the Mortgage Loan, and this Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 5.13. Insurance Required. At all times throughout the Bond Maturity Date, including, when indicated herein, during any future construction period, the Borrower shall, at its sole cost and expense, maintain or cause to be maintained insurance covering the Project against such risks and for such amounts as are customarily insured against by facilities of like size and type and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against on a special cause of loss form, such insurance to be in an amount not less than the full replacement value of the completed improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Borrower, but in no event less than the principal amount of the Bonds. During any future construction period, such policy shall be written in the so called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Borrower is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Borrower who are located at or assigned to the Project. This coverage shall be in effect from and after any employees of the Borrower first occupies the Project.

(c) Commercial general liability insurance including coverage for bodily injury and property damage, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 and with excess liability coverage in an amount not less than \$5,000,000 protecting the Issuer, the Trustee and the Borrower against any loss or liability or damage for personal injury, including bodily injury or death, or property damage. This coverage shall also be in effect during any future construction period. The required limits of coverage may be maintained through any combination of primary and excess policies.

(d) During any future construction period (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Borrower shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Commercial general liability providing coverage on a standard ISO CG 00 01 form or equivalent.

Such insurance shall have a limit of liability of not less than \$1,000,000.

(iii) Commercial auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000.

(iv) Excess “umbrella” liability providing liability insurance in excess of the coverage’s in (ii) and (iii) above with a limit of not less than \$5,000,000.

Section 5.14. Additional Provisions Respecting Insurance.

(a) All insurance required by Section 5.13 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the entity required to procure the same and authorized to write such insurance in the State. The company issuing the policies required by Section 5.13(a) hereof shall be rated “A” or better by A.M. Best Co., Inc. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 5.13(a) hereof shall name Trustee of the Net Proceeds as a loss payee, and all policies of insurance required by Section 5.13 hereof shall provide for at least thirty (30) days’ prior written notice, cancellation or modification thereof to the Borrower, which notice shall be forwarded to the Issuer and the Trustee within 3 business days. The policy evidencing the insurance required by Section 5.13(c) hereof shall name the Issuer and the Trustee as additional insureds. All policies evidencing the insurance required by Sections 5.13(d)(ii) and (iv) shall name the Issuer and the Borrower as additional insureds. Upon request of the Trustee, the Borrower will deliver to the Trustee the certificate(s) of insurance required under Section 5.13(a). The policies under Section 5.13(a) shall contain appropriate waivers of subrogation.

(b) The certificate(s) of insurance required by herein and applicable at the time of the Closing Date shall be deposited with the Issuer Servicer and the Issuer on or before the Closing Date, and subsequently thereafter, shall provide evidence of the renewal of such policies to the Issuer Servicer and Issuer.

ARTICLE VI

MORTGAGE LOAN DOCUMENTS

Section 6.01. Assurances. The Borrower, the Issuer and the Trustee mutually agree that no party hereto shall enter into any contract or agreement, perform any act, or request any other party hereto to enter into any contracts or agreements or perform any acts, which shall adversely affect the Mortgage Loan Documents.

Section 6.02. Financial Obligations Personal to the Borrower. The Issuer acknowledges that the Project shall be encumbered by the Mortgage Loan Documents. Notwithstanding any provisions of this Financing Agreement or the Regulatory Agreement to the contrary, all obligations of the Borrower under this Financing Agreement and the Regulatory Agreement for the payment of money and all claims for damages against the Borrower occasioned by breach or alleged breach by the Borrower of its obligations under the Regulatory Agreement or this Financing Agreement, including indemnification obligations, shall not be payable from the Trust Estate and shall not be secured by or in any manner constitute a lien on the Project and no Person

shall have the right to enforce such obligations other than directly against the Borrower. No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior owner under the Regulatory Agreement or this Financing Agreement, including but not limited to any payment or indemnification obligation. Such obligations are personal to the Person who was the owner at the time the default or breach was alleged to have occurred and such Person shall remain liable for any and all damages occasioned thereby even after such Person ceases to be the owner.

ARTICLE VII

TRUSTEE'S INTEREST IN AGREEMENT

Section 7.01. Issuer Assignment of Financing Agreement.

(a) Pursuant to the Indenture, the Issuer shall pledge, assign and transfer all of its right, title and interest in this Financing Agreement (other than the Reserved Rights of the Issuer), and the revenues, receipts and collections hereunder and thereunder, to the Trustee in the manner and to the extent provided in the Indenture as security for the payment of the principal of, premium, if any, and interest on the Bonds, and the parties hereby acknowledge that the covenants and agreements contained herein are for the benefit of the registered owners from time to time of the Bonds and may be enforced on their behalf by the Trustee. The Issuer shall execute and deliver from time to time, at the expense of the Borrower, in addition to the instruments of assignment herein specifically provided for, such other and further instruments and documents as may be reasonably requested by the Trustee from time to time to further evidence, effect or perfect such pledge and assignment for the purposes contemplated in the Indenture.

(b) The Borrower hereby acknowledges and consents to the assignment and pledge (subject to the reservation by the Issuer of its Reserved Rights) by the Issuer to the Trustee in the manner and to the extent provided in the Indenture. The Borrower further acknowledges and consents to the right of the Trustee to enforce all rights of the Issuer and the Bondholders assigned under the Indenture.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following shall constitute an event of default under this Financing Agreement, and the term “**Event of Default**” shall mean, whenever used in this Financing Agreement, any one or more of the following events (after taking into account any applicable notice and cure period):

(a) Failure by the Borrower to pay any amounts due under this Financing Agreement at the times and in the amounts required hereby; or

(b) Failure by the Borrower to observe or perform any covenants, agreements or obligations in this Financing Agreement on its part to be observed or performed (other than as provided in clause (a) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to this Financing Agreement; provided, however, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure shall have been cured within ninety (90) days of receipt of notice of such failure; or

(c) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing; or

(d) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Financing Documents.

Nothing contained in this Section 8.01 is intended to amend or modify any of the provisions of the Mortgage Loan Documents or to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents.

Section 8.02. Remedies Upon an Event of Default.

(a) Subject to Section 8.02(d), whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee (acting solely at the written direction of the holders of at least 75% in aggregate principal amount of the Bonds then Outstanding) may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under this Financing Agreement (subject to the nonrecourse provisions of this Financing Agreement and the Regulatory Agreement) or to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under this Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under (1) this Financing Agreement or (2) the Regulatory Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of subsection (a) hereof are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable hereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default hereunder and shall have paid the reasonable charges, indemnities and expenses of the Issuer and the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default shall be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and this Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender, the Investor Limited Partner and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate this Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Financing Documents, the Mortgage Loan Documents or any other documents contemplated hereby or thereby to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Financing Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Financing Documents, any amounts collected pursuant to action taken under this Section 8.02 shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to this Section shall relieve the Borrower from the Borrower's obligations pursuant to Section 5.09 hereof.

(e) No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing pursuant to any other agreement at law or in equity or by statute.

(f) Notwithstanding any other provision of this Financing Agreement to the contrary, after the MBS Delivery Date, so long as Fannie Mae is not in default under the MBS, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under this Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the MBS, (ii) enforce the Issuer's Reserved Rights; (iii) enforce the tax covenants in the Indenture and this Financing Agreement, or (iv) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii), (iii) or (iv) above shall not include seeking monetary damages, other than the Issuer Fees and Expenses and the Trustee Fees and Expenses.

Section 8.03. Default Under Regulatory Agreement.

(a) If the Borrower fails, at any time for any reason, to comply with the requirements of the Regulatory Agreement, then within thirty (30) days after the earlier of the date the violation is discovered by the Issuer or the date the Issuer or the Trustee received written notice thereof, the Issuer (if necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes) or the Trustee, on behalf and at the request of the Issuer, shall institute an action for specific performance to correct the violation. The Borrower hereby acknowledges and agrees that were money damages a remedy under the Regulatory Agreement, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement, and therefore the Borrower agrees that the remedy of specific performance (subject to the provisions of Section 8.02(c) hereof) shall be available to the Issuer and/or the Trustee in any such case. The Borrower shall reimburse the Issuer and/or the Trustee for any attorney fees or costs incurred in connection with such action.

(b) Notwithstanding the availability of the remedy of specific performance provided for in subsection (a) of this Section, promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall, by notice in writing to the Lender and the Borrower, inform the Lender and the Borrower that a violation of the Regulatory Agreement has occurred; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledges that they shall not have, any right to cause or direct acceleration of the Mortgage Loan, to enforce the Mortgage Note or to foreclose on the Mortgage.

Section 8.04. Limitation on Waivers.

(a) No delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed appropriate. The Issuer and the Trustee agree to give only such notices as may be herein expressly required.

(b) In the event any covenant, agreement or condition contained in this Financing Agreement shall be breached by a party and thereafter waived by another party, such waiver

shall not bind any party which has not waived the breach and shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder nor be a waiver of the same breach on a future occasion. By reason of the assignment and pledge of certain of the Issuer's rights and interests in this Financing Agreement to the Trustee, the Issuer shall have no power to waive or release the Borrower from any Event of Default or the performance or observance of any obligation or condition of the Borrower under this Financing Agreement without first requesting and receiving the prior written consent of the Trustee, but shall do so if, requested by the Trustee; provided that the Issuer shall not be required to grant such waiver or release unless it shall have been provided with (i) if deemed necessary, in the sole discretion of the Issuer, an Opinion of Counsel that such action will not result in any pecuniary liability to it and an Opinion of Bond Counsel that such waiver shall not cause interest on the Bonds to be included in the gross income of the Bondholders thereof for federal income tax purposes, (ii) such indemnification as the Issuer shall deem reasonably necessary, and (iii) written notice from the Trustee of the request for such waiver or release.

Section 8.05. Notice of Default: Rights to Cure. The Issuer and the Trustee shall each give notice to the other and to the Investor Limited Partner, and the Lender of the occurrence of any Event of Default by the Borrower hereunder of which it has actual knowledge. The Lender and the Investor Limited Partner shall each have the right, but not the obligation, to cure any such default by the Borrower, and upon performance by the Lender or the Investor Limited Partner to the satisfaction of the Issuer and the Trustee of the covenant, agreement or obligation of the Borrower with respect to which an Event of Default has occurred, the parties hereto shall be restored to their former respective positions, it being agreed that the Lender and the Investor Limited Partner shall each have the right to repayment from the Borrower of moneys it has expended and any other appropriate redress for actions it has taken to cure any default by the Borrower; provided that the Borrower's reimbursement obligation shall be non-recourse to the same extent as the underlying obligation is non-recourse to the Borrower and its officers, employees and agents.

Section 8.06. Rights Cumulative. All rights and remedies herein given or granted to the Issuer and the Trustee are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance or otherwise. Notwithstanding anything to the contrary contained in this Financing Agreement, neither the Trustee nor the Issuer may commence any action against the Borrower for specific performance or any other remedy at law or in equity, other than to enforce performance and observance of any Reserved Right of the Issuer and its rights under Section 8.03, without first obtaining the prior written consent of Fannie Mae.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. All notices, certificates or other communications herein provided shall be given in writing to the Issuer, the Borrower, the Trustee, Fannie Mae, the Lender and, for

notices under Section 8.05 only, the Investor Limited Partner shall be sufficiently given and shall be deemed given if given in the manner provided in the Indenture. Except as otherwise provided in the preceding sentence, copies of each notice, certificate or other communication given hereunder by any party hereto shall be given to all parties hereto. By notice given hereunder, any party may designate further or different addresses to which subsequent notices, certificates or other communications are to be sent. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower, the Lender or the Trustee shall also be given to Fannie Mae. Copies of all notices provided to the Borrower pursuant to this Financing Agreement shall also be simultaneously provided to the Investor Limited Partner at its address provided in the Indenture. Notices may be given by Electronic Means unless otherwise provided in the Indenture.

Section 9.02. Amendment. This Financing Agreement and all other documents contemplated hereby to which the Issuer is a party may be amended or terminated only if permitted by the Indenture, and no amendment to this Financing Agreement shall be binding upon, any party hereto until such amendment is reduced to writing and executed by the parties hereto; provided that no amendment, supplement or other modification to this Financing Agreement or any other Financing Document shall be effective without the prior written consent of Fannie Mae.

Section 9.03. Entire Agreement. Except as provided in the other Financing Documents and the Mortgage Loan Documents, this Financing Agreement contains all agreements among the parties hereto, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties hereto, unless reference is made thereto in this Financing Agreement or the Indenture.

Section 9.04. Binding Effect. This Financing Agreement shall be binding upon the Issuer, the Borrower and the Trustee and their respective successors and assigns. Notwithstanding anything herein to the contrary, to the extent Fannie Mae or its designee shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure or similar conveyance, Fannie Mae, and its designee, if applicable, shall not be liable for any breach or default or any of the obligations of any prior owner of the Project under this Financing Agreement, and shall only be responsible for defaults and obligations incurred during the period Fannie Mae or its designee, if applicable, is the owner of the Project.

Section 9.05. Severability. If any clause, provision or section of this Financing Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 9.06. Execution in Counterparts. This Financing Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.07. Governing Law; Venue. This Financing Agreement shall be construed in accordance with and governed by the laws of the State applicable to contracts made and performed in the State. This Financing Agreement shall be enforceable in the State, and any action arising hereunder shall (unless waived by the Issuer in writing) be filed and maintained in the State.

Section 9.08. Limited Liability of the Issuer; No Liability of Officers. Notwithstanding anything contained herein to the contrary:

(a) THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS, TOGETHER WITH INTEREST THEREON, SHALL BE REVENUE OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, AND NONE OF THE ISSUER, MIAMI-DADE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE SPECIFICALLY PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

(b) All covenants, obligations and agreements of the Issuer contained in this Financing Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future governing board member, director, officer, employee or agent of the Issuer in his individual capacity, and neither the governing board members of the Issuer nor any director, officer or employee thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No governing board member, director, officer, employee or agent of the Issuer shall incur any personal liability with respect to any other action taken by him pursuant to the Indenture or the Act, provided such governing board member, director, officer, employee or agent acts in good faith.

(c) No agreements or provisions contained in the Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds, shall give rise to any

pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except as may be payable from the repayments by the Borrower under this Financing Agreement and the proceeds of the Bonds and other amounts pledged under the Indenture as part of the Trust Estate. No failure of the Issuer to comply with any term, condition, covenant or agreement herein or in any document executed by the Issuer in connection with the issuance and sale of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the repayments by the Borrower under this Financing Agreement or other amounts pledged under the Indenture as part of the Trust Estate. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein, provided that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the repayments by the Borrower and other amounts pledged under the Indenture as part of the Trust Estate.

(d) No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture against any past, present or future governing board member, director, officer, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such governing board members, directors, officers, employees or agents, as such, is hereby expressly waived and released as a condition of, and consideration for, the execution of the Indenture and the issuance of such Bonds.

(e) Anything in this Financing Agreement or the Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (i) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (ii) the Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services; and (iii) none of the provisions of this Financing Agreement or the Indenture shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses, and liability which may be incurred thereby.

(f) No provision, representation, covenant or agreement contained in this Financing Agreement or in the Indenture, the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability (except to the extent of any loan repayments, revenues and receipts derived by the Issuer pursuant to this Financing Agreement and other amounts pledged as part of the Trust Estate). No provision hereof shall be construed to impose a charge against the general credit of the Issuer, the State or any other political subdivision of the State, the taxing powers of the foregoing, within

the meaning of any constitutional provision or statutory limitation, or any personal or pecuniary liability upon any governing board member, director, officer, agent or employee of the Issuer.

Section 9.09. Term of Financing Agreement. This Financing Agreement shall be in full force and effect from its date to and including such date as all of the Bonds shall have been fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); provided, however, that the provisions of Sections 2.01, 4.02, 5.05 and 5.09 of this Financing Agreement shall survive the termination hereof.

Section 9.10. Electronic Signatures. The parties agree that the electronic signature of a party to this Financing Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Financing Agreement. For purposes hereof: (a) “electronic signature” means a manually signed original signature that is then transmitted by Electronic Means; and (b) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 9.11. Patriot Act. The Trustee hereby notifies all the parties hereto that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 the “Patriot Act”), it is required to obtain, verify and record information that identifies the other parties hereto, which information includes the name and address of the other parties hereto and other information that will allow the Trustee to identify the other parties hereto in accordance with the Patriot Act. In addition, changes to federal banking regulations require all U.S. financial institutions to collect information regarding the beneficial ownership of our legal entity customers. At account opening, and at times during the life of the account, the Borrower shall provide, upon request, identifying information for all natural persons who, directly or indirectly, own 20 percent or more of the equity interests in the legal entity. In certain situations, the Trustee may request identifying information below 20 percent. The Trustee will also request identifying information for a controlling person, such as an executive officer or senior manager, or another individual who regularly performs similar functions.

Section 9.12. E-Verify. The Borrower understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Executive Order 11-116, which supersedes Executive Order 11-02, and section 448.095, Florida Statutes, as amended. The Borrower uses E-Verify to verify the work authorization of its employees in accordance with Executive Order 11-116, which supersedes Executive Order 11-02, and section 448.095, Florida Statutes, as amended. The Borrower will require that any subcontractor that it uses in connection with the transactions contemplated by this Financing Agreement certify to such subcontractor’s compliance with E-Verify.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Financing Agreement to be executed by their duly authorized representatives as of the date of execution set forth below.

**ST. LUCIE COUNTY HOUSING FINANCE
AUTHORITY**, as Issuer

[SEAL]

By: _____

Name: Peter Dion

Title: Chair

ATTEST:

Name: Kathleen Alvira

Title: Secretary

(Signature Page – Financing Agreement – Live Oak Villas I & II)

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as
Trustee**

By: _____
Name: [Robert Hedgcock]
Title: [Assistant] Vice President

(Signature Page – Financing Agreement – Live Oak Villas I & II)

LIVE OAK PRESERVATION LTD., a Florida
limited partnership

By: Fairview Live Oak LLC, a Delaware limited
liability company, its general partner

By: _____
Name: Russell Condas
Title: Vice President

(Signature Page – Financing Agreement – Live Oak Villas I & II)

ABSOLUTE AND UNCONDITIONAL GUARANTY OF COMPLETION
(Live Oak Villas I & II)

This **ABSOLUTE AND UNCONDITIONAL GUARANTY OF COMPLETION** (this "Guaranty") is made as of October 1, 2024, by **LIVE OAK PRESERVATION, LTD.**, a Florida limited partnership (together with its permitted successors and assigns, the "Borrower"), **FAIRVIEW LIVE OAK LLC**, a Delaware limited liability company, as its general partner, **[ADDITIONAL GUARANTORS FROM CREDIT UNDERWRITING REPORT]** (collectively, the "**Guarantors**"), to the **ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY**, a public body corporate and politic organized and existing under the laws of the State of Florida (the "Issuer"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, organized and operating under the laws of the United States of America, having a designated corporate trust office in Fort Lauderdale, Florida, as Trustee under the below-described Indenture (in such capacity, the "**Trustee**").

RECITALS:

A. All capitalized terms in this Guaranty not otherwise defined herein shall have the meanings set forth in the Indenture or the Financing Agreement (as hereinafter defined).

B. The Legislature of the State of Florida (the "**State**") has enacted the Florida Housing Finance Authority Law, Sections 159.601-159.623, Florida Statutes, as amended (the "**Act**"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority.

C. Pursuant to the Act, the Board of County Commissioners of St. Lucie County, Florida (the "**County**"), enacted Ordinance No. 80-003 on July 22, 1980, as amended (the "**Ordinance**"), creating the Issuer to carry out and exercise, without limitation except as expressly stated in the Ordinance, all powers and public and governmental functions set forth in and contemplated by the Act.

D. Pursuant to the Act, the Issuer, the Trustee and the Borrower, have entered into that certain Financing Agreement dated October 1, 2024 (the "**Financing Agreement**"), the terms of which are hereinafter incorporated by this reference, under which the Issuer has agreed to make a loan (the "**Loan**") in the original principal amount of TWENTY-SIX MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$26,500,000.00) to the Borrower to provide a portion of the funds for the acquisition and rehabilitation of two multifamily rental housing developments known as Live Oak Villas I and Live Oak Villas II located in the city of Ft. Pierce, St. Lucie County, Florida, on land more particularly described on Exhibit A hereto (the "**Project**"),

to be occupied or reserved for occupancy by individuals of low income within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended, for the public purpose of assisting persons or families of low, moderate or middle income within the County to afford the costs of decent, safe and sanitary housing; and

E. In order to provide the funds with which to make the Loan to the Borrower, the Issuer has authorized the issuance of its \$26,500,000 Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)(Live Oak Villas I & II), Series 2024 (the "**Bonds**") pursuant to that certain Indenture of Trust dated as of October 1, 2024, between the Issuer and the Trustee (the "**Indenture**"), the terms of which are incorporated herein by this reference.

F. As a condition to the Issuer making the Loan to Borrower, and pursuant to the requirements of the Financing Agreement and the Indenture, the Issuer, the Trustee and Borrower have executed a Land Use Restriction Agreement dated October 1, 2024 (the "**Regulatory Agreement**"), the terms of which are incorporated herein by this reference, setting forth certain terms and conditions relating to the rehabilitation and operation of the Project and which sets forth various other covenants and agreements that run with the land on which the Project is located.

G. To induce the Issuer to authorize the issuance and sale of the Bonds pursuant to the Indenture for the purpose of providing financing for the acquisition and rehabilitation of the Project pursuant to the Financing Agreement, the Guarantors have agreed to deliver this Guaranty.

H. The Guarantors acknowledge and agree that it will benefit from the acquisition and rehabilitation of the Project.

NOW, THEREFORE, for and in consideration of the premises and as part of the consideration for the financing of the acquisition, rehabilitation, installation and equipping of the Project by the Issuer for the benefit of the Borrower and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Guarantors hereby covenants and agrees with the Issuer and the Trustee for the benefit of the Issuer, the Trustee and their successors and assigns as follows:

1. Obligation of Guarantors.

(a) During the term hereof, the Guarantors hereby, jointly and severally, unconditionally guaranty to the Issuer, the Trustee and their successors and assigns that (i) the Borrower shall construct, equip and complete the Project substantially in accordance with the plans and specifications; (ii) the Borrower shall fully and punctually pay and discharge any and all costs and expenses and liabilities incurred in connection with the acquisition, rehabilitation, equipping and completion of the Project when and as the same may become due and payable, and also pay and discharge any and all claims and demands for labor and materials used and services rendered for or in connection with the acquisition, rehabilitation, equipping and completion of the Project, subject to the rights, if any, of Borrower to contest such claims and

demands pursuant to the Loan Documents; (iii) the Project shall be and remain free and clear of any and all liens from any and all persons, firms, corporations or other entities furnishing materials, labor or services for or in connection with the rehabilitation, equipping or completion of the Project that are not bonded; and (iv) the Borrower will promptly pay any and all reasonable legal and other costs and expenses incurred by the Issuer or the Trustee in connection with or in any way related to the completion of the Project. All the matters referred to in subparagraphs (i) through (v) of this paragraph are hereinafter collectively referred to as the "Indebtedness." The term "Indebtedness" shall also include all reasonable costs of collection of the foregoing or enforcement of this Guaranty, including reasonable legal fees (as provided herein). In the event the Issuer or the Trustee must repay any part of the Indebtedness paid by the Borrower, any co-guarantor (whether hereunder or under a separate instrument) or any other person because of any bankruptcy, liquidation, dissolution, receivership, insolvency, assignment for the benefit of creditors, reorganization, arrangement, composition or other similar proceedings relating to creditors' rights, then the amount so repaid shall again become part of the Indebtedness, the repayment of which is guaranteed hereby. Subject to the terms and conditions of the Indenture, the Financing Agreement, and the Land Use Restriction Agreement (collectively with the other documents evidencing and securing the Loan, the "**Loan documents**") the Issuer and the Trustee agree to give the Guarantors the benefit of the Loan, including all non-recourse provisions in the Loan Documents, if the Guarantors actually cures all defaults and proceeds to complete the Project, including the right to apply to the Trustee for funds that would otherwise have been distributed to the Borrower as costs of completing the Project.

(b) The liability of the Guarantors to pay or perform the Indebtedness applies irrespective of the genuineness, validity, regularity or enforceability of any Loan documents evidencing, relating to, securing or guarantying payment and/or performance of the Indebtedness. Without limiting the generality of the foregoing, Guarantors hereby agrees to pay and/or perform the Indebtedness in the event that the Borrower does not or is not able to pay and/or perform in accordance with the terms of all Loan documents evidencing such Indebtedness for any reason, including without limitation because a court of competent jurisdiction rules that the Indebtedness is not valid or enforceable, whether by reason of waiver, running of any statute of limitation, or otherwise, or because of the bankruptcy, liquidation, dissolution, receivership, insolvency, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or similar proceedings affecting the status, existence, assets or obligations of the Borrower, or because of the limitation of damages for the breach, or the disaffirmance of any of the Indebtedness, or any other circumstance that might otherwise constitute a legal, equitable or statutory discharge or defense or otherwise impair the Issuer's or the Trustee's ability to enforce the same.

(c) Guarantors agree that they will fully indemnify and save the Issuer and the Trustee harmless from any and all costs, expenses and losses (other than losses relating to principal and interest on the Note) they may incur as a result of the failure of Borrower to complete the Project and pay upon demand by the Issuer and the Trustee any and all such losses, costs and expenses arising as a result of the failure of Borrower to complete the Project, including

but not limited to any changes, alterations, modifications or deviations from the Plans and Specifications for the Project heretofore approved by the Issuer.

(d) Neither the Issuer nor the Trustee, shall have any obligation to exercise, pursue, exhaust or enforce any right or remedy it has or may have, or to institute suit, against the Borrower, any co-guarantor (whether hereunder or under a separate instrument) or any other person or to realize or attempt to realize on any collateral securing payment of any Indebtedness in order to enforce this Guaranty.

(e) In the event the Project is not timely completed and paid for in substantial accordance with the Plans and Specifications, or if the land on which the Project is located, the Improvements (as defined in the Indenture) and/or the Project are not free of all liens, claims and demands upon the completion thereof, which have not been bonded, then the Guarantors shall, after default by the Borrower (1) fully indemnify and save harmless the Issuer and the Trustee from all costs and damages that the Issuer or the Trustee may suffer by reason thereof other than with regard to the repayment of the principal of and interest on the Loan; (2) reimburse the Issuer and the Trustee for all sums paid and all reasonable costs and expenses incurred by them in connection therewith; and (3) if requested by the Issuer or the Trustee, complete or cause the completion of the rehabilitation and equipping of the Project substantially in accordance with the Plans and Specifications.

(f) Guarantors hereby covenant that this Guaranty and Guarantors' obligations hereunder shall not be discharged or released until such time as the Project is fully constructed, equipped and one hundred percent (100%) completed substantially in accordance with the plans and specifications, at which time such obligations shall be discharged and released and the Trustee and Issuer shall deliver written notice of such release to the Guarantors. Furthermore, Guarantors shall not be released by any act or thing which might, but for this provision of this instrument, be deemed a legal or equitable discharge of a surety, or by reason of any waiver, extension, modification, forbearance or delay or other act or omission of the Issuer or the Trustee or their failure to proceed promptly or otherwise, or by reason of any action taken or omitted or circumstance which may or might vary the risk or affect the rights or remedies of Guarantors or by reason of any further dealings between Borrower and the Issuer or the Trustee, whether relating to the financing of the Project or otherwise, and Guarantors hereby expressly waive and surrender any defenses to its liability hereunder based upon any of the foregoing acts, omissions, things or agreements or waivers of the Issuer or the Trustee; it being the purpose and intent of the parties hereto that the obligations of Guarantors hereunder are absolute and unconditional under any and all circumstances.

2. Consents to the Issuer's and Trustee's Acts. The Guarantors consent that, at any time and from time to time, the Issuer and the Trustee may, in their sole discretion, without notice to Guarantors, which notice is expressly waived, and without affecting any liability of Guarantors (other than such notice to Borrower as may be required under the Loan Documents): (a) refinance, rearrange, postpone, extend, renew, accelerate or demand payment of the indebtedness (provided same may be accelerated as provided in the Loan Documents) in whole or in part and

as often as the Issuer may wish; (b) waive, fail to enforce, surrender, impair, modify or exchange any of its rights under any Loan documents or any other instruments evidencing, relating to, securing or guarantying any of the Indebtedness; (c) settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate, in any manner, any of the Indebtedness; (d) release the Borrower, any co-guarantor (whether hereunder or under a separate instrument) or any other person from liability on any Indebtedness; or (e) release, exchange, add to or substitute all or any part of the collateral securing payment of any Indebtedness.

3. **Waivers by Guarantors.** The Guarantors waive all: (a) notice of acceptance of this Guaranty and the creation or existence of any Indebtedness or other obligation of the Borrower guarantied hereby; (b) presentment, demand for payment, notice of dishonor, protest, notice of nonpayment or protest and any other requirement of notice whatsoever (except with respect to Borrower which shall be afforded all notices and rights as Borrower under the Loan Documents); (c) defenses, offsets and counterclaims which Guarantors may at any time have to any claim of the Issuer against the Borrower other than payment and performance; and (d) valuation and appraisal of any collateral and diligence in collection.

4. **Persons Bound.** This Guaranty is binding upon Guarantors and Guarantors' heirs, successors and assigns; is assignable and transferable, without prior notice to or consent of Guarantors; and shall inure to the benefit of the Issuer's and the Trustee's successors and assigns.

5. **Applicable Law.** The laws of the State shall control the rehabilitation, interpretation and enforcement of this Guaranty and all matters related to this Guaranty notwithstanding its place of execution and delivery.

6. **Subrogation; Contribution.** Until the Indebtedness is paid in full, nothing herein contained is intended or shall be construed to give to Guarantors any right of subrogation in or under any Loan documents evidencing in any way or relating to any obligation of the Borrower to the Issuer or the Trustee which is or may be covered by this Guaranty, or any right of contribution from the Borrower, any co guarantor (whether hereunder or under a separate instrument) or any other person for liability on any Indebtedness, or any right to participate (as a third party beneficiary or otherwise) in any way in any of the Loan documents, except as may be expressly provided in such Loan documents. Notwithstanding any payments made by Guarantors under this Guaranty, all such rights of subrogation, contribution and participation are hereby deferred until this Guaranty is released in accordance with the terms hereof.

7. **Subordination.** In the event that for any reason whatsoever the Borrower is now or hereafter becomes indebted to any Guarantors, Guarantors agrees that the amount of such indebtedness and all interest thereon shall at all times be subordinate as to lien, time of payment and in all other respects to the Indebtedness guarantied hereby, and that Guarantors shall not be entitled to enforce or receive payment thereof until all Indebtedness shall have been paid in full, or performed, provided that so long as the Guarantors is not in default hereunder or the Loan documents, Guarantors may be entitled to receive and retain payments made to the Guarantors.

8. **Representations and Warranties.** The Guarantors represent and warrant that:

(a) This Guaranty does not conflict with or result in a breach or default under any law, administrative regulation, judgment, decree, order, agreement or instrument to which the Guarantors is subject or by which the Guarantors is bound; and

(b) This Guaranty is, upon execution and delivery by Guarantors, the valid and binding agreement of the Guarantors enforceable in accordance with its terms.

9. **Specific Performance.** Guarantors acknowledge and agree that it may be impossible to accurately measure the damages to the Issuer or the Trustee resulting from a breach of its covenant to complete or to cause the completion of the rehabilitation and equipping of the Project and that such a breach will cause irreparable injury to the Issuer and the Trustee and that the Issuer and the Trustee may not have an adequate remedy at law in respect of such breach and, as a consequence, agrees that such covenant shall be specifically enforceable against the Guarantors and hereby waive and agree not to assert any defense against an action for specific performance of such covenant. This clause shall not prejudice the Issuer's or the Trustee's rights to assert any and all claims for damages incurred as a result of Guarantors default hereunder in the event of default of Guarantors, and the Issuer and the Trustee may hold Guarantors liable for all losses and damages sustained and expenses incurred by reason of the Borrower or Guarantors failing to construct and equip the Project, including without limitation, the cost of such completion and the payment of real estate taxes and insurance premiums, with interest thereon at a rate equal to the lesser of (i) the maximum rate permitted under applicable law or (ii) eighteen percent (18%) from the date of such expenditures.

10. **Judgment Interest.** In the event the Issuer or the Trustee obtains a final judgment against the Guarantors upon this Guaranty, the judgment shall bear interest at the judgment rate.

11. **Legal Fees.** The Guarantors agrees to pay all reasonable costs and expenses, including reasonable legal fees, which may be incurred by the Issuer or the Trustee in any effort to collect or enforce any obligations of the Guarantors hereunder, whether or not any lawsuit is filed, including, without limitation, all costs and legal fees incurred by the Issuer or the Trustee in any bankruptcy proceeding (including, without limitation, any action for relief from the automatic stay of any bankruptcy proceeding) and in any judicial or nonjudicial foreclosure action.

12. **Consent to Jurisdiction.** Any action to enforce or interpret this Guaranty, whether arising in contract or tort, by statute or otherwise, may be brought in or removed to a state or federal court of competent jurisdiction in or for St. Lucie County, Florida, and Guarantors hereby submit themselves to the jurisdiction of said courts.

13. **Cumulative Remedies.** All rights, remedies or recourses of the Issuer and the Trustee under this Guaranty or any Loan Documents, under the Uniform Commercial Code or other law, in equity or otherwise, are cumulative, and exercisable concurrently, and may be pursued singularly, successively or together and may be exercised as often as occasion therefor

shall arise. No act of commission or omission by the Issuer or the Trustee, including, but not limited to, any failure to exercise, or any delay, forbearance or indulgence in the exercise of, any right, remedy or recourse hereunder or any other Bond Document shall be deemed a waiver, release or modification of that or any other right, remedy or recourse, and no single or partial exercise of any right, remedy or recourse shall preclude the Issuer or the Trustee from any other or future exercise of the right, remedy or recourse or the exercise of any other right, remedy or recourse. A waiver, release or modification with reference to any one event shall not be construed as continuing or constituting a course of dealing, nor shall it be construed as a bar to, or as a waiver, release or modification of, any subsequent right, remedy or recourse as to a subsequent event.

14. Miscellaneous Provisions. Whenever the context so requires, the neuter gender includes the feminine and/or masculine, as the case may be, and the singular number includes the plural, and the plural number includes the singular. Each provision of this Guaranty shall be deemed separate from each other provision and the invalidity or unenforceability, for any reason or to any extent, of any such provision of this Guaranty shall not affect the enforceability of the remaining provisions of this Guaranty or the application of such provision to other, dissimilar facts and circumstances.

15. Amendments. This Guaranty can be modified only by a written instrument manually signed by the party to be charged therewith, and no verbal or written agreement, understanding or custom affects the terms hereof.

16. Counterparts. This Guaranty may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall be deemed to be the same instrument.

17. Receipt of Loan documents. Guarantors acknowledge that it has received and reviewed a copy of the Loan Documents and the Plans and Specifications.

18. Financial Statements. During the term of this Guaranty, the Guarantors covenants and agrees to provide the Issuer, within one hundred eighty (180) days after the end of each calendar year, commencing December 31, 2020, with unaudited financial statements (or such other documents accepted by the Issuer Servicer in lieu of financial statements), including a balance sheet, an income statement, a statement of changes in financial position and such other statements as may be reasonably required by the Issuer, prepared, where applicable, in accordance with generally accepted accounting practices consistently applied and certified as true and complete in all material respects without qualification by the Guarantors or, if required by the Issuer, a certified public accountant acceptable to the Issuer. The Guarantors further

covenants and agrees to immediately notify the Issuer of any material adverse changes in the Guarantors' financial condition.

19. Notices. All notices, requests, demands, consents, and other communications required or permitted to be given or made hereunder shall be in writing and shall be deemed to have been duly given if telecopied or mailed, certified first class mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made, at the telecopy number or address of such party as set forth below, which telecopy number or address may be changed by notice to the other parties hereto duly given pursuant hereto: Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

(a) If to the Issuer: St. Lucie County Housing Finance Authority
c/o Office of County Attorney
2300 Virginia Avenue
Ft. Pierce, Florida 34982
Attention: Chairman

with a copy to: County Attorney
St. Lucie County, Florida
2300 Virginia Avenue
Ft. Pierce, Florida 34982
Attention: Assistant County Attorney
Email: barbierik@stlucieco.org

(b) If to the Trustee: U.S. Bank Trust Company, National Association
550 West Cypress Creek Road, Suite 460
Ft. Lauderdale, Florida 33309
Attention:
Email:

(c) If to the Borrower: Live Oak Preservation, Ltd.
c/o Fairview Live Oak LLC

_____/ _____
Attention:
Email:

with a copy to:

(d) If to Guarantors: Fairview Live Oak LLC

_____/_____
Attention:
Email:

20. **Complete Agreement.** This instrument sets forth the entire agreement between the Issuer and the Guarantors with respect to the subject matter hereof and no verbal or written agreement, understanding or custom affects the terms hereof.

21. **Personal Liability.** Guarantors hereby acknowledges and agrees that notwithstanding any other provision of this Guaranty, the Mortgage, the Bonds or any of the Loan Documents to the contrary, including, without limitation, the nonrecourse provision contained in the Mortgage, the obligations of the Guarantors under this Guaranty shall be the unconditional personal obligations of the Guarantors, and the Issuer would not enter into the Financing Agreement except on the condition that the Guarantors be personally liable for its undertakings under this Guaranty.

22. **Waiver of Jury Trial.** THE GOVERNMENTAL LENDER, THE FISCAL AGENT AND GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE GOVERNMENTAL LENDER ENTERING INTO THE PROJECT LOAN AGREEMENT AND THE SUBORDINATE LOAN AGREEMENT AND ACCEPTING THIS GUARANTY.

23. **Limitation of Liability.** Any payments with respect to the Project Improvements, including but not limited to payments under any performance and payment bond or other security related to the Project, will be credited against Guarantors' liability hereunder subject to acknowledgment of such payments by the Issuer or the Trustee.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Guarantors have caused this Guaranty to be duly executed and delivered as of the date set forth above.

BORROWER / GUARANTORS:

LIVE OAK PRESERVATION LTD., a Florida limited partnership

By: Fairview Live Oak LLC, a Delaware limited liability company, its general partner

By: _____

Name: Russell Condas

Title: Vice President

FAIRVIEW LIVE OAK, LLC, a Delaware limited liability company

By: _____

Name: Russell Condas

Title: Vice President

[ADDITIONAL GUARANTORS]

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[Counterpart Signature Page – Guaranty of Completion
(Live Oak Villas I & II)]

EXHIBIT "A"
Legal Description

The land referred to herein below is situated in the County of St. Lucie, State of Florida, and described as follows:

ABSOLUTE AND UNCONDITIONAL GUARANTY OF OPERATING DEFICITS
(Live oak Villas I & II)

This **ABSOLUTE AND UNCONDITIONAL GUARANTY OF OPERATING DEFICITS** (as amended, modified and supplemented from time to time, this "**Guaranty**") is made as of October 1, 2024, by **LIVE OAK PRESERVATION, LTD.**, a Florida limited partnership (together with its permitted successors and assigns, the "**Borrower**"), **FAIRVIEW LIVE OAK LLC**, a Delaware limited liability company, as its general partner, [ADDITIONAL GUARANTORS FROM CREDIT UNDERWRITING REPORT] (together with their respective heirs, successors and assigns hereinafter referred to collectively as the "**Guarantor**" or the "**Guarantors**"), for the benefit of the **ST. LUCIE COUNTY HOUSING FINANCE AUTHORITY**, a public body corporate and politic organized and existing under the laws of the State of Florida (the "**Issuer**"), and **U.S. BANK TRUST COMPANY NATIONAL ASSOCIATION**, a national banking association, with a representative office located in Ft. Lauderdale, Florida, as trustee under the below-described Indenture (defined below) (in such capacity, the "**Trustee**").

RECITALS

A. All capitalized terms in this Guaranty not otherwise defined herein shall have the meanings set forth in the Indenture (as hereinafter defined).

B. The Issuer has been created and organized pursuant to and in accordance with the provisions of Chapter 159, Part IV, Florida Statutes, as amended, and Ordinance No. 80-003 enacted on July 22, 1980 by the Board of County Commissioners of St. Lucie County, Florida, as amended (collectively, the "**Act**"), for the purpose, among others, of financing multifamily rental housing within St. Lucie County, Florida (the "**County**").

C. Pursuant to the Act, the Issuer and the Borrower have entered into that certain Financing Agreement dated as of October 1, 2024 (the "**Financing Agreement**"), the terms of which are hereinafter incorporated by this reference, under which the Issuer has agreed to make a loan pursuant to the Financing Agreement (the "**Loan**") in the maximum aggregate principal amount of Twenty-Six Million Five Hundred Thousand Dollars (\$26,500,000) to the Borrower to finance the acquisition and rehabilitation of two multifamily rental housing developments known as Live Oak Villas I and Live Oak Villas II (the "**Development**") located on property within the city of Ft. Pierce, St. Lucie County, Florida, the legal description for which is set forth in Exhibit "A" attached hereto and incorporated herein by this reference (the "**Land**").

D. In order to provide the funds with which to make the Loan to Borrower, the Issuer has authorized the issuance of its \$26,500,000 St. Lucie County Housing Finance Authority Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)(Live Oak Villas I & II), Series 2024 (the "**Bonds**") pursuant to that certain Indenture of Trust dated as of October 1, 2024 between

the Issuer and the Trustee (the "**Indenture**"), the terms of which are incorporated herein by this reference.

E. As a condition to the Issuer making the Loan to Borrower and pursuant to the requirements of the Financing Agreement and the Indenture, the Issuer, the Trustee and the Borrower have entered into a Land Use Restriction Agreement, the terms of which are incorporated herein by this reference, setting forth certain terms and conditions relating to the acquisition and rehabilitation of the Development and which sets forth various other covenants and agreements that run with the land on which the Development is located.

F. To induce the Issuer to issue and sell the Bonds pursuant to the Indenture for the purpose of providing financing for the Development; and to further induce the Issuer to make the Loan to the Borrower pursuant to the Financing Agreement; and to further induce the Issuer to accept the Note evidencing the Loan securing the Loan and Note, the Guarantors have agreed to deliver this Guaranty.

G. Each Guarantor acknowledges and agrees that each will benefit from the development of the Development.

NOW THEREFORE, for and in consideration of the premises and as part of the consideration for the Loan by the Issuer to the Borrower and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby covenant and agree with the Issuer for the benefit of the Issuer and the Trustee, as follows:

ARTICLE 1 DEFINITIONS

Section 1.1. Definitions. The following terms shall have the meanings ascribed thereto as set forth below:

(a) "Debt Service Coverage Ratio" shall mean the ratio of the Net Operating Income for each month to the monthly payments of principal and interest and recurring fees under the Note and the Financing Agreement.

(b) "Default Rate" shall mean the U.S. Prime Rate as published in the Wall Street Journal, plus 3%.

(c) "Development Expenses" shall mean debt service payments (other than debt service payments payable only if there is available cash flow), all cash costs and cash expenses of every kind and character which the Borrower incurs (and which is currently due and payable, excluding any expenses that are payable only if there is available cash flow) in connection with the operation of the Development (excluding those expenses previously accrued and principal and interest and recurring fees, but including without limitation capital expenditures (but not capital expenditures paid from insurance or reserves), amounts expressly stated or otherwise reasonably required by the Issuer to be allocated to any reserve account and all amounts payable

pursuant to the Financing Agreement or the Note, and all operating expenses associated with the Development that must be accrued monthly (including property taxes and insurance premiums and excluding any non-recurring extraordinary expenses and expenses paid from the net cash flow of the Borrower to its partners or its affiliates) and including expenses paid from revenues.

(d) "Force Majeure" -- An act of God, pandemics, strikes, lockouts, act of public enemy, lightning, fire, storm, flood, State or Florida ("State") or County declared state of emergency or disaster area designation by the State or the County, or any other cause of delay beyond the reasonable control of the party claiming the applicability of the Force Majeure doctrine (financial inability excepted).

(e) "Guaranty Period" shall be the period commencing on the date hereof, and ending on the later of the Development's achievement of (A) three (3) years following the issuance of a certificate of occupancy for the Development, and (B) (i) an average 1.15 Debt Service Coverage Ratio, as determined by the Issuer Servicer, and (ii) ninety percent (90%) occupancy, and (iii) ninety percent (90%) of the potential rental income, for a period equal to twelve (12) consecutive months, as certified by an independent certified public accountant and verified by the Issuer Servicer. Failure to send notice of the expiration of the Guaranty Period shall have no effect on the expiration of the Guaranty Period.

(f) "Issuer Servicer" means, for purposes of this Guaranty, First Housing Development Corporation of Florida, and its successors duly appointed and designated by the Issuer.

(g) "Net Operating Income" shall mean for any fiscal period, the gross cash receipts of the Borrower from the operations of the Development (including business interruption insurance) for such period (other than capital contributions, any extraordinary transactions, the proceeds of the Loan, and any casualty insurance proceeds that will be used to repair or replace items within the Development) ("Development Revenues"), less Development Expenses for such period.

(h) "Operating Deficit" shall mean for any fiscal period, the excess of Development Expenses over the Development Revenues for such fiscal period and interest earnings on the funds and accounts under the Indenture available to pay debt service (excluding any non-recurring extraordinary expenses). "Operating Deficit" shall also include any shortfall in regular monthly payments due under the Note, excluding amounts which may be due solely by acceleration of the Note. Operating Deficit shall not include any shortfall in regular monthly payments due under the Note due to a disruption of the operation of the Development due to Force Majeure.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

The Guarantors jointly and severally make the following representations and warranties which shall be continuing representations and warranties until this Guaranty terminates in accordance with the provisions contained herein:

Section 2.1. Existence and Rights. Each Guarantor is a person of sound mind and body or an entity duly organized under the laws of the State of its existence and is in good standing thereunder. Each entity Guarantor has powers and adequate authority, rights and franchises to own its property and to carry on its business as now owned and carried on, and is duly qualified and in good standing in each jurisdiction in which the property owned by it or the business conducted by it makes such qualification necessary, including without limitation, the State, and each entity Guarantor has the power and adequate authority to make and carry out this Guaranty.

Section 2.2. Guaranty Authorized and Binding. The execution, delivery and performance of this Guaranty are duly authorized, where appropriate, and do not require the consent or approval of any governmental body or other regulatory authority; are not in contravention of, or in conflict with, any law or regulation or any term or provision of the organizational documents of each Guarantor; and this Guaranty is a valid and legally binding obligation of each Guarantor enforceable in accordance with its terms subject to bankruptcy and other similar laws and equitable principles.

Section 2.3. No Conflict. The execution and delivery of this Guaranty are not, and the performance of this Guaranty will not be, in contravention of, or in conflict with, any agreement, indenture or undertaking to which any Guarantor is a party or by which any Guarantor or any of the Guarantor's property is or may be bound or affected and do not, and will not, cause any security interest, lien or other encumbrance to be created or imposed upon any such property.

Section 2.4. Litigation. As of the date of delivery of the Bonds, except as set forth in Exhibit "B" attached hereto, there is no litigation or other proceeding pending (i.e., with respect to which service of process has been made on any Guarantor) or, to the best of each Guarantor's knowledge, threatened against, or affecting, any Guarantor or such Guarantor's properties which, if determined adversely to any Guarantor, would have a materially adverse effect on the financial condition, properties, businesses or operations of any Guarantor, or which prevents or interferes with or adversely affects any Guarantor from entering into this Guaranty or the validity of this Guaranty or the carrying out of the terms hereof, and no Guarantor has been informed that it is in default with respect to any order, writ, injunction, decree or demand of any court or other governmental or regulatory authority which would have a materially adverse effect on the financial condition, properties, businesses or operations of any such Guarantor.

Section 2.5. Financial Condition. Each Guarantor's financial statements (or such other documents submitted in lieu of financial statements), which have heretofore been submitted in writing by each Guarantor to the Issuer or the Issuer's agents or consultants in connection

herewith, are true and correct in all material respects and fairly present the financial condition of such Guarantor for the period covered thereby. As of the date of delivery of the Bonds, since the date of said financial statements (or such other documents submitted in lieu of financial statements or other than in connection with the Borrower's Operating documents and other documents relating to the subject transaction), there has been no materially adverse change in any Guarantor's financial condition. As of the date of delivery of the Bonds, the Guarantors have no knowledge of any material liabilities, contingent or otherwise, as of the date of their respective financial statements (or such other documents submitted in lieu of financial statements) which are not reflected in said financial statements; and, other than in the ordinary course of any Guarantor's business, the Guarantors have not entered into any material commitments or contracts which are not reflected in their respective financial statements (or such other documents submitted in lieu of financial statements) or which may have a materially adverse effect upon any Guarantor's financial condition, operations or business as now conducted.

Section 2.6. Solvency. Each Guarantor is not Insolvent (as defined below) as of the date hereof and the execution and delivery of this Guaranty will not (a) render any Guarantor insolvent under generally accepted accounting principles, (b) leave any Guarantor with remaining assets which constitute unreasonably small capital given the nature of any Guarantor's business, and (c) result in the incurrence of Debts (defined below) beyond any Guarantor's ability in Guarantor's reasonable determination to pay them when and as they mature. For the purposes of this Section, "Insolvent" means that the present fair salable value of assets is less than the amount that will be required to pay the probable liability on existing Debts as they become absolute and matured. For the purposes of this Section, "Debts" includes any legal liability for indebtedness, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

Section 2.7. Financial or other Benefit or Advantage. Each Guarantor hereby acknowledges and warrants that such Guarantor has derived or expects to derive a financial or other benefit from the Development.

ARTICLE 3 AGREEMENTS

Section 3.1. Guaranteed Obligations. Each Guarantor hereby jointly and severally covenants and agrees to advance, on the terms set forth below, the funds required to fund Operating Deficits incurred by the Borrower during the Guaranty Period (the "Guaranteed Obligations"). Nothing contained in this Agreement shall be deemed to constitute a guarantee by the Guarantors of accelerated principal and interest on the Loan. If the Borrower anticipates the need to request the Guarantors to make a payment under this Guaranty to fund an Operating Deficit, the Borrower will promptly notify the Guarantors, in writing, with a copy to the Issuer, the Trustee and the Issuer Servicer of the amount of such Operating Deficit (with sufficient supporting documentation to evidence the need to make a payment under this Guaranty). Unless the Issuer or the Issuer Servicer objects to such request within ten (10) days of receipt of such request and supporting documentation, the Guarantors shall promptly provide the Borrower

with funds sufficient to pay the amount of such Operating Deficit and promptly upon receipt of such funds, the Borrower shall pay the Development Expenses causing such Operating Deficit. Notwithstanding the foregoing, the Issuer, the Issuer Servicer or the Trustee may submit a request directly to the Guarantors, on behalf of the Borrower, to make a payment under this Guaranty upon making a determination of the existence of an Operating Deficit.

Failure of the Borrower to provide such a request and/or notice to the Issuer, the Trustee or the Issuer Servicer or the failure of the Guarantors to pay such Operating Deficit, shall neither impair nor reduce the Guarantors' obligation to pay any of the Guaranteed Obligations hereunder upon direct written demand by the Issuer, the Trustee or the Issuer Servicer. Upon payment of such Operating Deficit by the Guarantors, the same shall be credited towards the Guaranteed Obligations.

The Issuer, the Issuer Servicer or the Trustee shall also be entitled to make a claim under this Guaranty to fund any Guaranteed Obligation during the Guaranty Period (excluding amounts which may be due solely by acceleration of the Note) by submission of a written demand notice to the Guarantors. After termination of this Guaranty as provided herein, neither the Trustee, the Issuer, the Issuer Servicer nor any other party shall be entitled to make a claim under this Guaranty.

This is a guaranty of payment and not of collection only, and the obligations hereunder shall be absolute, independent and unconditional under any and all circumstances, without regard to the validity or enforceability of the Documents (as defined in the Indenture) against the Borrower. After the termination of the Guaranty Period, upon request of the Guarantors and provision of written evidence that the Guaranty Period has ended, this Guaranty shall be returned to the Guarantors marked "cancelled."

Section 3.2. Third Party Beneficiary. No person or entity shall be a third party beneficiary of this Guaranty.

Section 3.3. Further Assurances. Each Guarantor will, at its expense, execute, acknowledge and deliver all such further documentation, instruments and assurances and the like and take all such further action as the Issuer or the Trustee shall reasonably require in order to carry out the intentions or facilitate the provisions of this Guaranty.

Section 3.4. Obligations Absolute. The Guaranteed Obligations shall remain in full force and effect without regard to, and shall not be affected or impaired by the following, any of which may be taken without the consent of, or notice to, the Guarantors, nor shall any of the following give any Guarantor any recourse or right of action against the Issuer or the Trustee:

(a) Any delay, exercise or non-exercise by the Issuer or the Trustee of any right or privilege under this Guaranty;

(b) Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Guarantor, any partner or

member or any other guarantor (which term shall include any other party at any time directly or contingently liable for any of the Guarantors' obligations under this Guaranty, including without limitation, any partner or member or property manager) or any affiliate of any Guarantor, or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding, whether or not any Guarantor shall have had notice or knowledge of any of the foregoing;

- (c) Any assignment or other transfer of this Guaranty in whole or in part;
- (d) Any acceptance of partial funding of the Guaranteed Obligations; and
- (e) Any subordination, compromise or release of any or all of the property or other collateral, if any, securing any Guarantor's obligations under this Guaranty, or any substitution with respect thereto.

Actions taken without the consent of, or notice to Live Oak Preservation Ltd., as set forth in this Section 3.4 are intended to apply to Live Oak Preservation Ltd. in its capacity as a Guarantor and nothing in this Section 3.4 is intended to constitute a waiver of any notice or consent rights afforded to Live Oak Preservation Ltd. in its capacity as the Borrower under the Documents or any other document entered into in connection with the Loan.

Section 3.5. Waivers. Each Guarantor unconditionally waives the following defenses to the enforcement of this Guaranty, including, without limitation:

- (a) All presentments, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty;
- (b) Any right to require the Issuer or the Trustee to proceed against the Borrower or any other guarantor at any time, or to proceed against or exhaust any security held by the Issuer or the Trustee at any time, or to pursue any other remedy whatsoever at any time;
- (c) Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Borrower, or any Guarantor or any affiliate of the Borrower or the Guarantors or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding, whether or not any Guarantor shall have had notice or knowledge of any of the foregoing;
- (d) Any right any Guarantor might have under the laws of the State to revoke this Guaranty, it being the intention of each Guarantor that this Guaranty remain in full force and effect until termination, as provided herein;
- (e) Any defense based upon an election of remedies by the Issuer or the Trustee, including, without limitation, any remedies which destroy or impair the subrogation rights of any Guarantor to proceed against the Borrower or any partner for reimbursement or both;

(f) Any duty of the Issuer or the Trustee to advise any Guarantor of any information known to the Issuer or the Trustee regarding the financial condition of the Borrower or any partner or member and all other circumstances affecting the ability of the Borrower or any partner or member to perform its obligations to the Issuer or the Trustee, it being agreed that each Guarantor assumes the responsibility for being and keeping informed regarding such conditions or any such circumstances; and

(g) Any rights to enforce any remedy which the Issuer or the Trustee now has or may hereafter have against the Borrower, or any partner or member and any benefit of, and any right to participate in, any security now or hereafter held by the Issuer or the Trustee.

(h) Any defense based upon the unenforceability for any reason of the Documents or the failure of such documents for any reason to be valid, binding and enforceable obligations of the Borrower, other than full performance by the Borrower of its obligations thereunder.

With respect to Live Oak Preservation Ltd., the waivers set forth in this Section 3.5 are intended to apply to Live Oak Preservation Ltd., in its capacity as a Guarantor and nothing in this Section 3.5 is intended to constitute a waiver of any notice rights afforded to Live Oak Preservation Ltd., in its capacity as Borrower under the Documents or any other document entered into in connection with the Loan.

Section 3.6. Subrogation. Notwithstanding any other provision of this Guaranty to the contrary and until all outstanding obligations of the Guarantors hereunder have been paid in full or terminated in accordance with the terms hereof, each Guarantor hereby defers any claim or other rights which such Guarantors may now have or hereafter acquire against any other guarantor of all or any of the obligations of any Guarantor under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification, any right to participate in any claim or remedy of the Issuer or the Trustee against the Borrower, any partner or member or any Guarantor or any collateral which the Issuer or the Trustee now has or hereafter acquires, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including, without limitation, the right to take or receive from the Borrower, any partner or member or any Guarantor, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights, except as otherwise provided in the last sentence of Section 3.10 hereof.

Section 3.7. Additional Waivers. No Guarantor shall be released or discharged, either in whole or in part, by the Issuer's or the Trustee's failure or delay to (a) perfect or continue the perfection of any lien or security interest in any collateral which secures the obligations of any other guarantor, or (b) protect the property covered by such lien or security interest.

Section 3.8. Dealings with Parties. The Issuer and the Trustee shall have complete discretion, without giving notice to or obtaining the consent of any Guarantor, the Borrower and each other person or entity who now is or after the date hereof becomes liable in any manner for

any of the Guarantors' obligations under this Guaranty, in such manner as the Issuer and the Trustee shall decide, and accordingly each Guarantor grants to the Issuer and the Trustee full authority, in their sole discretion, whether before or after termination of this Guaranty, to do any and all of the following, without limiting the generality of the foregoing: extend credit, make loans and afford such financial accommodation to the Borrower or any partner or member at such times, in such amounts and on such terms as the Issuer may approve; vary the terms or alter, compromise, accelerate and grant extensions or renewals of time or manner of payment of any present or future obligations under this Guaranty, assign or transfer this Guaranty or any other instrument evidencing or securing the obligations under this Guaranty in whole or in part; vary, exchange, release or discharge, wholly or partially, the Borrower or any partner or member or any other guarantor or obligor of the obligations under this Guaranty, and compromise or make any settlement or other arrangement with the Borrower, any partner or member and/or any other guarantor, and if the obligations under this Guaranty are now or hereafter secured, exchange, substitute or release in part or in full all of the security given for the payment and performance of any of the Guarantors' obligations under this Guaranty.

With respect to Live Oak Preservation Ltd., the provisions of this Section 3.8 are intended to apply to Live Oak Preservation Ltd., in its capacity as a Guarantor and nothing in this Section 3.8 is intended to constitute a waiver of any notice rights afforded to Live Oak Preservation Ltd., in its capacity as Borrower under the Documents or any other document entered into in connection with the Loan.

Section 3.9. Bankruptcy No Discharge; Repayments. So long as any of the Guaranteed Obligations shall be owing, no Guarantor shall, without the prior written consent of the Issuer and the Trustee, as applicable, commence or join with any other party in commencing any bankruptcy, reorganization or insolvency proceedings of or against the Borrower or any partner or member. Each Guarantor understands and acknowledges that by virtue of this Guaranty, each Guarantor has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to the Borrower and any partner or member. As an example, and not in any way of limitation, a subsequent modification of the Guaranteed Obligations in any reorganization case concerning the Borrower or any partner or member shall not affect the obligation of any Guarantor to pay and perform the Guaranteed Obligations in accordance with their respective original terms. If claim is ever made upon the Issuer or the Trustee for repayment of any amount or amounts received by the Issuer or the Trustee in payment of the obligations under this Guaranty (whether or not all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by the Issuer or the Trustee) and the Issuer or the Trustee repays all or any part of said amount, then, notwithstanding any revocation or termination of this Guaranty or any other instrument evidencing the Guaranteed Obligations, each Guarantor shall be and remain liable to the Issuer or the Trustee for the amount so repaid by the Issuer or the Trustee, to the same extent as if such amount had never originally been received by the Issuer or the Trustee.

Section 3.10. Subordination. So long as any of the obligations of any Guarantor hereunder remain unpaid or undischarged, each Guarantor agrees that any and all claims it may

have against the Borrower or any partner or member shall be and hereby are subordinated to the Guaranteed Obligations and all other claims of the Issuer or the Trustee against the Borrower or any partner or member. Any indebtedness of the Borrower or any partner or member to any Guarantor shall be collected and received by the Guarantors as trustee for the Issuer and the Trustee and be paid over to the Issuer or the Trustee on account of the indebtedness of the Guarantors to the Issuer and the Trustee, upon demand by the Issuer or the Trustee; provided that so long as there is no default existing hereunder or under any of the Documents, the Guarantors shall be entitled to receive and retain payments and distributions described in or paid pursuant to the Borrower's operating agreement or development agreement with Borrower.

Section 3.11. Independent and Separate Obligations. The obligations of each Guarantor hereunder are independent of any obligation of the Borrower or any partner or member and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against any or all of the Guarantors whether or not such Guarantors are the alter ego of the Borrower, any member, or any other guarantor. The Issuer's and the Trustee's rights hereunder shall not be exhausted until the conditions to termination in Section 4.6 below have been satisfied.

Section 3.12. Setoff. The Issuer and the Trustee shall have a right of setoff against, and each Guarantor hereby grants a security interest in, all moneys, securities and other property of such Guarantor now or hereafter in the possession of, or on deposit with the Issuer or the Trustee in connection with the Loan, whether held in a general or special account or deposit, or for safekeeping or otherwise. Such right is in addition to any right of setoff the Issuer or the Trustee may have by law. After an event of default hereunder which has not been cured within any applicable grace or cure period, all rights of setoff may be exercised without any further notice or demand to any Guarantor. No right of setoff shall be deemed to have been waived by any act or conduct on the part of the Issuer or the Trustee, or by any neglect to exercise such right of setoff, or by any delay in doing so. Every right of setoff shall continue in full force and effect until the expiration of this Guaranty.

Section 3.13. Payments. No Guarantor shall be credited for the funding of any of the Guaranteed Obligations unless and until the Borrower has delivered either (i) to the Issuer and the Trustee written acknowledgment of receipt of the required payment in immediately available funds from such Guarantor after a demand has been made by the Issuer or the Trustee pursuant to this Guaranty or (ii) the required payment to the Trustee in immediately available funds. Each Guarantor agrees that whenever a Guarantor shall pay any amount to the Issuer or the Trustee hereunder on account of the liability hereunder, such Guarantor will deliver such payment to the Borrower with a copy of such evidence of payment and notice to the Issuer and the Trustee at the addresses provided in Section 4.1 below. Each Guarantor agrees that whenever a Guarantor shall pay any amount to the Trustee hereunder upon a request by the Issuer or the Trustee of a payment with respect to a Guaranteed Obligation, such Guarantor will deliver such payment to the Trustee with a copy of such evidence of payment and notice to the Issuer and Borrower at the address provided in Section 4.1 below. Each Guarantor understands that the Borrower and/or each

member may have obligations to the Issuer with respect to the Development, and that those obligations are in addition to the Guarantor's obligations under this Guaranty.

Section 3.14. Financial Statements. During the term of this Guaranty, each Guarantor covenants and agrees to provide the Issuer and, until the Completion Date, the Issuer Servicer, on or before December 31 of each year, beginning December 31, 2021, with unaudited financial statements (or such other documents accepted by the Issuer Servicer in lieu of financial statements), including a balance sheet, an income statement, a statement of changes in financial position and such other statements as may be reasonably required by the Issuer or the Issuer Servicer, prepared in accordance with generally accepted accounting practices consistently applied and certified as true and complete without qualification by the Guarantors, or with respect to any Guarantor other than individuals, an officer of such Guarantor or, if required by the Issuer after an Event of Default, a certified public accountant acceptable to the Issuer. Each Guarantor further covenants and agrees to immediately notify the Issuer of any material adverse change in such Guarantor's financial condition.

Section 3.15. Governing Law/Consent to Jurisdiction. This Guaranty shall be governed by and construed in accordance with the laws of the State of Florida applicable to contracts entered into and entirely to be performed therein. Each Guarantor hereby irrevocably submits and consents to the jurisdiction of the courts of St. Lucie County, Florida, the State of Florida and of the United States District Court for the district in which the Development is located in connection with any action, suit or other proceeding arising out of or relating to this Guaranty or any action taken or omitted hereunder. If any Guarantor served in accordance with applicable law should fail to appear or answer within the time prescribed by law, then such Guarantor shall be deemed in default and judgment may be entered against such Guarantor for the amount or other relief as demanded in any summons, complaint or other process so served. Each Guarantor agrees that a final judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

ARTICLE 4 MISCELLANEOUS

Section 4.1. Notices. All notices, requests, demands, consents, and other communications required or permitted to be given or made hereunder shall be in writing and shall be deemed to have been duly given if telecopied or mailed, certified first class mail, allowing 3 days for mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made, at the telecopy number or address of such party as set forth below, which telecopy number or address may be changed by notice to the other parties hereto duly given pursuant hereto:

To the Issuer:

St. Lucie County Housing Finance Authority
c/o Office of County Attorney
2300 Virginia Avenue

Ft. Pierce, Florida 34982
Attention: Chairman

with a copy to:

County Attorney
St. Lucie County, Florida
2300 Virginia Avenue
Ft. Pierce, Florida 34982
Attention: Assistant County Attorney
Email: barbierik@stlucieco.org

To the Trustee:

U.S. Bank Trust Company, National
Association
550 West Cypress Creek Road, Suite 460
Fort Lauderdale, Florida 33309
Attention:
Email:

To the Issuer Servicer:

First Housing Development Corporation of
Florida

Tampa, Florida _____
Attention:
Email:

To the Guarantors:

Live Oak Preservation Ltd.
c/o Fairview Live Oak LLC

_____/ _____
Attention:
Email:

Fairview Live Oak LLC

_____/ _____
Attention:
Email:

[Additional Guarantors]

and a copy to:

Section 4.2. Expenses. Each Guarantor agrees to pay all reasonable costs and expenses, including reasonable legal fees, which may be incurred by the Issuer and the Trustee in any effort to collect or enforce any of the obligations of the Guarantors hereunder, whether or not any lawsuit is filed, including, without limitation, all costs and legal fees incurred by the Issuer and the Trustee in any bankruptcy proceeding (including, without limitation, any action for relief from the automatic stay of any bankruptcy proceeding) and in any judicial or nonjudicial foreclosure action.

Section 4.3. Amendments; Successors; Remedies. Neither this Guaranty nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought, subject to the prior written consent of the Issuer. All of the terms of this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Guarantor shall have the right to assign any of such Guarantors' rights or obligations under this Guaranty. All remedies of the Issuer and the Trustee are cumulative. When the context in which the words are used in this Guaranty indicates that such is the intent, words in the singular number shall include the plural and vice-versa. If any one or more of the provisions of this Guaranty should be determined to be illegal or unenforceable, all other provisions shall remain effective. No delay or failure by the Issuer or the Trustee to exercise any remedy against any Guarantor will be construed as a waiver of that right or remedy. If any Guarantor hereof consists of more than one person or entity, the obligations hereunder shall be joint and several.

Section 4.4. Assignability by the Issuer. The Issuer or the Trustee may, at any time and from time to time, assign, conditionally or otherwise, all of their respective rights under this Guaranty, whereupon such assignee shall succeed to all rights of the Issuer or the Trustee, as applicable, hereunder to the extent that such rights may be assigned to it. The Issuer or the Trustee may give written notice to the Guarantors of any such assignment, but any failure to give, or delay in giving, such notice shall not affect the validity or enforceability of any such assignment.

Section 4.5. Demands. Each demand by the Issuer or the Trustee for performance or payment hereunder shall be in writing and shall be made in the manner set forth in Section 4.1 hereof. Interest shall accrue at the Default Rate on all sums not paid by any Guarantor to the Issuer or the Trustee or the Borrower within ten (10) days after demand.

Section 4.6. Term. Subject to Section 3.9 hereof, the obligations of each Guarantor under this Guaranty and any instrument which grants collateral to secure such obligations shall continue in full force and effect until the expiration of the Guaranty Period and the Guarantors

have fully performed all of the Guaranteed Obligations and paid all other amounts payable hereunder in accordance with the terms of this Guaranty.

Section 4.7. Complete Agreement. This Guaranty supersedes any prior negotiations, discussions or communications between the Guarantors and the Issuer and constitutes the entire agreement between the Issuer, the Trustee and the Guarantors with respect to the Guaranteed Obligations.

Section 4.8. Counterparts. This Guaranty may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument.

Section 4.9. Advice of Counsel. Each Guarantor represents and acknowledges to the Issuer that each Guarantor has consulted with its attorneys regarding the terms and conditions and waivers set forth in this Guaranty. Each Guarantor's attorneys have advised such Guarantor of the true legal consequences of each waiver set forth in this Guaranty, including the rights each Guarantor would have in the absence of such waivers.

Section 4.10. Waiver of Jury Trial. THE ISSUER, THE TRUSTEE AND THE GUARANTORS HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ISSUER ENTERING INTO THE LOAN AND ACCEPTING THIS GUARANTY.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Guarantors have caused this Guaranty to be duly executed and delivered as of the date set forth above.

Borrower/Guarantors:

LIVE OAK PRESERVATION LTD., a Florida limited partnership

By: Fairview Live Oak LLC, a Delaware limited liability company, its general partner

By: _____

Name: Russell Condas

Title: Vice President

FAIRVIEW LIVE OAK, LLC, a Delaware limited liability company

By: _____

Name: Russell Condas

Title: Vice President

[ADDITIONAL GUARANTORS]

[Signature Page to Guaranty of Operating Deficits – Live Oak Villas]

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF ST. LUCIE,
STATE OF FLORIDA, AND DESCRIBED AS FOLLOWS:

EXHIBIT "B"

LITIGATION

NONE

FUNDING AGREEMENT
Between the St. Lucie County Housing Finance Authority
and the Treasure Coast Homeless Services Council, Inc.

THIS FUNDING AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 2024, by and between the St. Lucie County Housing Finance Authority (hereinafter referred to as the "HFA"), and the Treasure Coast Homeless Services Council, Inc., a Florida Not-For-Profit Corporation, or its successors, executors, administrators, and assigns (hereinafter referred to as the "Grantee").

WHEREAS, the Grantee has submitted a proposal in response to the HFA's Notice of Funding Availability No. 24-054 (hereinafter referred to as the "NOFA"); and

WHEREAS, the HFA has selected the Grantee for funding in the amount of One Hundred Fifty Thousand Dollars (\$150,000) to support the renovations to the Grantee's Housing Hub, a homeless shelter, outlined in the Grantee's proposal; and

WHEREAS, the Grantee has agreed to complete the proposed renovations to the existing Housing Hub to create distinct facilities for women and men, each with the capacity to serve twelve (12) individuals, as well as complete bathroom refurbishments, including handicap accessibility features, as outlined in Attachment A-Scope of Work; and

WHEREAS, the HFA is authorized to enter into this Agreement and provide funding in accordance with the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the HFA and the Grantee agree as follows:

1. SCOPE OF WORK

The Grantee shall complete the following renovations (the "Project") to the existing Housing Hub: creation of separate sides for women and men, each with the capacity to serve twelve (12) individuals; and complete refurbishments of bathrooms, including handicap accessibility features as stated in Exhibit A attached and incorporated herein.

2. TERM OF AGREEMENT

The term of this Agreement shall begin upon execution by both parties and shall remain in effect until December 31, 2025, unless extended upon mutual written agreement. The Grantee may request a one-time extension of the term, not to exceed one (1) year, which may be granted at the sole discretion of the HFA.

3. FUNDING

- a. The HFA shall provide funding in the amount of One Hundred Fifty Thousand Dollars (\$150,000) to the Grantee, to be disbursed on a reimbursement basis.

Reimbursement requests must be supported by appropriate documentation of construction expenditures related to the Project.

- a. The Grantee may submit up to four (4) requests for reimbursement ("Draw Requests"). Each Draw Request must include detailed invoices, receipts, or other documentation to demonstrate the expenditures. Additionally, each Draw Request must be accompanied by a periodic progress report (see Exhibit C) outlining the status of the Project, including construction activities, financial expenditures, and any issues affecting the timeline or scope. All reimbursement invoices submitted to the HFA shall be on a Request for Payment form approved by the HFA, with sufficient detail for preaudit and post-audit purposes, as specified in Exhibit B attached hereto and incorporated herein. If the grant cannot be used or a subsequent audit reveals the grant was not used according to this Agreement, any improperly used funds shall be reimbursed to the HFA.
- b. The HFA grants the Community Services Director the authority to oversee the administration of this fund agreement on its behalf. This includes, but is not limited to, reviewing and approving payment requests submitted by the Grantee.

4. INTERNAL CONTROLS AND AUDIT

The Grantee shall have internal fiscal controls adequate to safeguard the grant funds. The Grantee gives the HFA the right, until the expiration of three (3) years after expenditure of funds under this Agreement, to audit the use of the grant monies. Upon demand, the HFA shall have access to and the right to examine any directly pertinent books, documents, papers, and records of the Grantee involving transactions related to these grant monies. All required records shall be maintained until an audit is completed and all questions arising therefrom are resolved, or until the expiration of three (3) years after the expenditure of the funds.

5. INDEMNIFICATION

The Grantee agrees to fully indemnify and hold harmless the HFA, its officers, employees, and agents of and from all liabilities, damages, claims, recoveries, costs and expense in any way arising out of the receipt or expenditure of these monies.

6. PUBLICATION

All publications issued by the Recipient shall include the following statement: "Sponsored in part by the St. Lucie County Housing Finance Authority".

7. CONDITIONS PRECEDENT TO FUNDING

Funding under this Agreement is contingent upon the following:

- a. Approval from The Fort Pierce Housing Authority (FPHA), the owner of the building, as evidenced by a written approval letter agreeing to the proposed renovations.

- b. A lease agreement for the subject property between the grantee and the FPHA for a minimum of five years.
- c. Submission of funding commitment letters that confirm the availability of funds necessary to complete the entire project scope.
- d. No funds will be released until the Grantee has provided these documents to the satisfaction of the HFA.

8. COMPLIANCE WITH LAWS

The Grantee agrees to comply with all applicable local, state, and federal laws, regulations, and codes in carrying out the Project.

9. PUBLIC RECORDS.

The GRANTEE shall allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the Grantee in conjunction with this Agreement. Specifically, the GRANTEE shall:

- a. Allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the GRANTEE in conjunction with this Agreement.
- b. Keep and maintain public records that ordinarily and necessarily would be required by the HFA in order to perform the service.
- c. Provide the public with access to public records on the same terms and conditions that the HFA would provide the records and at a cost that does not exceed the cost provided in state law or as otherwise provided by law.
- d. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- e. Upon completion of the Agreement, transfer at no cost to the HFA, all public records in possession of GRANTEE or keep and maintain public records required by the HFA to perform the service. If GRANTEE transfers all public records to the HFA upon completion of the Agreement, GRANTEE shall destroy any duplicate public records that are exempt or confidential and exempt from public record disclosure requirements. If GRANTEE keeps and maintains public records upon completion of the Agreement, GRANTEE shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the HFA, upon request from the HFA's custodian of public records, in a format that is compatible with the information technology system of the HFA.

IF GRANTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE GRANTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (772)462-1441, Bellamys@stlucieco.org, HFA ATTORNEY'S OFFICE 2300 VIRGINIA AVENUE, FORT PIERCE, FL 34982

10. TERMINATION

This Agreement may be terminated by the HFA in the event of a breach by the Grantee, failure to meet project deadlines, failure to submit required documentation, or any other default under this Agreement.

11. VENUE.

In the event it is necessary for either party to initiate legal action regarding this Agreement, venue shall be in the Nineteenth Judicial Circuit for St. Lucie County, Florida for claims under state law and the Southern District of Florida for any claims which are justifiable in federal court.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, and representations.

13. AMENDMENTS

Any amendments to this Agreement must be made in writing and executed by both parties.

14. E-VERIFY/VERIFICATION OF EMPLOYMENT STATUS.

Effective January 1, 2021, As required by Section 448.095(2)(a), Grantee and subcontractor shall register with and use the E-Verify System to verify the work authorization status of all newly hired employees. The HFA, Contractor, or subcontractor may not enter into an Agreement unless each party to the Agreement registers with and uses the E-Verify System. Grantee shall provide documentation of their compliance of this requirement to the HFA upon request.

If Grantee enters into a contract with a subcontractor, the subcontractor must provide Grantee with an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien. Grantee shall maintain a copy of such affidavit for the duration of this Agreement.

HFA will not intentionally award contracts to any contractor who knowingly employs unauthorized alien workers, constituting a violation of the employment provisions of the Immigration and Nationality Act ("INA"). HFA shall consider the employment by Grantee of unauthorized aliens a violation of 8 U.S.C. Section 1324a(e) [Section 274A(e) of the INA]. Grantee agrees that such violation by Grantee shall be grounds for the unilateral cancellation of this Agreement by the HFA.

(Remainder of this Agreement left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

St. Lucie County Housing Finance Authority

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM AND CORRECTNESS

County Attorney

Treasure Coast Homeless Services Council, Inc.

By: _____

Name: _____

Title: _____

Date: _____

DRAFT

DECLARATION UNDER PENALTY OF PERJURY

Pursuant to sections 787.06(13) and 287.138(4)(a), Florida Statutes, I hereby declare the following:

I, _____, an officer or authorized representative for _____ (entity name), declare that _____ (entity name) does not use coercion for labor or services as defined in section 787.06, Florida Statutes.

I, _____, an officer or authorized representative for _____ (entity name), declare that _____ (entity name) (a) is not an entity owned by the government of a foreign country of concern; (b) is not an entity in which a government of a foreign country of concern has a controlling interest; or (c) is not an entity organized under the laws of or has its principal place of business in a foreign country of concern, as defined in section 287.138, Florida Statutes.

I declare under penalties of perjury that the foregoing statements are true and correct.

Signature

Name

Title

Date

STATE OF _____

COUNTY OF _____

The foregoing Stipulation was sworn to or affirmed and signed before me, by means of

physical presence or online notarization, this ___ day of _____ by _____, who is personally known to me or has produced _____ as identification.

Signature of Notary
My commission expires: _____

Exhibit "A"

Scope of Work

Renovations to the Housing Hub Shelter Facility at 609 N. 7th Street, Fort Pierce, FL 34950 will include the following:

- **Creation of Separate Wings for Men and Women:** The existing facility will be divided into two distinct sections, each with its own living and laundry areas. Both wings will accommodate twelve (12) beds, ensuring privacy and functionality for each group.
- **ADA-Compliant Bathroom Upgrades:** The bathrooms will undergo full renovations to enhance accessibility, incorporating features that meet ADA standards.

Section 1: Contact Information

- Grantee Contact Name:
 - Grantee Phone Number:
 - Grantee Email:
-

Section 2: Project Overview

- **Scope of Work:**
-

Section 3: Reimbursement Request

- Invoice No.:
 - Date of Invoice:
 - Vendor Name:
 - Total Reimbursement Requested \$:
-

Section 4: Supporting Documentation

- Please attach the following documentation:
 - Detailed invoices or receipts
 - Proof of payment (e.g., bank statements, canceled checks)
 - Photographs or reports evidencing completed work (if applicable)
 - Copies of any associated building permit applications and/or approvals.
-

Section 5: Certification

I hereby certify that all expenses submitted are true and correct and have been incurred as part of the Housing Hub renovation project in accordance with the Funding Agreement.

Authorized Signature:

Name:

Title:

Date:

Submission Instructions:

Submit this reimbursement request form, along with supporting documentation, to the St. Lucie County Housing Finance Authority at hancej@stlucieco.org.

Exhibit "C"

Project Progress Report Form

Project Name: Renovations to the Housing Hub Shelter Facility

Project Address: 609 N. 7th Street, Fort Pierce, FL 34950

Grantee Name:

Report Date:

Reporting Period:

Prepared By:

1. Construction Activities Overview

Provide a detailed summary of all construction activities completed during this reporting period.

- **Separate Wings for Men and Women:**

- Progress on dividing the facility into separate sections:
 - Not Started
 - In Progress
 - Completed
- Current status of living and laundry areas (include challenges or changes to the plan):

- **ADA-Compliant Bathroom Upgrades:**

- Status of bathroom renovations to meet ADA standards:
 - Not Started
 - In Progress
 - Completed
- Description of accessibility features implemented (e.g., handrails, wider doors, etc.):

2. Financial Expenditures

Provide a breakdown of the financial expenditures during this reporting period.

| Item/Activity | Budgeted Amount | Amount Spent | Remaining Budget |
|----------------------------------|------------------------|---------------------|-------------------------|
| Separate Wings for Men and Women | | | |

| Item/Activity | Budgeted Amount | Amount Spent | Remaining Budget |
|---------------------------------|-----------------|--------------|------------------|
| ADA-Compliant Bathroom Upgrades | | | |
| Other (please specify) | | | |

Comments on expenditures:

3. Issues Impacting Timeline or Scope

Please describe any issues or delays that are affecting the timeline or scope of the project. Include reasons for any changes and the proposed solutions.

- **Timeline Impact:**
 - No delays
 - Minor delays
 - Significant delays
- Explanation:

- **Scope Changes:**
 - No changes
 - Minor changes
 - Significant changes
- Explanation:

4. Additional Comments

Include any other relevant information or concerns not covered above.

Signature: _____

Date: _____

RESOLUTION NO. 80-65

A resolution of St. Lucie County, Florida,
Declaring the need for a Housing Finance
Authority to Function to Alleviate A Shortage
of Housing and Capital for Investment in Housing;
Appointing the Chairman of Said Housing Finance
Authority and Establishing Term of Office, Providing
the Effective Date of this Resolution and Providing
Certain Other Details with Respect Thereto

WHEREAS, the Board of County Commissioners of St. Lucie County, Florida, by Ordinance No. 80-3, adopted on July 22, 1980 (the "Ordinance") created the St. Lucie County Housing Finance Authority (the "Authority") to alleviate a shortage of housing and capital for investment in housing in St. Lucie County, Florida; and

WHEREAS, pursuant to the Ordinance and the Florida Housing Finance Authority Law, Section 159.601 et seq., Florida Statutes (the "Act"), the Authority may not transact business or exercise any powers until the Board of County Commissioners declares the need for the Authority to function to alleviate a shortage of housing and capital for investment in housing; and

WHEREAS, the Board of County Commissioners has determined, after reviewing appropriate information, and being aware of the general state of the local economy and rapidly increasing housing costs and shortages of sufficient low cost capital for housing in the County, that there is a need for the Authority to function;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of St. Lucie County, Florida, in meeting assembled this 22nd day of July, 1980:

Section 1. It is hereby found, determined and declared that:

(a) Within the County there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, deprives the County of an adequate tax base, and causes the County to make excessive expenditures

for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities.

(b) The shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction and rehabilitation of housing through the use of public financing.

(c) The financing, acquisition, construction reconstruction and rehabilitation of housing and of the real and personal property and other facilities necessary, incidental and appurtenant thereto are exclusively public uses and purposes for which public money may be spent, advanced, loaned or granted and are governmental functions of public concern.

(d) There is a need for the Authority to function to alleviate the shortage of housing and capital for investment in housing with the County.

Section 2. The following individual is hereby appointed as the initial Chairman of the Authority for the term commencing on the effective date of this Resolution and expiring as shown:

Chairman

Expiration of Term

The Chairman shall serve until his successor has been appointed and qualified.

Section 3. It is the intention of the Board of County Commissioners of St. Lucie County, Florida, under the provisions of Section 159.605(3), Florida Statutes, that they and the Chairman shall carry out the powers of the Authority until the remaining members are appointed.

Section 4. All resolutions or parts of resolutions in conflict with the provisions hereof are hereby repealed.

Section 5. This Resolution shall become effective immediately.

BOARD OF COUNTY COMMISSIONERS
ST. LUCIE COUNTY, FLORIDA

By

Henry D. Smith
Chairman

ATTEST:

John P. Poulos
Clerk

STATE OF FLORIDA
COUNTY OF ST. LUCIE

The undersigned, Clerk of the Board of County Commissioners of the county and state aforesaid, does hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the said Board of County Commissioners at a meeting held on the 22nd day of July, 1980.

Witness my hand and the seal of said Board this 22nd day of July, 1980.

Roger Poitras, Clerk of the Board
of County Commissioners of St. Lucie
County, Florida

By Josephine B Rice
Deputy Clerk

Legislative Update:

Section 7 of the new legislation, which amends **Section 189.0694 of the Florida Statutes**, primarily focuses on **additional transparency and accountability** measures for **Housing Finance Authorities (HFAs)**. Here's a breakdown of the key changes and how they will affect the HFA:

1. New Reporting Requirements

- **HFAs must submit an annual report** that includes detailed financial information. This report must cover operational performance, bond issuance, and the status of loans and mortgages under the authority's purview.
- **Enhanced transparency** is a focus, with the reports being publicly available, ensuring that the operations of HFAs are visible to citizens and stakeholders.

2. Board Accountability

- The legislation increases **oversight over the members of HFA boards**, ensuring they follow stricter rules related to governance, ethics, and fiduciary responsibility.
- Board members may face **new training requirements** to ensure compliance with ethical standards and financial regulations.

3. Penalties for Non-compliance

- HFAs that fail to comply with the new reporting and governance standards may face **penalties** or other forms of state intervention.
- This section reinforces the importance of **timely and accurate reporting** to avoid repercussions.

4. Public Accessibility

- **Public access to documents and operations** will be expanded, providing greater insight into how HFAs operate and use public resources.

Overall Impact on HFAs:

- **Increased transparency** in financial and operational reporting.
- **Greater accountability** for board members and staff.
- **Potential penalties** for failing to meet the new requirements.
- **Improved public access** to financial and operational data, promoting trust and oversight.