JACKSONVILLE HOUSING FINANCE AUTHORITY

Jacksonville Housing Finance Authority Board of Directors Meeting
June 17, 2020
Noon
VIRTUAL MEETING VIA ZOOM

- AGENDA -

Call Meeting to Order	Chair
Roll Call of Members to Determine Quorum	
Approval of Minutes of April 15, 2020 Meeting	JHFA Board
I. Public Comments	
A. Public Comments	Public
II. REPORTS	
A. Staff and Financial Report	Laura Stagner
• Financial Statement	
• 2020-2021 Operating Budget	
• JHFA Finance Committee Presentation	
• Conferences	
B. Financial Advisor Memo	Mark Hendrickson
IV. ACTION ITEMS	
A. Board Members Declare Conflicts, if any	Board
B. Consider Final Approval for Sydney Trace	Hendrickson/Bond Collins
C. Consider Targeting/Selection Criteria for LGAOF	Hendrickson
D. Consider Authorizing NOFA for LGAOF Loans	Hendrickson
E. Consider Authorizing NOFA for Local Government Support Loans	Hendrickson
F. Consider Authorizing NOFA's for LGAOF & Local Contributions	Hendrickson
V. NEW BUSINESS	
VI. OLD BUSINESS	
A. Update on Bond Allocation	Rhonda Bond-Collins
B. Single Family Program	Mark Hendrickson
C. New Rental Financings: Update on Sydney Trace	Mark Hendrickson
D. Update on Existing Rental Properties	Mark Hendrickson
• Recent JHFA Activities/Developments	
• Occupancy Report	
E. Update on 2020 Legislative Session	Mark Hendrickson
F.	
VII. ADJOURN JHFA MEETING	Chair

TAB 1

Approval of Minutes of April 15, 2020 Meeting

JACKSONVILLE HOUSING FINANCE AUTHORITY

Board of Directors Meeting

MINUTES

OF

REGULAR MEETING

April 15, 2020

April 15, 2020: JHFA Board Meeting
Noon
Meeting Held Via Zoom

BOARD MEETING:
Present at the meeting were:

BOARD MEMBERS
Barney Smith, Chair
Spencer Cummings, Vice Chair
Dee Bumbarger, Secretary
Nadine Carswell, Member
Jeffrey Rosen, Member
Jane Scofield, Member

PROFESSIONAL STAFF:
Mark Hendrickson, The Hendrickson Company, Financial Advisor
Susan Leigh, The Community Concepts Group, Financial Advisor
Helen Feinberg, RBC Capital Markets, Investment Banker
Rhonda Bond-Collins, Bryant Miller Olive, Bond Counsel
Mary Staffopolous, City of Jacksonville Office of General Counsel
Lawsikia Hodges, City of Jacksonville Office of General Counsel
David Migut, City of Jacksonville Office of General Counsel
Lawsikia Hodges, City of Jacksonville Office of General Counsel
Tricia Heintz, Bank of New York Mellon, Trustee

CITY STAFF:
Tom Daly
Laura Stagner
Taryn Roberts
Melody Saftner

PUBLIC:
Ryan Hoover, Vestcor
Steve Moore, Vestcor
Allison Adams, Vestcor
Brianne Heffner, Southport
Jordan Nelson, Southport
Geoff Harlan, Blue Sky Communities
Shannon Nazworth, Ability Housing
Steve Kelly, Downtown Investment Authority

BOARD MEETING
Chairman Smith called the meeting to order at 12:03 pm, and read a statement related to the conduct of meeting via Zoom, and methods for public participation. Ms. Stagner provided additional instructions, including how members of the public could access meeting documents on the City's website.

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Establishment of Quorum Via Roll Call
Chairman Smith called the roll of Board members and all members were present.

Communications Media Technology Policy
Mr. Migut presented a proposed Communication Media Technology Policy for Board consideration. Chairman Smith asked for public comment on the policy and there was none. After discussion, Mr. Cummings moved, with a second by Mr. Rosen, that the Board **approve the proposed Communication Media Technology Policy as presented by OGC**. The motion passed 6-0, via a roll call vote.

Minutes
Ms. Carswell moved, with a second by Ms. Bumbarger, that the **Board approve the minutes of the February 19, 2020 Board meeting.** The motion passed 6-0, via roll call vote**.**

Public Comments
Ms. Stagner reported that no public comments had been received via email.

Mr. Steve Moore updated the Board on the delay in the Sydney Trace financing and on multiple properties with JHFA financing. He stated that Boston Financial had "walked" on the Sydney Trace a week before closing, but that Vestcor had secured a replacement for the debt provider and had an offer from an equity provider. Mr. Moore stated that the financing should be ready for JHFA Board approval in May, closing shortly thereafter.

Staff Report and Financial Report
Ms. Stagner updated the Board on JHFA financials.

Ms. Leigh updated the Board on the status of the Florida ALHFA conference scheduled for July, stating that planning was proceeding, and that no decision had yet been made to cancel or delay the conference.

Board Member Conflicts
No Board member reported a conflict.

Timuquana Park Apartments
Ms. Leigh stated that she had submitted a conflict letter related to this financing, and had not taken part in the analysis or recommendations to date, and would not participate in any aspect of the financing analysis by the financial advisors.

Mr. Hendrickson presented the background on the development and the proposed acquisition and rehabilitation of the development by an entity related to Southport. Ms. Bond-Collins presented a proposed Inducement Resolution for a bond issue not to exceed $9.3 million, with the Resolution also including authorization for counsel and staff to hold a TEFRA hearing, request City Council TEFRA approval, and to enter into a Preliminary Agreement. After discussion, Ms. Scofield moved, with a second by Mr. Rosen, that the Board **approve the Timuquana Park Inducement Resolution as presented by bond counsel**. The motion passed 6-0, via roll call vote.

Bond Allocation
Mr. Hendrickson updated the Board on bond allocation, stating that the 2020 bond allocation would be reserved after City Council approval of the Single Family TEFRA.

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Single Family
Mr. Hendrickson updated the Board on the program, stating that interest rates had been lowered but that the profit margin on MBS sales had increased.

Multi-Family Updates
Mr. Hendrickson updated the Board on upcoming financings.

Local Contribution/Local Government Area of Opportunity Funding (Preference)
Mr. Hendrickson stated that the Board would need to consider targeting and selection factors for the upcoming FHFC RFA for 9% Housing Credits at the May JHFA meeting.

Existing Properties
Mr. Hendrickson reported that portfolio occupancy was 97.3% as of February 28.

2020 Legislative Update
Mr. Hendrickson reported that the legislature had approved full funding from the Sadowski Housing Trust Funds for the first time in 13 years, and that the funding level was $370 million. Mr. Daly reported on the City's plans for use of federal CARE Act (COVID-19) funds and SHIP funds. Mr. Hendrickson reported that due to the Governor's declaration of an emergency, the Florida Housing Finance Corporation had the authority to waive statute and rules related to SHIP, and that this was being facilitated to permit more funds to be used for rental assistance to those impacted by job loss due to COVID-19. He stated that the Sadowski Education Effort was continuing to work on housing funding with the message that Housing = Healthcare, so that the legislature would not consider rescinding the appropriation.

New Business
There was no new business.

Introduction of David Migut
Ms. Hodges introduced Mr. Migut, stating that he would be taking the lead for OGC on JHFA matters.

Procedures for Signatures
Ms. Bond-Collins updated the Board on procedures she would be using to obtain required Board signatures during the Safer at Home time period.

Adjournment
On a motion by Mr. Cummings, seconded by Mr. Rosen, the Board voted unanimously to adjourn the meeting at 12:59 PM.

DRAFT

TAB 2

Staff and Financial Report

JACKSONVILLE HOUSING FINANCE AUTHORITY
COMBINING BALANCE SHEET
MAY 31, 2020

	JACKSONVILLE HOUSING FINANCE AUTHORITY			
	721	**722**	**723**	**TOTAL**
	Operating	LGSC Funds	Loan Funds	
ASSETS				
Equity in Cash and Investments	$ 5,111,610	$ 2,056,816	$ 2,605,014	$ 9,773,440
Cash in Escrow and with Fiscal Agents	1,500,000	-	-	1,500,000
Mortgages Receivable	5,146,836	5,915,873	1,717,820	12,780,529
Allowance for Doubtful Accounts	(1,168,459)	-	-	(1,168,459)
Other Assets	-	-	-	-
TOTAL ASSETS	$ 10,589,988	$ 7,972,689	$ 4,322,834	$ 22,885,511
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable and Accrued Liabilities	$ -	$ -	$ -	$ -
Deposits	161,122	-	-	161,122
Deferred Revenue	-	-	-	-
Loan Commitments	-	-	-	-
TOTAL LIABILITIES	$ 161,122	$ -	$ -	$ 161,122
FUND BALANCES:				
Nonspendable Fund Balance	$ 3,978,378	$ 5,915,873	$ 1,717,820	$ 11,612,071
Restricted Fund Balance	1,500,000	-	-	1,500,000
Committed Fund Balance	-	1,615,000	2,455,750	4,070,750
Assigned Fund Balance	-	-	-	-
Unassigned Fund Balance	$ 4,590,429	$ 428,240	$ 623,426	$ 5,642,095
Current Year Operating Excess (Deficit)	360,060	13,576	(474,162)	(100,526)
Total Fund Balances	$ 10,428,866	$ 7,972,689	$ 4,322,834	$ 22,724,389
TOTAL LIABILITIES AND FUND BALANCES	$ 10,589,988	$ 7,972,689	$ 4,322,834	$ 22,885,511

Outstanding Loan Commitments		**Outstanding Loan Commitments**	
Houston Street Manor (Closed / Unfunded)	115,000	The Waves (Pending/Unfunded)	115,000
Sydney Trace (Pending/Unfunded)	1,500,000	Lofts at Jefferson (Pending / Primary)	225,750
		Ashley Square (Pending/Unfunded)	500,000
	$ 1,615,000	**Grand Total Loan Commitments**	$ 2,455,750

JACKSONVILLE HOUSING FINANCE AUTHORITY
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR TO DATE AS OF MAY 31, 2020

	JACKSONVILLE HOUSING FINANCE AUTHORITY			
	721	722	723	TOTAL
	Operating	LGSC Funds	Loan Funds	
REVENUE:				
From Bond Sources	$ 228,878	$ -	$ -	$ 228,878
From Mortgage Servicing	24,497	-	-	24,497
From Investment & Interest Income	216,127	13,576	25,838	255,541
From Other Sources	-	-	-	-
Total Revenue (Excluding Transfers)	$ 469,502	$ 13,576	$ 25,838	$ 508,916
Transfers from Fund Balance/Intra-fund	-	-	-	-
Total Revenue (Including Transfers)	$ 469,502	$ 13,576	$ 25,838	$ 508,916
EXPENDITURES:				
For Program Uses	$ -	$ -	$ 500,000	$ 500,000
For Personnel Expenses	-	-	-	-
For Operating Expenses	109,442	-	-	109,442
For Other Expenses	-	-	-	-
Total Expenditures	$ 109,442	$ -	$ 500,000	$ 609,442
ENCUMBRANCES:				
For Program Uses	$ -	$ -	$ -	$ -
For Personnel Expenses	-	-	-	-
For Operating Expenses	196	-	-	196
For Other Expenses	-	-	-	-
Total Encumbrances	$ 196	$ -	$ -	$ 196
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	$ 359,864	$ 13,576	$ (474,162)	$ (100,722)

Jacksonville Housing Finance Authority

	Estimated Revenues:	**2020/2021 Proposed**	**2019/2020 Approved**	**Change $**
361101	Investment Pool Earnings	30,000	47,162	$ (17,162)
361110	Mortgage Interest Income	36,750	30,000	6,750
361420	Realized Gain-Loss On Investments	$ 55,000	$ 55,000	-
369050	Miscellaneous Sales and Charges	10,000	78,019	(68,019)
385020	Bond Issuer Fees	200,000	125,000	75,000
	Total Estimated Revenues	**$ 331,750**	**$ 335,181**	**$ (3,431)**
	Estimated Expenditures:			
	Personnel *			
512010	Permanent and Probationary Salaries	$ 69,377	$ 71,451	$ (2,074)
514010	Salaries Overtime	-	-	-
515110	Special Pay - Pensionable	744	899	(155)
521010	Payroll Taxes FICA	-	-	-
521020	Medicare Tax	1,020	1,053	(33)
522010	Pension Contribution	3,114	5,082	(1,968)
522011	GEPP DB Unfunded Liability	9,257	14,073	(4,816)
522070	Disability Trust Fund-ER	210	217	(7)
523030	Group Life Insurance	390	251	139
523040	Group Hospitalization Insurance	8,838	10,723	(1,885)
	Total Personnel	**$ 92,951**	**$ 103,749**	**$ (10,798)**
	Operating Expenses			
531090	Other Professional Services	$ 140,000	$ 150,000	$ (10,000)
540020	Travel Expense	10,000	10,000	-
546030	Repairs and Maintenance	-	1	(1)
548010	Advertising and Promotion	1,000	1,000	-
549040	Miscellaneous Services & Charges	22,938	8,869	14,069
549510	ISA-Computer Sys Maint&Security	2,500	2,359	141
549512	ISA-Copy Center	1,500	1,500	-
549529	ISA-Mailroom Charge	500	409	91
549532	ISA-OGC Legal	35,000	35,000	-
551010	Office Supplies - Other	1,500	1,500	-
552060	Food	1,750	1,000	750
552160	Other Operating Supplies	-	1	(1)
554001	Dues and Subscriptions	4,000	4,000	-
555001	Employee Training Expenses	7,500	7,500	-
	Total Operating Expenses	**$ 228,188**	**$ 223,139**	**$ 5,049**
	Other Expenses			
563020	Capital Improvements Other Than Buildings	$ -	$ 1	$ (1)
564030	Office Equipment	1	1	-
599031	Indirect Cost - General Governement	10,610	8,291	$ 2,319
	Total Other Expenses	**$ 10,611**	**$ 8,293**	**$ 2,318**
	Total Estimated Expenditures	**$ 331,750**	**$ 335,181**	**$ (3,431)**

* The JHFA utilizes Housing & Community Development Division staff on a cost-reimbursement basis as authorized in Section 52.105, *Municipal Code* . The monetary amount budgeted represents 50% of the Director - Finance position and 35% of the Contract Compliance Manager position.

Finance Committee Presentation

Jacksonville Housing Finance Authority

Presented by:

- Barney Smith, JHFA Chair
- Mark Hendrickson, Financial Advisor
- Laura Stagner, JHFA Staff

About Us

The Jacksonville Housing Finance Authority (JHFA) was created in 1978 as the Duval County Housing Finance Authority (DCHFA). The JHFA's position within City government has been altered several times over the past 40 years, most recently in 2014. The JHFA is a dependent special district, governed by a seven-member Board of Directors appointed by the Mayor (4) and City Council (3).

Quick Facts:

- The JHFA does not receive operating appropriations from the City. The JHFA funds all its operations from revenues generated from its bond and loan programs.
- The JHFA is essentially a public purpose lending institution that generates its loans from the proceeds of tax-exempt bonds and program income.
- The JHFA finances loans to first time homebuyers and to developers who build or rehabilitate rental housing for occupancy by eligible families.
- Since its inception, the JHFA has provided over $765 million in funding for the creation of affordable housing.
- This funding has created over 7,300 units of affordable rental housing and thousands of new homeownership opportunities

All the JHFA's programs are market driven. The JHFA must structure programs that work from an economic perspective – not because the law says they must, but because the private sector would not invest their money in bonds or loans that are improperly structured or developments that are not feasible.

Board of Directors

The JHFA is governed by a seven-member Board of Directors. Not less than a majority of the members shall be knowledgeable in one of the following fields: labor, finance, or commerce.

Name	# of Terms	Term Ends / Resolution	Race	Sex	Notes
Bernard E. "Barney" Smith (Chair)	1 of 2	11/30/2023 (2019-820)	W	M	Mayoral Appointment
Spencer Cummings (Vice-Chair)	2 of 2	06/30/2022 (2019-341)	W	M	Mayoral Appointment
Delilah R. "Dee" Bumbarger (Secretary)	1 of 2	06/30/2020 (2016-689)	W	F	Council Appointment
Gloria "Nadine" Sherman Carswell	1 of 2	06/30/2019 (2018-360)	B	F	Council Appointment
Jeffrey Rosen	1 of 2	06/30/2021 (2016-750)	W	M	Mayoral Appointment
Jane L. Scofield	1 of 2	06/30/2022 (2018-736)	W	F	Council Appointment
Vacancy					Mayoral Appointment

Affordable Rental Housing

Recent Developments

Rental Development

The JHFA encourages the development of affordable rental housing through the issuance of Mortgage Revenue Bonds and the provision of local government support commitments, and other forms of subordinate lending.

Mortgage Revenue Bonds

- The JHFA was created to issue Tax-Exempt Mortgage Revenue Bonds for the creation of affordable housing.
- The JHFA is governed by Chapter 52, Municipal Code.
- This issuance of Mortgage Revenue Bonds is further governed by Chapter 159, Florida Statutes and the Internal Revenue Code.

Local Government Support Loans

- Developers seeking to participate in FHFC's various funding cycles are required to obtain local government support contributions (LGSC) as a component of their application.
- The JHFA issues a Notice of Funding Availability (NOFA) for the various FHFC programs soliciting applications from the development community.
- Each application is reviewed against the NOFA requirements and the project(s) are selected by the Authority based upon this review and recommendation.

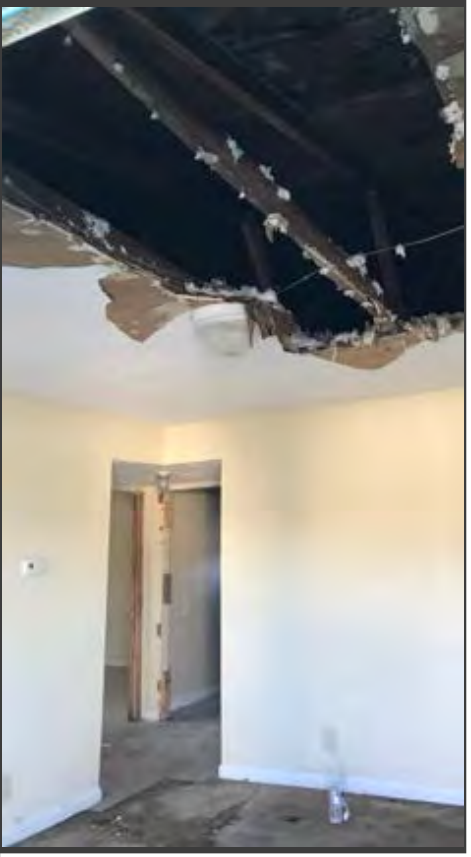
Recent Developments

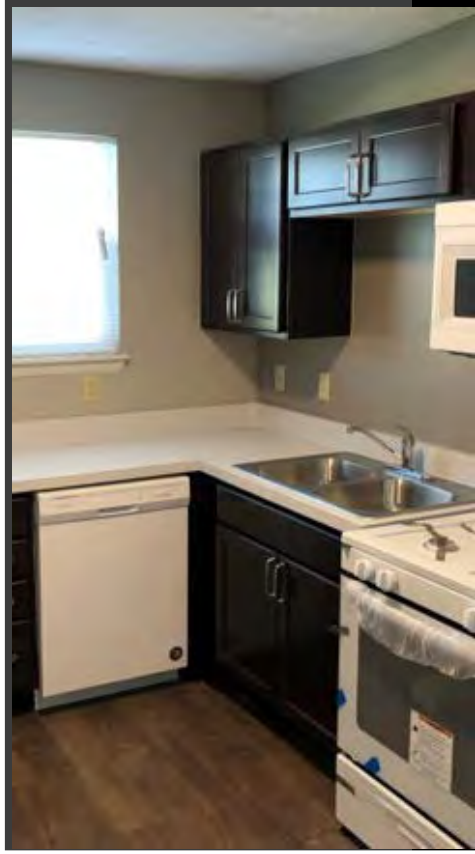
Estimated Economic Impact - $1.08 billion, with 7,440 jobs created

	2015	2016	2017	2018	2019	Grand Total
New Construction						
Caroline Oaks	$ 14,146,603	$ -	$ -	$ -	$ -	$ 14,146,603
Houston Street Manor	$ 21,465,333	$ -	$ -	$ -	$ -	$ 21,465,333
Lofts at Brooklyn	$ -	$ -	$ -	$ -	$ 29,348,801	$ 29,348,801
Lofts at Jefferson Station	$ -	$ -	$ -	$ 20,943,699	$ -	$ 20,943,699
Lofts at LaVilla	$ -	$ 23,382,885	$ -	$ -	$ -	$ 23,382,885
Lofts at Monroe	$ -	$ -	$ 20,245,500	$ -	$ -	$ 20,245,500
Mary Eaves	$ -	$ 13,325,568	$ -	$ -	$ -	$ 13,325,568
Peyton Ridge	$ -	$ 16,894,456	$ -	$ -	$ -	$ 16,894,456
The Waves	$ -	$ -	$ -	$ -	$ 29,726,033	$ 29,726,033
New Construction Total	**$ 35,611,936**	**$ 53,602,909**	**$ 20,245,500**	**$ 20,943,699**	**$ 59,074,834**	**$ 189,478,878**
Rehabilitation						
Caroline Arms	$ -	$ -	$ -	$ 22,630,922	$ -	$ 22,630,922
Cathedral Terrace	$ -	$ 25,604,057	$ -	$ -	$ -	$ 25,604,057
Desert Winds / Silver Creek	$ -	$ -	$ -	$ 38,294,751	$ -	$ 38,294,751
Millennia Portfolio	$ -	$ -	$ -	$ 129,590,169	$ -	$ 129,590,169
Monaco Arms	$ -	$ -	$ -	$ -	$ 20,375,112	$ 20,375,112
Oakwood Villa	$ -	$ -	$ 23,092,183	$ -	$ -	$ 23,092,183
Timberwood Trace	$ -	$ -	$ 31,238,140	$ -	$ -	$ 31,238,140
Mt. Carmel Gardens	$ -	$ 21,631,853	$ -	$ -	$ -	$ 21,631,853
Rehabilitation Total	**$ -**	**$ 47,235,910**	**$ 54,330,323**	**$ 190,515,842**	**$ 20,375,112**	**$ 312,457,187**
Grand Total	**$ 35,611,936**	**$ 100,838,819**	**$ 74,575,823**	**$ 211,459,541**	**$ 79,449,946**	**$ 501,936,065**

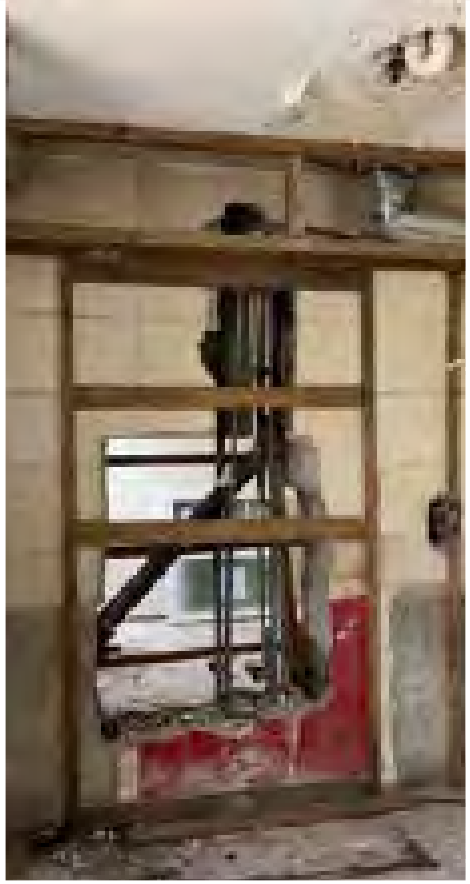
Millennia Portfolio – Valencia Way Before & After

Millennia Portfolio – Calloway Cove Before & After

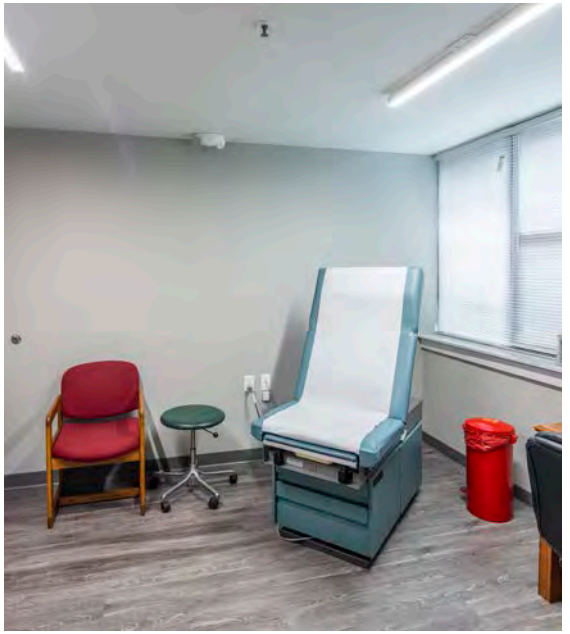


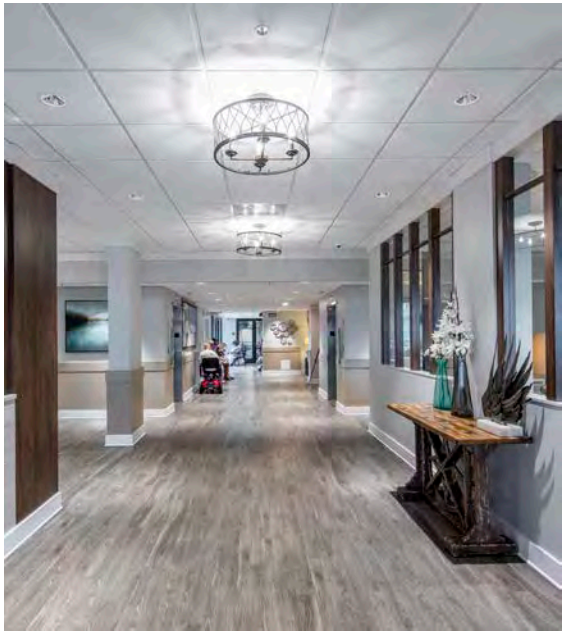


Millennia Portfolio – The Weldon Before & After



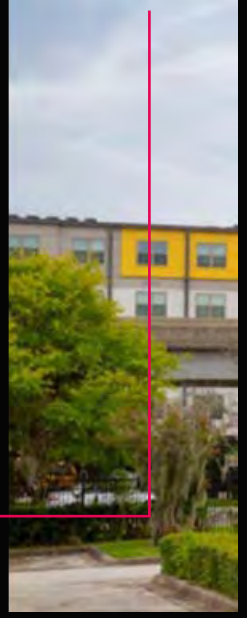
Millennia Portfolio – Palmetto Glen Before & After





Cathedral Terrace

The Waves



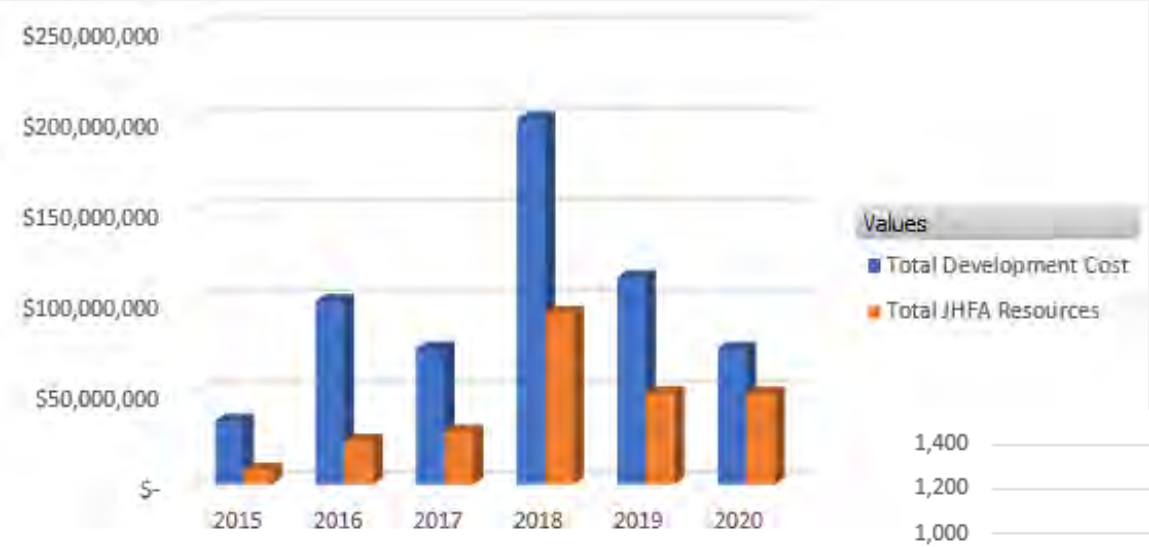
Local Government Support Contributions (9% Credits)

Since 2015, the JHFA has invested $909,500 in Local Government Support Contributions for Florida Housing Finance Corporation's competitive 9% Tax Credit cycle. This small investment has created 541 units of affordable rental housing with a total development cost of $115.39M.

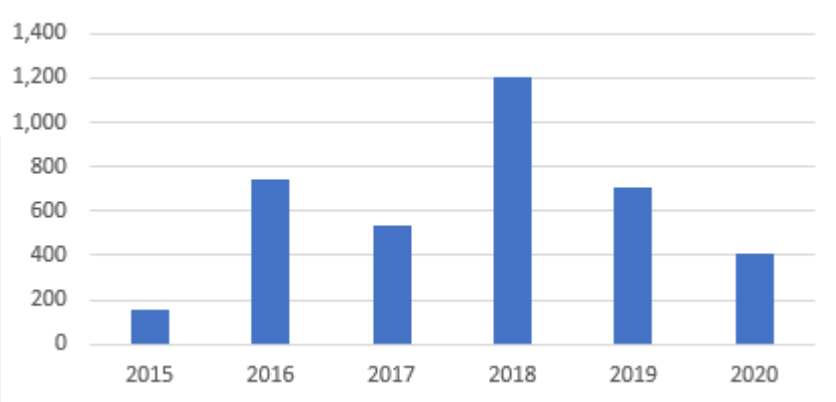
Recent Rental Development 2015-2020

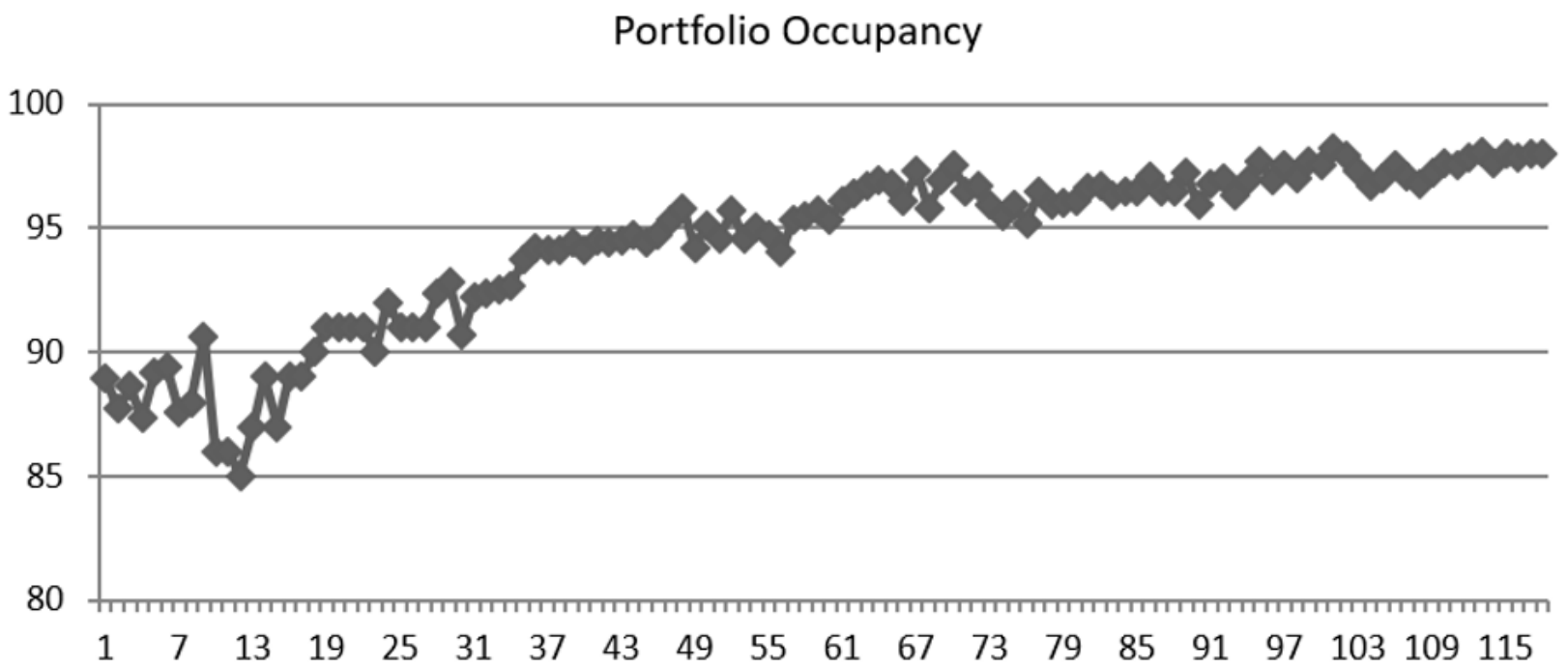
Since 2015, the JHFA has issued $248M in mortgage revenue bonds and $6.8M in subordinate loans to facilitate the acquisition, rehabilitation or new construction of over $600M in affordable rental housing. This has resulted in the creation or preservation of 3,745 affordable rental units.

Rental Development ($)



Rental Development (Units)





Occupancy and Compliance Monitoring

All developments within the JHFA's portfolio are in compliance. The current weighted average occupancy of the portfolio is 98.0%. The following chart tracks portfolio occupancy over the last nine years. Occupancy hit a low point during the housing crisis as persons without employment doubled up in apartments or moved back to family residences. With job creation and new household formation, demand for the existing units has risen dramatically and continues to be strong.

Affordable Homeownership

Homebuyer Programs

Single-Family Loan Program

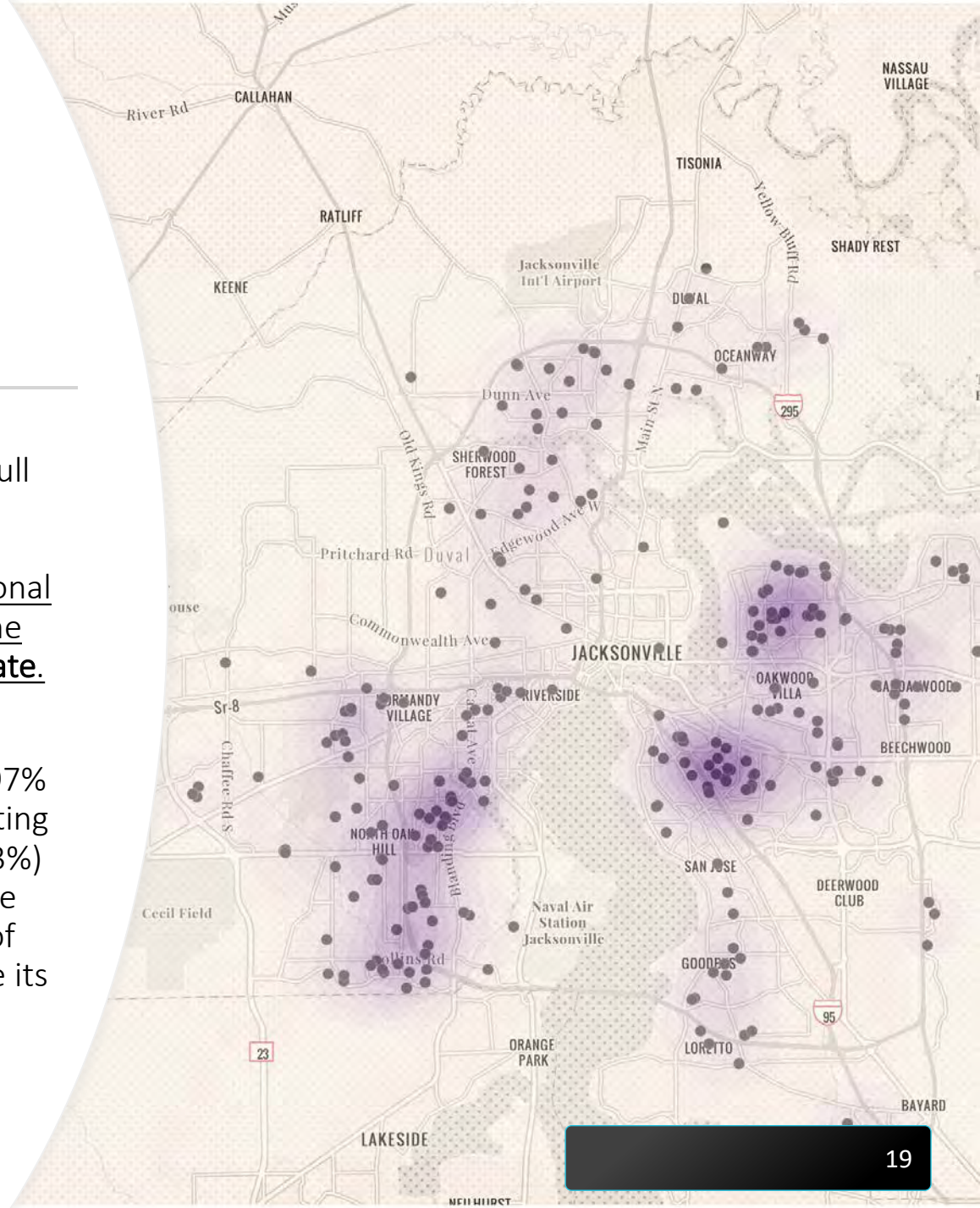
- The JHFA's Single Family Loan Program, launched in 2014, does not utilize tax-exempt bonds. Instead, the JHFA is offering affordable 30-year fixed-rate mortgages through participating lenders, and then selling those mortgages. This allows limited JHFA cash reserves to serve as a revolving fund for a continual loan program.
- In addition to the fixed rate mortgage (currently 3.625%), the home buyers also receive a mortgage credit certificate (MCC) valued at up to $2,000 per year. The MCC is a federal tax credit (not deduction) and may be claimed each year that the buyer continues to live in the home. Also, in order to help each borrower achieve home ownership, JHFA provides a $7,500 down payment assistance loan.
- Since inception, this program has generated 534 first mortgage loans totaling over $471.94 million. The program has distributed MCCs totaling $30.9 million to date. The average family in the program had a 37-year old head of household, with total family income of $47,185, and who purchased a $139,965 priced home.
- The JHFA partners with Brevard, Clay, and Hillsborough Counties to facilitate the pooling and sale of mortgages originated in the home ownership programs of the four counties. By pooling mortgages, marketable volume is achieved more quickly, reducing interest rate risk and quick return of the JHFA's capital investment (for use in making new loans). The JHFA has executed 140 sales for a profit of $1,702,480 from the sales—funds that are used to make the down payment assistance loans.

Note – program performance data is as of April 30, 2020.

Single-Family Loan Program

- Since most borrowers can claim the full $2,000 refundable credit per year, these families will get a collective annual tax savings of $1,068,000. <u>This is the functional equivalent of having provided each of the borrowers with a **1.40% first mortgage rate**.</u>

- Throughout the life of the program, 97% of the homes purchased have been existing housing stock, with the vast majority (93%) being single-family detached houses. The below map represents the distribution of these loans throughout the county since its inception.



Thank You

Jacksonville Housing Finance Authority
(904) 255-8279
jhfa@coj.net
https://www.coj.net/departments/independent-boards-and-agencies/jacksonville-housing-finance-authority

TAB 3

Financial Advisor Memo

THE HENDRICKSON COMPANY & COMMUNITY CONCEPTS GROUP

To: Board of Directors, Jacksonville Housing Finance Authority

From: Mark Hendrickson & Susan Leigh, Financial Advisors

Subject: June 17, 2020 JHFA MEETING

Date: June 9, 2020

I. 2020 Bond Allocation—Informational

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2020			$49,375,809	
2019		$100,000,000		December 30, 2022
2018	$100,000,000	$ 17,500,000		December 30, 2021
2017	$ 50,000,000	$140,700,000		December 30, 2020
TOTAL	**$150,000,000**	**$258,200,000**	**$49,375,809**	

1. The 2020 allocation is $49,375,809 an increase of $478,338 (1.0%) over 2019.

2. A TEFRA hearing for $50 million of single family was held March 9, and is scheduled for City Council approval June 23. After approval, the 2020 allocation can be reserved.

3. **Recommendation**: None.

II. 2013 Single Family Loan Program—Informational

1. The **current program guidelines**:
   - 1st mortgage: 3.125%, 1% origination fee, FHA, VA, RD, Freddie Mac loans suspended
   - First time homebuyers.
   - Income Limit: $70,386 (1-2 person household) & $80,944 (3+ person household)
   - Sales Price limit $199,000.
   - Minimum credit score of 640 (limited to 70 loans, all county total for 2020, then 660)
   - Interest rate set by the HFA of Hillsborough County, with rate set at level that is anticipated to generate a premium when sold.
   - Loans purchased by the master servicer (US Bank) and converted into MBS.
   - MBS are purchased by the HFA of Hillsborough County, on behalf of all HFA's
   - MBS are sold, with each HFA keeping its pro rata share of any net premium or loss realized from the sale of the MBS.
   - Down payment assistance: $7,500 second mortgage, due on sale of property, or maturity of first mortgage
   - Mortgage Credit Certificates providing homebuyers a credit in the amount of 50% of mortgage interest paid annually (up to a $2,000 annually).

2. **DPA Analysis:** The DPA amount was increased to $7,500 effective March 1, 2019.

DPA AUTHORIZED	
Date	Amount
2012	$ 250,000
May- 2015	$ 200,000
Jun- 2015	$ 400,000
Sep- 2017	$ 703,000
Jun- 2018	$ 250,000
Jun- 2018	$ 315,443
Feb- 2019	$ 100,000
Oct- 2019	$ 250,000
Feb- 2020	$ 250,000
TOTAL	**$ 2,718,443**

LOAN VOLUME	**$ 2,829,300**
FHFC	$ 88,796
Repayments	$ 165,000
Total	$ 253,796
NET VOLUME	**$ 2,575,504**
AVAILABLE	**$ 142,939**

3. **Rate Change**: The interest rate was decreased last month to an all-time program low of 3.125%.

4. **Program Demographics:**

Sales Price/ # Loans	Loan Amount	Borrower Income	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	MCC Amount
$140,695 545 loans +9 loans	$135,041	$47,262	37.0 50% female	2.3	SF Detached 93% Condo: 2% Townhouse: 5% Existing: 98% New: 2%	Black: 28% White NH 39% Hispanic: 19% Mixed: 1% Asian: 8% Other: 5%	$32,014,195 $66,145.03 avg. 484 buyers

5. **Lender Originations**:

Lender	2012-2018	2019	2020	Total
Academy	124	31	26	181
Fairway	50	7	6	63
SWBC	112	11	5	128
Prime	51	4	0	55
Bank of England	51	1	2	54
CMG	13	0	1	14
Pacific Union	23	0	0	23
Other	23	1	3	27
TOTAL	**447**	**55**	**43**	**545**

6. **Sales Price by Year**:

	SALES PRICE BY YEAR	
	NUMBER LOANS	Average Sale Price
2014	31	$103,360
2015	45	$113,192
2016	8	$142,617
2017	48	$136,902
2018	315	$146,150
2019	55	$150,359
2020	43	$147,942

7. **MCC's:** The HFA converted $200.25 million of bond authority into $50,063,000 of MCC's. Tranche 1 ($5.25 million) expired at the end of 2015 with $1,109,274 not utilized. Tranche 2 ($10.0 million) expired at the end of 2016, with $9,668,903 not utilized. Tranche 3 ($14.75 million) expired at the end of 2018, with $446,149 not used. Tranche 4 ($20,062,500) expires December 31, 2020 ($13,843,485 used to date). JHFA has $50 million of single-family bond allocation which will be converted to $12.5 million of MCC's in June 2020, and which will be available until December 31, 2022.

8. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan in 2020 of $143,000 and a 3.125%/30-year mortgage, interest payments in Year 1 = $4,469. With the 50% MCC rate that the HFA has chosen, **the homebuyer would be able to claim a tax credit of the full $2,000 per year maximum allowed by federal law** (slightly declining after year 6 as more of monthly payment is principal) until the home buyers sells or moves from the property. **The $2,000 of tax savings lowers the "functional" mortgage rate for the program from 3.125% to approximately 0.85%.**

9. **MBS Sales**: The HFA has executed 148 sales, with net revenues of $1,716,425 (net meaning after payments to RBC and counsel) coming to JHFA. Recent sales have averaged over a 4% profit, or $5,720 on the average 2020 loan. Therefore, the net cost of DPA is only $1,780.

10. **Hedges & Exposure**: Hillsborough County has 9 hedges totaling $9.59 million in place. With full delivery, the projected net revenues are estimated at $478,308 (shared pro rata with counties based upon originations). The unhedged pipeline as of June 5 is $0 (changes daily).

11. **Size of Program:** The initial legislation wherein City Council authorized the program limited it to no more than $1.5 million of loans in pipeline at any time. In June, the Board changed the authorization to $1.5 million of unhedged loans**. Loans originated or in progress are $71.94 million.**

12. **Recommendation:** None.

III. New Rental Financings—Action

1. **Ashley Square** is moving forward with bond financing, with a new projected closing date of October 2020 (targeting September JHFA Board meeting). **Cedar Station** and **Parkway Commons** applied for SAIL but did not win. The developer still has the sites under contract and the deals are still "active". **Timuquana Gardens** is beginning to move forward.

2. The 2020 Bond Application is now "open", meaning applications are evaluated on a first-come first-evaluated basis**.**

3. The Board approved **Gap Financing** for developments using JHFA bonds of $2 million, with $1.5 million to **Sydney Trace** and $0.5 million to **Ashley Square**).

4. **Sydney Trace** is scheduled to close June 30, 2020. The developer has requested issuance of bonds in an amount not to exceed $21,500,000. The credit underwriting is complete, and the deal is ready for Board action. Bond counsel has prepared and distributed a resolution that gives final approvals necessary to sell and close bonds, including [summary only, please read resolution for full description]:
   - Approval of substantially final forms of bond and loan documents including the Trust Indenture, Loan Agreement (Promissory Notes attached as Exhibits), LURA, Compliance Monitoring Agreement, Construction Loan and Mortgage Servicing Agreement, Financial Monitoring Agreement, Bond Purchase Agreement, Subordination Agreements, and Assignments of Mortgage Documents;
   - Approval of the estimated Cost of Issuance;
   - Approval of the final Credit Underwriting Report;
   - Authorization of the issuance of the Bonds (subject to the parameters in the Resolution) and sale to the Placement Agent/Purchaser with respect to the Series 2020A Bonds and to the Purchaser with respect to the Series 2020B Bonds;
   - Official Appointment of RBC Capital Markets LLC as Placement Agent in connection with the sale of the Bonds;
   - Official appointment of Seltzer Management Group, Inc., as compliance monitor, financial monitor and construction/loan servicer;
   - To the extent necessary, with respect to JDR Lender, LLC and CSM Lender, LLC, the purchasers of the Series 2020B Bonds, the Authority hereby waives the requirement under its multifamily policies and procedures that one or both of them be "Sophisticated Investors" as such term is defined in the Authority's policies and procedures.
   - Official appointment of The Bank of New York Mellon Trust Company as Trustee; and
   - Authorization of appropriate Board members and members of the Issuer to execute documents and take all other actions necessary not inconsistent with the terms of the Resolution.

5. **Recommendation: Sydney Trace**: Adopt Resolution prepared by bond counsel giving final approvals for bond sale.

	Ashley Square	Sydney Trace
Developer/ Location	Blue Sky Communities Tampa, FL	Vestcor Jacksonville, FL
Development Location	127 E. Ashley St. & 116 E. Beaver St. Cathedral District	Villages of Argyle North side of Merchants Way, west of intersection of Oakleaf Village parkway & Merchants Way 32222
City Council District	Reggie Gaffney	Randy White
Type	New Construction Mid-Rise	New Construction Garden
Demographic	Elderly	Family
Bond Request	$15,500,000 $129,167/unit	$19,000,000 $98,958/unit
TEFRA Hearing **TEFRA Approval** **Preliminary Agreement Expiration**	2-1-19/11-4-19 3-26-19/12-10-19 12-31-20	11-4-19 12-10-19 12-31-20
Credit Enhancement	Freddie Mac with Truist as DUS	Direct Purchase by R4 Capital
Credit Underwriter	First Housing	Seltzer
Closing Date	Fall 2020	June 2020
Units	120	192
Permanent 1st Mortgage Estimate	$6,850,000	$14,750,000 $2,500,000 B Bonds 4th
SAIL. ELI & NHTF (FHFC)	$8,426,800	$0
City Loan	$1,000,000	$1,000,000
JHFA Loan	$610,000	$1,500,000
Housing Credits	Raymond James $9,410,377 $78,420/unit	Wells Fargo $9,640,067 $50,209/unit
TDC	$28,656,859	$31,353,382
TDC per unit	$238,807	$163,299
Land Cost	$900,000 $7,500/unit	$2,970,000 $15,469/unit
Acquisition of Building	NA	NA
Hard Construction or Rehabilitation Cost	$19,227,574 $160,230/unit	$20,863,200 $108,663/unit
Set Aside Period	Perpetuity	30 years
Set Aside Levels	85.0%<60% AMI 10.0%<33% AMI 5.0<22% AMI	100%<60% AMI

	Cedar Station	Parkway Commons	Timuquana Gardens
Developer/ Location	Southport Development Tampa, FL	Southport Development Tampa, FL	Southport Development Tampa, FL
Development Location	East side of Harlow Blvd. approx. 985 feet north of Harlow & 103rd Street Cedar Hills	901 Main Street North Downtown	5615 Seaboard Avenue Wesconnett
City Council District	Brenda Priestly Jackson	Reggie Gaffney	Garrett Dennis
Type	New Construction Garden	New Construction Mid-Rise	Rehabilitation Garden
Demographic	Family	Family	Family
Bond Request	$13,500,000 $105,469/unit	$14,500,000 $118,852/unit	$9,850,000 $98,500/unit
TEFRA Hearing **TEFRA Approval** **Preliminary Agreement Expiration**	TBD TBD TBD	TBD TBD TBD	5-26-20 TBD 6-30-21
Credit Enhancement	TBD	TBD	Freddie Mac
Credit Underwriter	TBD	TBD	TBD
Closing Date	Late 2020	Late 2020	3rd Quarter 2020
Units	128	122	100
Permanent 1st Mortgage Estimate	$8,000,000	$7,900,000	$9,850,000
SAIL & ELI (FHFC)	$7,500,000	$7,500,000	$0
City Loan	$0	$0	TBD
JHFA Loan	$115,000	$115,000	TBD
Housing Credits	TBD $8,939,237 $69,838/unit	TBD $8,436,374 $69,151/unit	Raymond James $5,103,490 $51.034/unit
TDC	$24,091,344	$25,570,838	$17,504,196
TDC per unit	$188,214	$213,877	$175,041
Land Cost	$895,000 $6,992/unit	$2,750,000 $22,541/unit	$735,000 $7,350/unit
Acquisition of Building	NA	NA	$7,265,000 $72,650/unit
Hard Construction or Rehabilitation Cost	$16,755,200 $3039004/unit	$16,461,750 $134,932/unit	$4,960,000 $49,600/unit
Set Aside Period	50 years	50 years	Perpetuity
Set Aside Levels	84%<60% AMI 11%<40% AMI 5%<22% AMI	85%<60% AMI 10%<30% AMI 5%<22% AMI	100%<60% AMI

IV. Local Government Area of Opportunity Funding (Preference)—Action

1. Last year, the geographic targeting was driven by the FHFC requirement that the deal be in a Geographic Area of Opportunity—which is not the case this year. A copy a proposed NOFA with selection criteria is attached.

2. In 2016 and 2017, the Board targeted deals in the Central Business District. In 2018, targeting was for deals located within the boundaries of the City of Jacksonville (Pre-consolidation, 1968). In 2019, the Board targeted deals in a Geographic Area of Opportunity, as required by FHFC.

3. The current FHFC schedule has an application due date of November 20. In order to make a selection at the October 21 JHFA meeting, applications would need to be received by October 1. Alternatively, JHFA could schedule a November meeting and push back the deadline.

4. Below are the threshold and selection criteria mandated by Ordinance, along with current and proposed JHFA selection criteria:

PROJECT THRESHOLD CRITERIA [from Ordinance]

- Project must be located within Duval County, Florida;
- Applicant must provide evidence of ownership or other legal control of the project site (e.g., a contract or option to purchase the project site);
- Applicant must provide a set-aside of rental units equal to or greater than the standards for low income Housing Tax Credits or applicable FHFC Program, as the case may be; and,
- Project must have evidence of land use and zoning authorizing the use of the property for multi-family residential uses.

2. **PROJECT SELECTION CRITERIA [from Ordinance]**

- Project feasibility as determined by:
  - ✓ Applicant's development and construction experience;
  - ✓ Applicant's management experience; and
  - ✓ Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service, coverage ratios, the percentage of public monies requested compared to project cost; leveraging)
- Applicant's performance and/or compliance (including any prior defaults) of any prior loans or contracts with the JHFA or the City;
- The extent to which social services and assistance is offered to occupants (including, but not limited to, job training, computer training, home purchase assistance, health-related support);
- The extent to which there is temporary (for any rehabilitation projects) or permanent displacement of existing tenants (then in which event either shall be scored as a negative factor); and,
- The following shall receive emphasis in scoring:
  - ✓ Existing projects with either expiring Section 8 rental assistance contracts, or
  - ✓ The preservation of projects that have expiring affordable housing land use restrictions.

3. PROJECT SELECTION CRITERIA [JHFA]

- **The JHFA established the following funding priorities for Applicants applying for the Local Contribution in conjunction with FHFC RFA 2020-202:**
  - ✓ **Location within TO BE DETERMINED BY JHFA AFTER CONSULTATION WITH MAYOR'S OFFICE BY CHAIRMAN SMITH.**
  - ✓ **Maximum Economic Impact**
  - ✓ **Developments which provide a lift to the neighborhood, and could lead to additional revitalization and/or neighborhood improvement**
  - ✓ **Projects that result in the adaptive reuse or redevelopment of existing structures or properties**
  - ✓ **Proximity to public transportation**

- ✓ **Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level, and leveraging of JHFA funds with other funds to achieve greater impact on the community/neighborhood**
- ✓ **Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term and maximum interest rate [proposed].**
- ✓ **Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA**
- ✓ **Significant difference in number of units produced [proposed]**
- ✓ **Mixed Use Development [proposed]**
- ✓ **Mixed income or use of income averaging [proposed]**

Note: The Board directed that the Guidelines include the following notice: Applications for developments serving the FHFC demographic groups of both Family and Elderly will be accepted. However, if the Board determines that a family development equals or exceeds an Elderly development in terms of the Board's evaluation of the criteria and priorities detailed above, the development serving the Family demographic will be selected.

5. Susan Leigh has recused herself from this item and has not participated in the deliberations of staff nor in the drafting of this section of the memo. She has a developer client which might submit an application for the Jacksonville LGAOF or other funding.

6. **Recommendation:** Authorize publication of a NOFA and application for the LGAOF funding (FHFC RFA 2020-202), with selection criteria as established by the Board, and due date of October 1, 2020.

V. <u>Local Government Support Loans—Action</u>

1. Applicants for SAIL other FHFC subordinate financing, or 9% Housing Credits other than through the large county RFA are required to have local government contributions—for Jacksonville, contributions with a net present value of $75,000.

2. The JHFA has provided this contribution in the form of a 0%/20 year non-amortizing loan.

3. Susan Leigh has recused herself from this item and has not participated in the deliberations of staff nor in the drafting of this section of the memo. She has a developer client which might submit an application for the Jacksonville Local Government Support Loan or other funding.

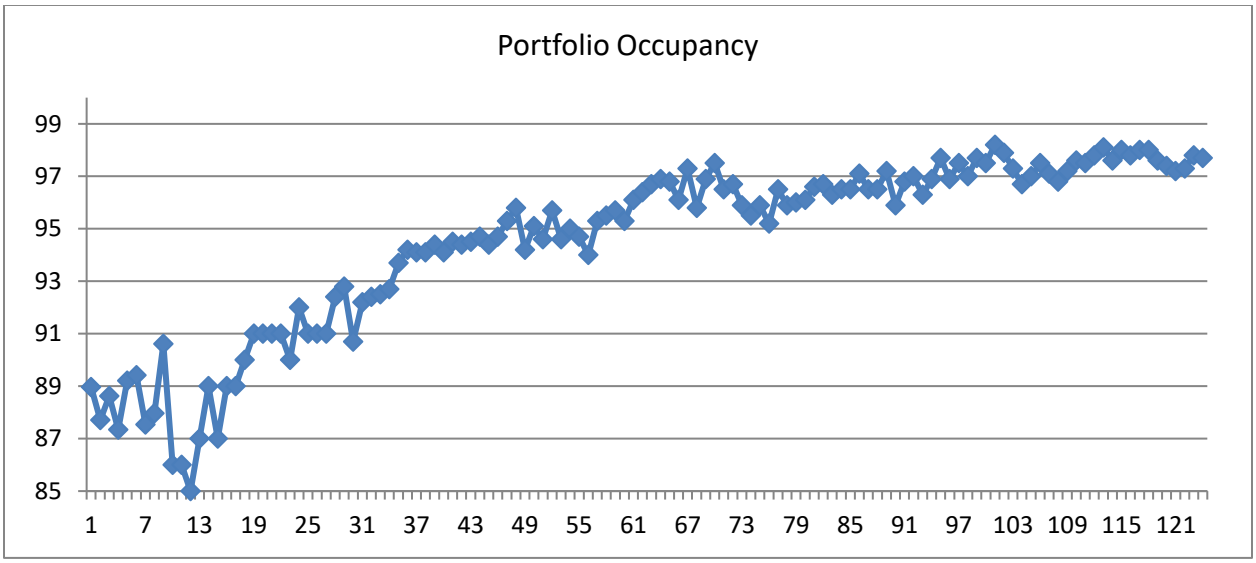
4. **Recommendation**: Authorize publication for a NOFA and application for the minimum local contribution on all other FHFC RFA's, including SAIL, with due date of October 1, 2020 for application related to SAIL (FHFC RFA 2020-205, or other RFA's due to FHFC on November 20, 2020 or earlier), and later dates to be determined for RFA's with a later FHFC due date.

VI. Update on Existing Rental Properties—Informational

1. **Timuquana—**Owner planning new bond issue to recapitalize and rehabilitate the development. Application received.

2. **Development Activity & Occupancy**: The charts below detail developments financed in the last five years and the occupancy of the entire portfolio which is 97.6% (-0.2%).:

3. **Recommendation:** None.



Development	Location	Building Type Demographic	Units	TDC	JHFA Loan
Caroline Oaks 4-22-15	North Main, east side just south of E. 43rd Street	3-Story Elevator NC Elderly	82	$14,146,603	$5.6 million bonds $2.2 million JHFA loan
Cathedral Terrace 1-21-16	701 N. Ocean St.	High Rise Rehab Elderly	240	$25,604,057	$12.5 million bonds $1.0 million JHFA loan
Peyton Ridge 4-7-16	1800 Corporate Square Blvd	3-Story Elevator NC Elderly	120	$16,894,456	$115,000
Mt. Carmel Gardens 8-19-16	5746 Mt. Carmel Terrace	High Rise Rehab Elderly	207	$21,631,853	$9.75 million bonds
Mary Eaves 8-19-16	East of intersection of Myrtle Ave. N. & West 16th St.	Mid-Rise NC Elderly	80	$13,325,568	$300,000
Lofts at LaVilla 10-12-16	906 West Bay Street	Mid-Rise NC Family	130	$23,382,885	$265,000
Timberwood Trace 2-1-17	12250 Atlantic Boulevard	Garden Rehab Family	224	$31,238,140	$16.0 million bonds
Oakwood Villa 6-30-17	8201 Kona Avenue	Garden Rehab Family	200	$23,092,183	$12.7 million bonds
Lofts at Monroe 9-29-17	1000 West Monroe Street	Mid-Rise NC Family	108	$20,245,500	$303,750
Houston Street Manor	615 Houston Street	Mid-Rise NC Elderly	72	$21,465,333	$115,000
Caroline Arms 7-3-18	6457 Fort Caroline Road	Garden Rehab Family	204	$22,630,922	$12.5 million bonds
Lofts at Jefferson Station 10-3-18	799 Water Street	Mid-Rise NC Family	98	$20,943,699	$225,750
Millennia Portfolio 10-24-18	Valencia (Eureka Gardens) 1214 Labelle Street The Weldon (Moncrief Village) 1650 Moncrief Village Drive N. Palmetto Glen (Southside) 2301 Westmont St. Calloway Cove (Washington Heights) 4229 Moncrief Rd. West	Garden Rehab Family	768	$129,590,169	$81.6 million bonds
Desert Winds/Silver Creek 12-28-18	300 Silver Creek Trace	Garden Rehab Family	304	$38,294,751	$22.0 million bonds
Monaco Arms 5-31-19	10415 & 10525 Monaco Drive	Garden Rehab Family	156	$20,375,112	16.38 million bonds
The Waves 9-26-19	Nine scattered JHA public housing sites in Jacksonville Beach	Garden NC Family	127	$29,726,033	$15.8 million bonds $115,000 JHFA loan
Lofts at Brooklyn	190 Chelsea Street	Mid-Rise Family	133	$29,348,801	DIA loan with HC
TOTAL			**3,253**	**$501,936,065**	**$204.83 million bonds $4.640 million JHFA loans**

VII. State Legislative Update—Informational

1. The Senate and House agreed to full funding for housing—the first time in 13 years. The full funding number is $370 million. The importance of this cannot be understated.

2. With full funding, approximately $10.4 million will come to Jacksonville. Additionally, FHFC has released $8.6 million of SHIP that had been held for disasters, with Jacksonville receiving $470,512.

3. The Sadowski Education Effort (SEE) was essential to this success. We weren't the only ones in the fight, but we were the ones getting the editorials written and in constant communication with legislators focused on this issue. Florida ALHFA's incredible relationship with FHFC/Trey Price was also massively helpful this year. There was truly a coordinated effort.

4. The Sadowski Education Effort continues to work on the issue to eliminate the possibility that housing funding is pulled back before July 1 due to COVID-19's impact on revenues. We have adopted a strategy of Housing = Healthcare, and are educating legislators that housing funding is being spent in direct response to the problems caused by COVID.

5. Op-ed pieces have been published in newspapers in Sarasota, Tampa Bay, Palm Beach, Gainesville and Ocala on this topic.

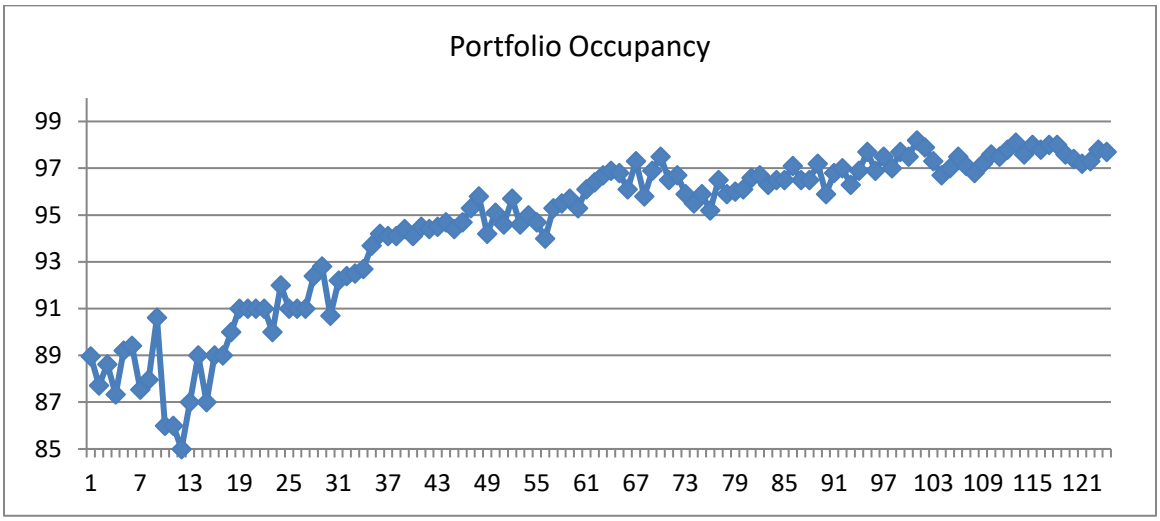
6. **Recommendations**: None.

OCCUPANCY LEVELS
4-30-20

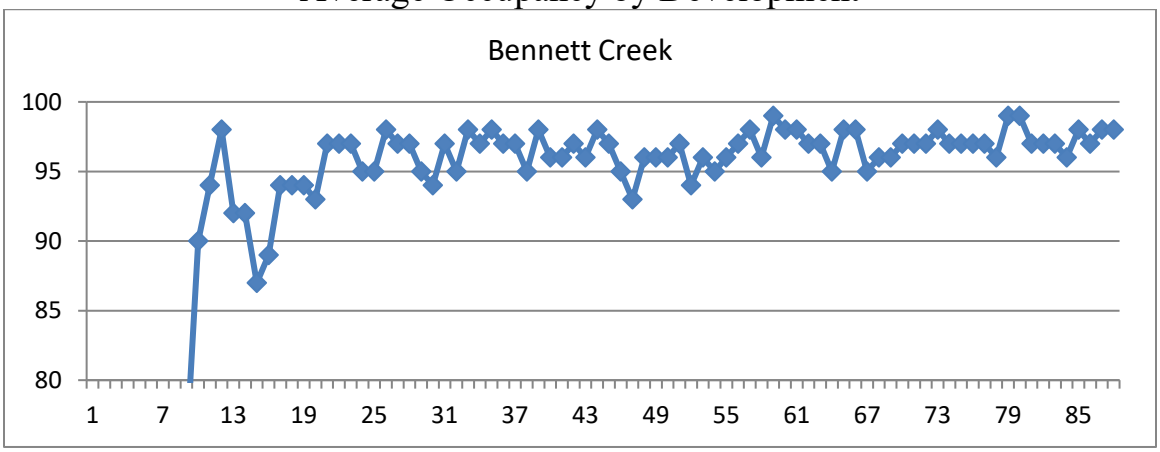
Development & Address	Developer	Original Bonds & Issue Date	Units & Occupancy
Bennett Creek 3585 Salisbury Drive 32216	Richman	$21,600,000 12-21-10	264 98% (+0%)
Brookwood Forest Apartments 1251 Fromage Way 32225	CED	$10,000,000 2005	168 98% (+0%)
Camri Green Apartments 3820 Losco Road 32257	Vestcor	$9,200,000 2003	184 100% (+0)
Caroline Arms 6457 Fort Caroline Road 32277	Lincoln Avenue	$12,500,000 7-3-18	204 95% (-1%)
Caroline Oaks 5175 Main Street N. 32208	Vestcor	$5,600,000 4-22-15	82 99% (-0%)
Cathedral Terrace 701 N. Ocean St. 32202	Blue Sky	$12,500,000 1-21-16	200 97% (-0%)
Christine Cove 3730 Soutel Dr 32208	Carlisle	$6,000,000 2006	96 99% (-0%)
Desert Winds/Silver Creek 233 Sahara Ct. & 300 Silver Creek Trace 32216	LEDIC	$22,000,000 12-28-18	304 99% (+3%) Rolling Rehab
Hartwood (AKA Hampton Ridge) 11501 Harts Road 32218	Southport	$5,840,000 2006	110 85% (-8%)
Lofts at Brooklyn XXXXXXXXXXXXXXXXXXXXX	Vestcor	Housing Credits JHFA selection for LGOAF 2019	133 38% complete
Lofts at Jefferson 799 Water Street 32204	Vestcor	Housing Credits $225,750 JHFA Loan 10-3-18	133 92% (+5%)
Lofts at LaVilla 995 Water Street 32204	Vestcor	Housing Credits $265,000 JHFA loan 10-12-16	130 100% (+0%)
Lofts at Monroe 906 W. Monroe Street 32204	Vestcor	Housing Credits $303,750 JHFA Loan 9-29-17	108 99% (-1%)
Millennia Portfolio Calloway Cove: 97% complete Palmetto Glen- 83% complete The Weldon- 94% complete Valencia Way- 70% complete	Millennia	$81,600,000 10-24-18	768 Rolling Rehab 200/71% 74/95% 94/84% 400/84%
Mary Eaves 1250 16th Street West 32209	Vestcor	FHFC bonds $300,000 JHFA loan 8-19-16	80 99% (+1%)
Monaco Arms 10415 & 10525 Monaco Drive 32218	Lincoln Avenue	$16,380,000 5-31-19	156 96% (+2%) Rolling Rehab
Mt. Carmel Gardens 5846 Mt. Carmel Terrace 32216	BREC	$9,750,000 8-19-16	207 100% (+0%)
Oakwood Villa 8201 Kona Avenue 32211	Southport	$12,700,000 6-30-17	200 99% (+2%)
Peyton Ridge	Vestcor	Housing Credits $115,000 JHFA loan 4-7-16	123 98% (-0%)
Timberwood Trace 12250 Atlantic Blvd. 32225	Southport	$16,000,000 2-1-17	224 96% (+1%)
Timuquana Park Apartments 5615 Seaboard Ave. 32244	Southport	$4,300,000 2004	100 98% (-1%)
The Waves Scattered Sites in Jacksonville Beach	JHA/Vestcor	$15,800,000 2019	127 46% complete

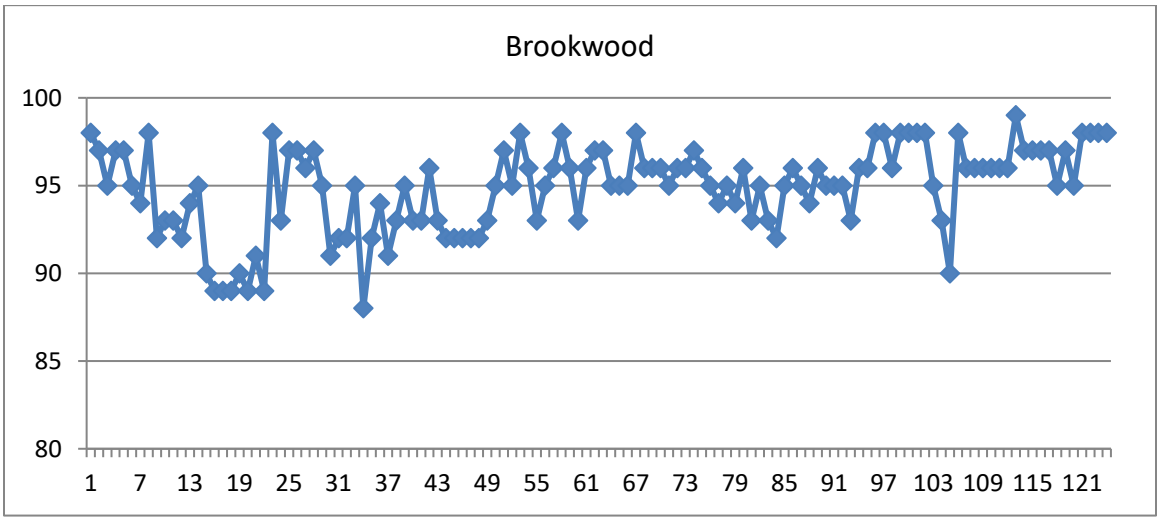
OCCUPANCY LEVELS
4-30-20

124 Month Occupancy Levels—Entire Portfolio Average Occupancy



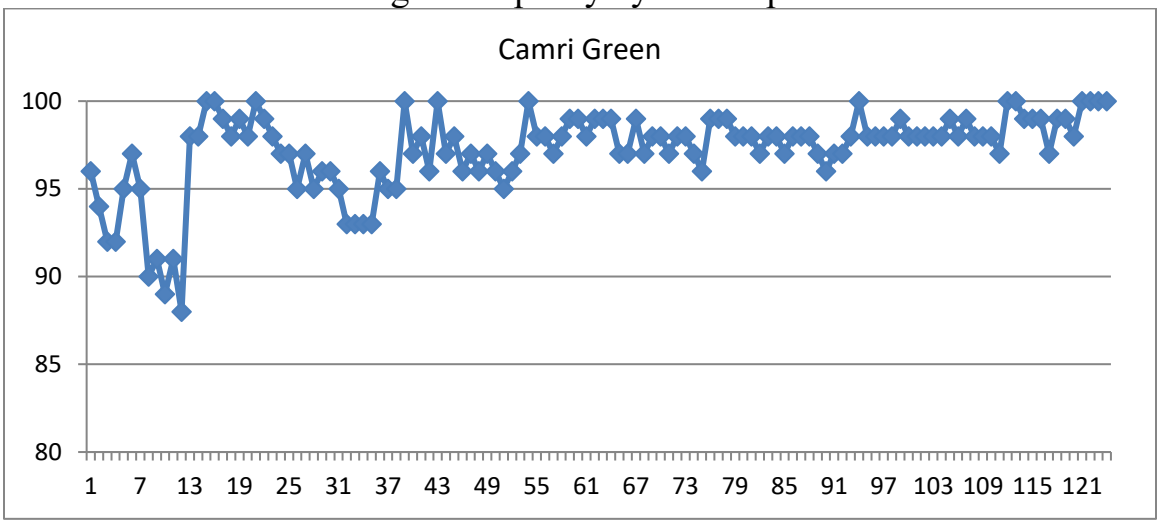
Average Occupancy by Development

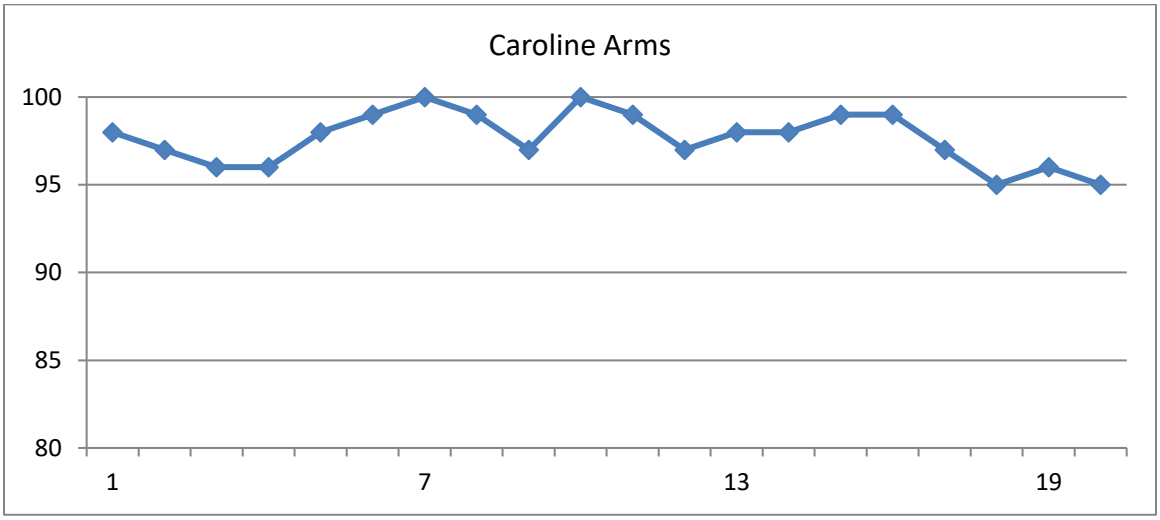


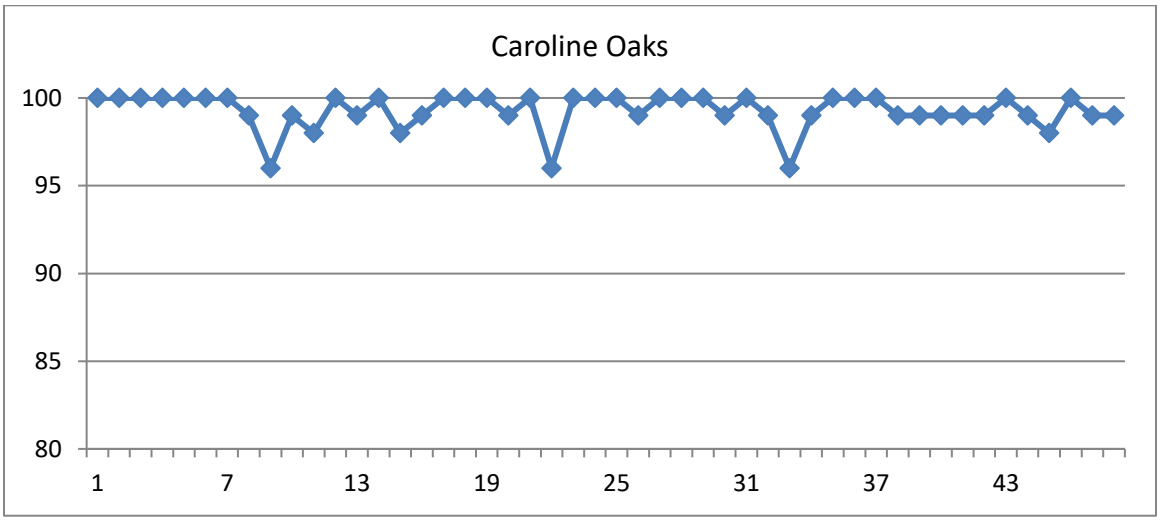


OCCUPANCY LEVELS
4-30-20

Average Occupancy by Development

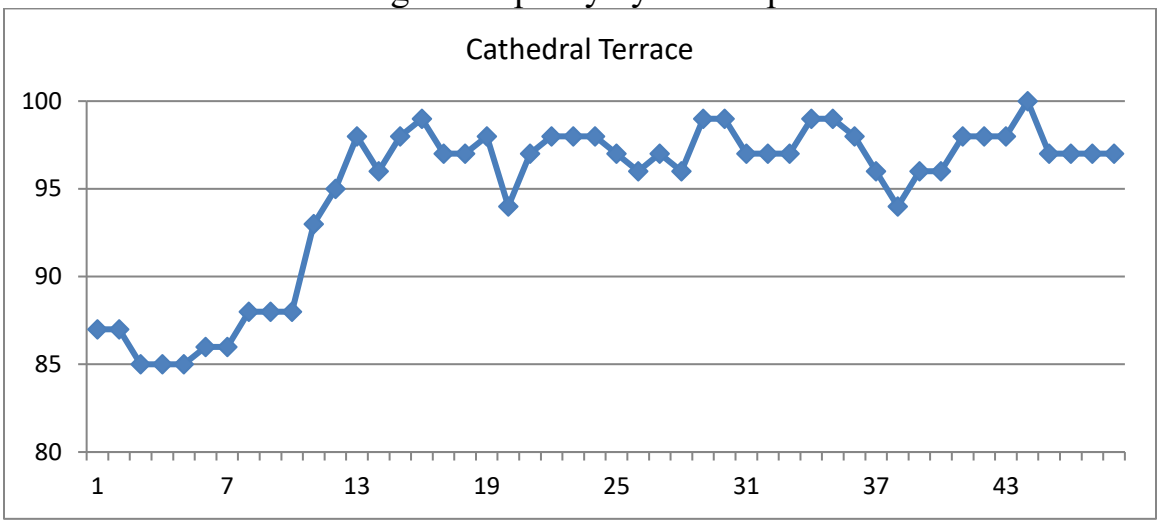


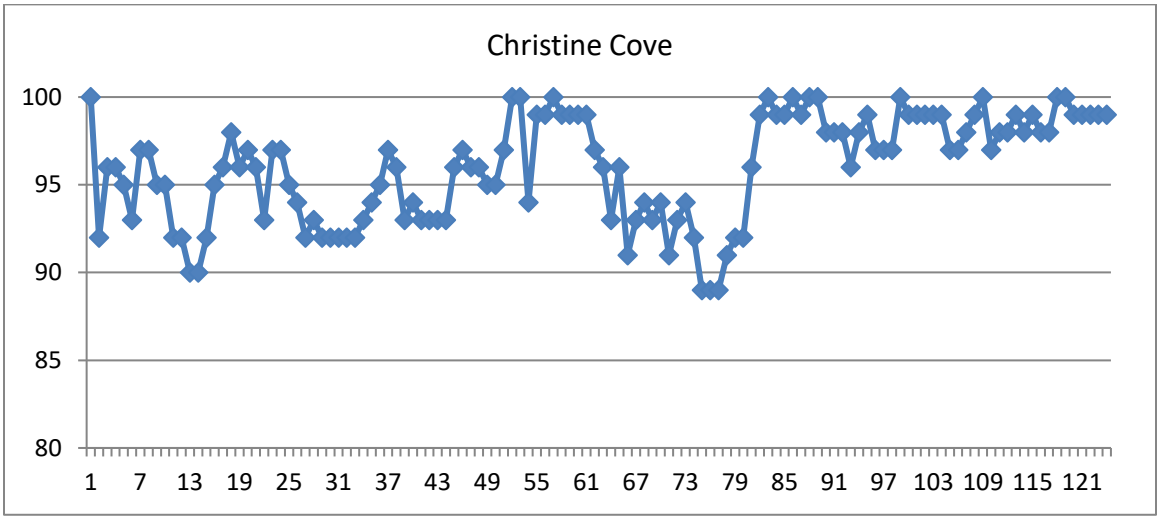


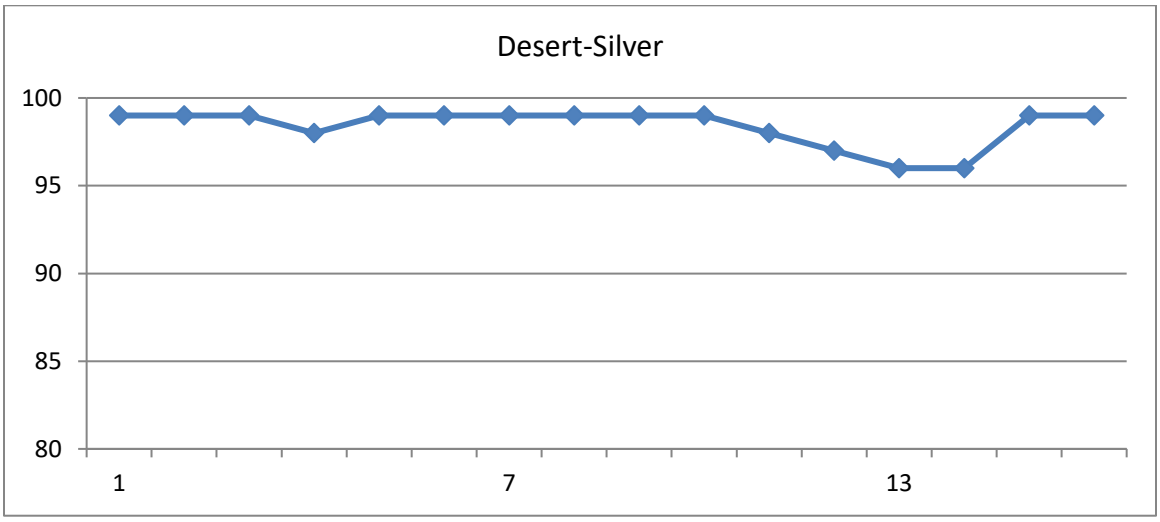


OCCUPANCY LEVELS
4-30-20

Average Occupancy by Development

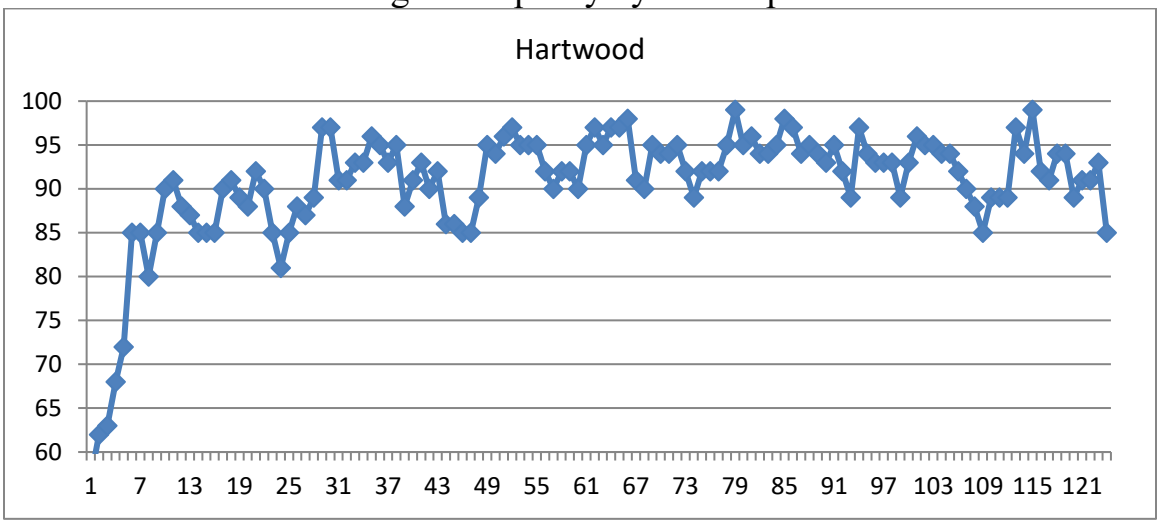


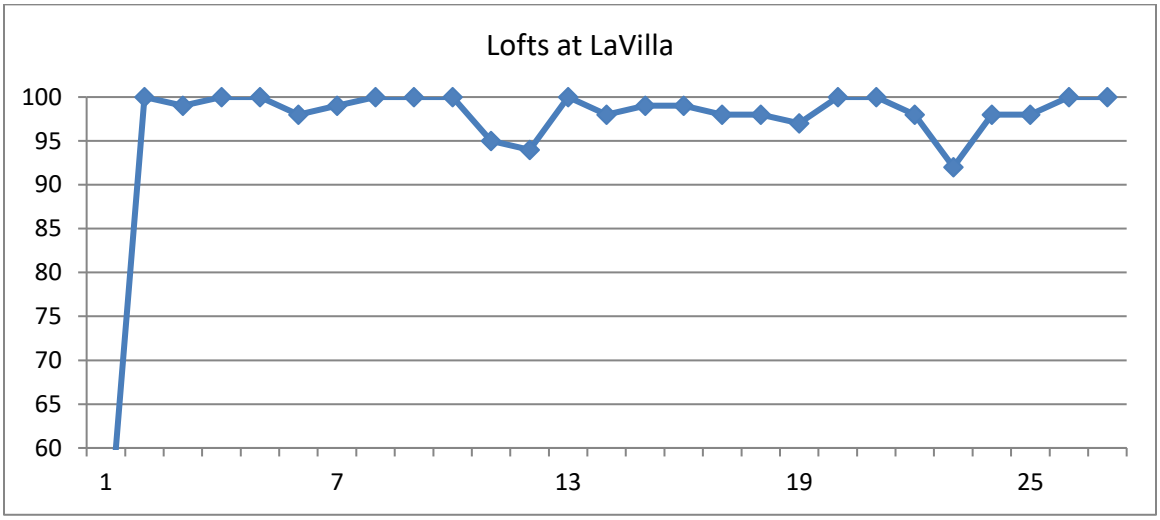


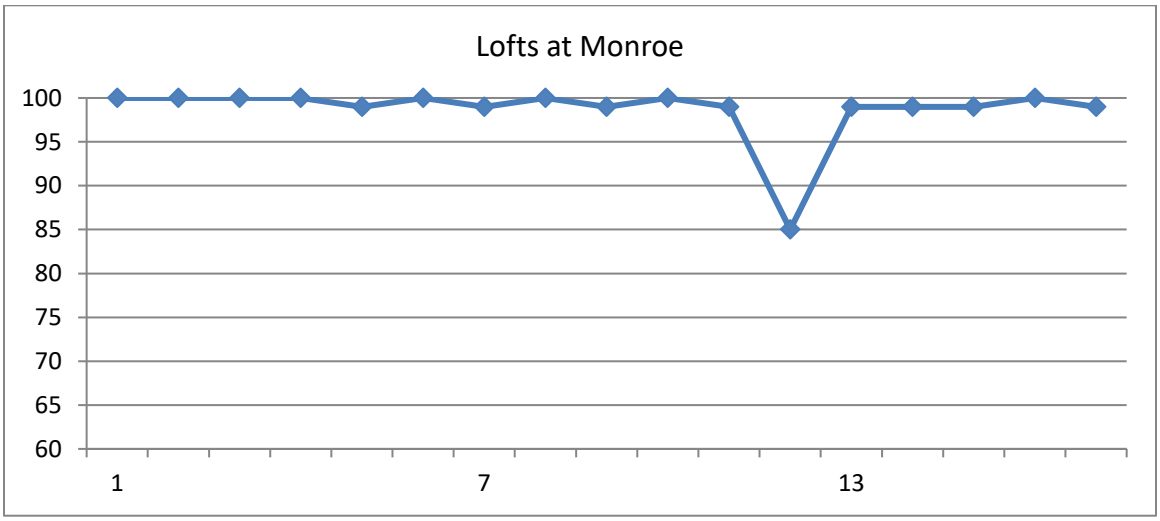


OCCUPANCY LEVELS
4-30-20

Average Occupancy by Development

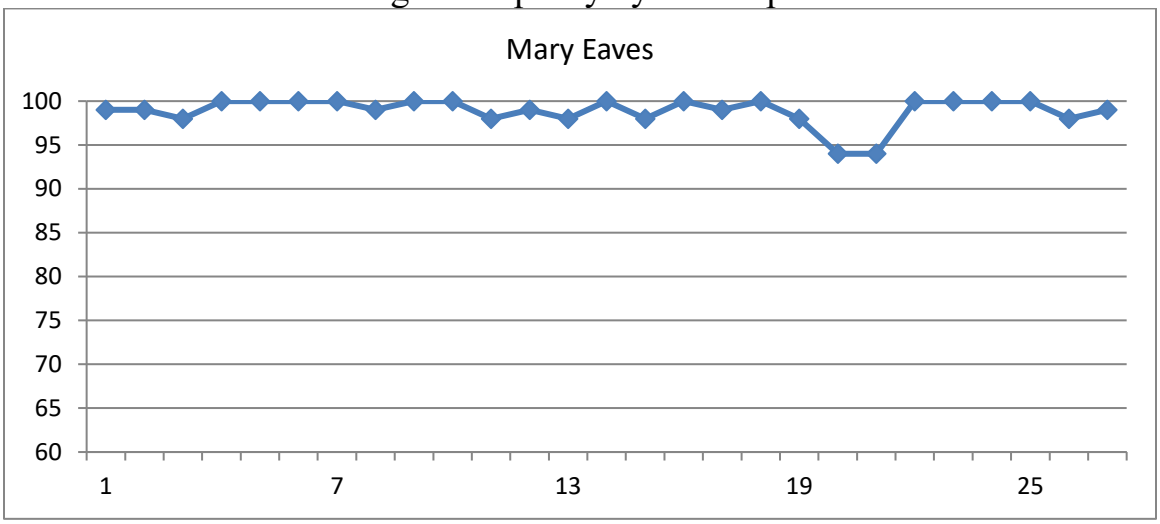


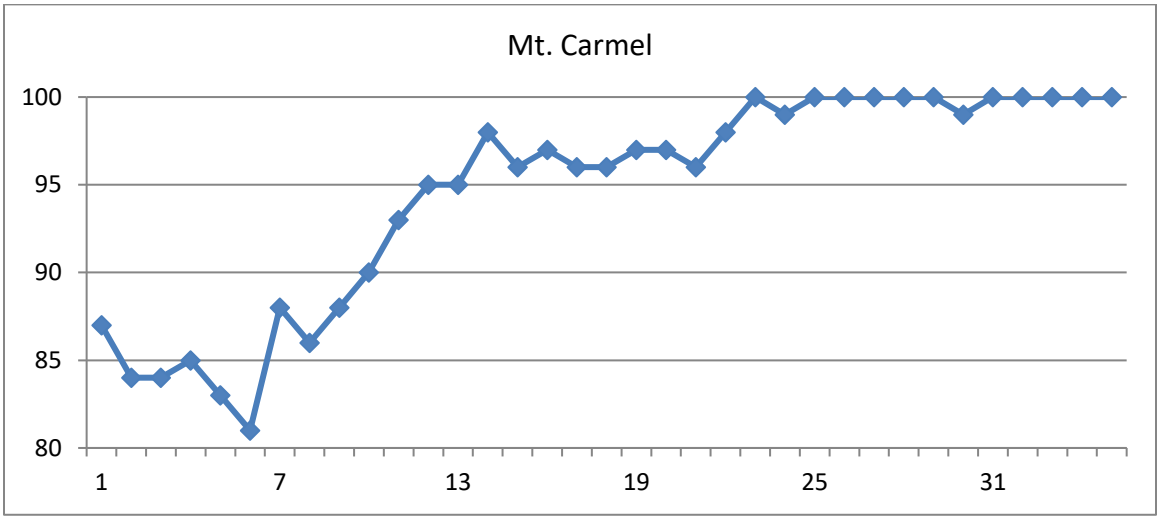


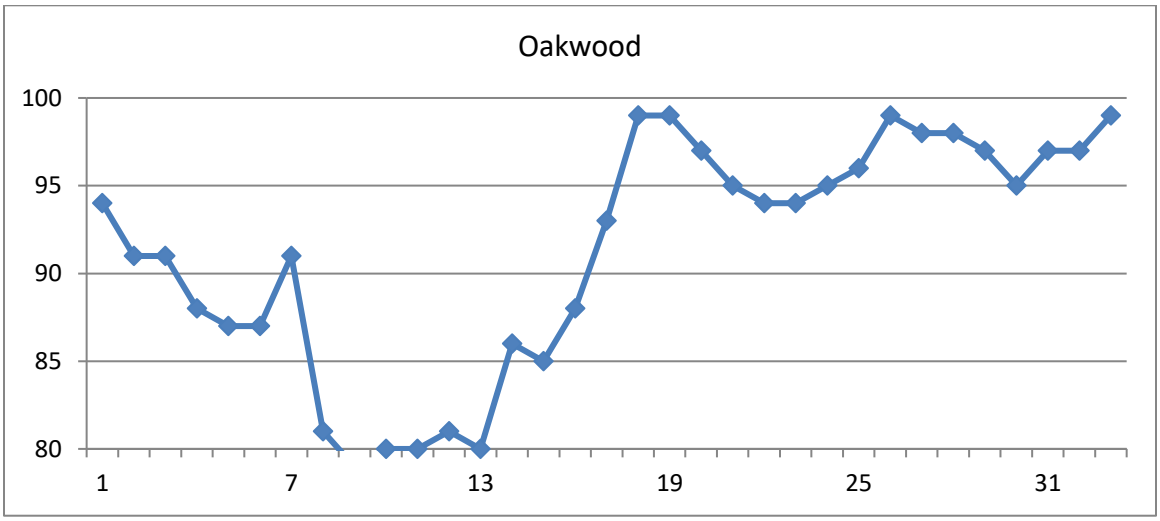


OCCUPANCY LEVELS
4-30-20

Average Occupancy by Development

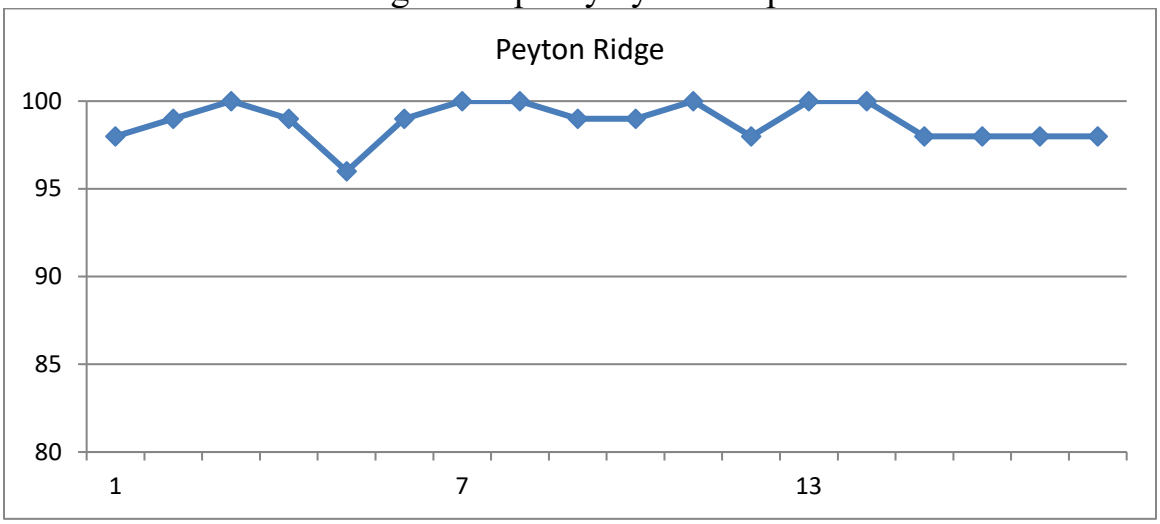


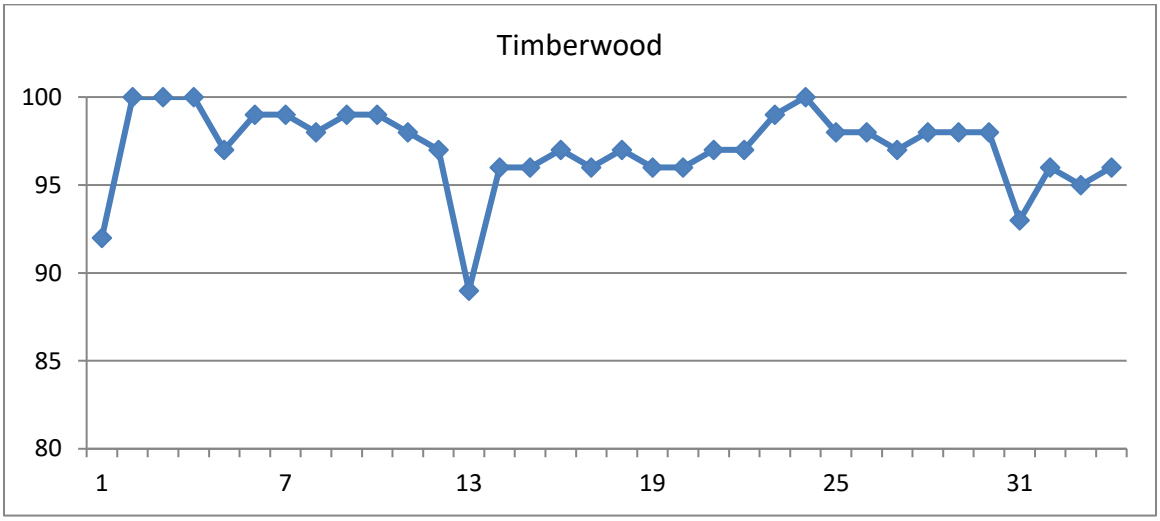


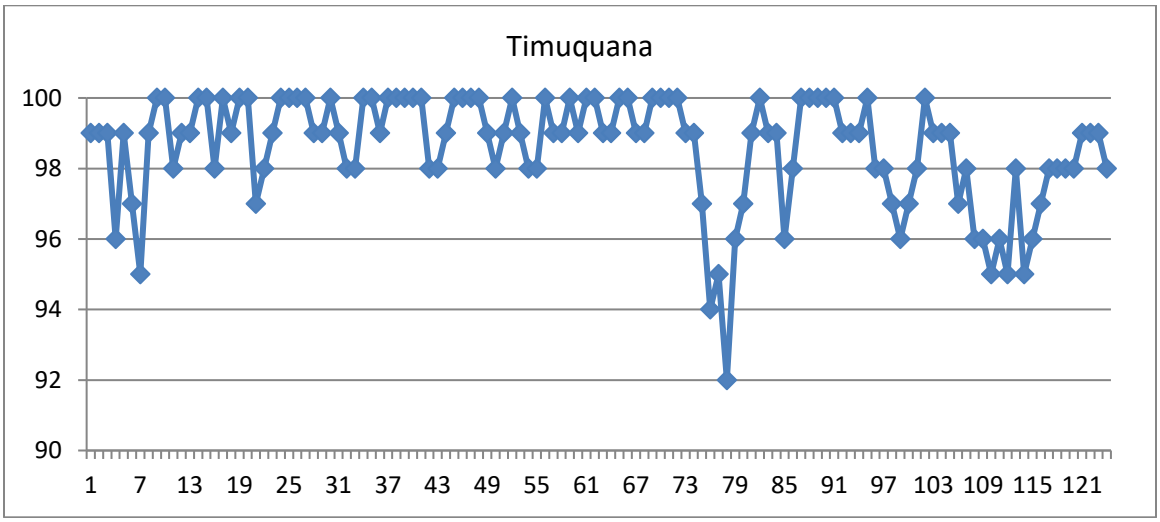


OCCUPANCY LEVELS
4-30-20

Average Occupancy by Development







TAB 4

Sydney Trace Credit Underwriting Report

Jacksonville Housing Finance Authority

Credit Underwriting Report

Sydney Trace

Tax Exempt Bond and Subordinate Loan Programs

Section A Report Summary

Section B Loan Conditions

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

June 8, 2020

SYDNEY TRACE

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Section A

Report Summary

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends a Jacksonville Housing Finance Authority ("JHFA" or "Authority") Multifamily Mortgage Revenue Bond ("MMRB") tax-exempt Project Loan in the amount of $19,000,000 ("Series A") for Sydney Trace ("Subject Development") for construction period financing with a reduction to $14,750,000 at conversion to the permanent period. In addition, SMG recommends a MMRB tax-exempt Subordinate Loan in the amount of $2,500,000 ("Series B") for construction and permanent period financing. Further, SMG recommends a JHFA Gap Loan in the amount of $1,500,000 for construction and permanent period financing.

DEVELOPMENT & SET-ASIDES

Development Name: Sydney Trace

RFA/Program Numbers: _____ / _____ _____ _____

Address: 8575 Merchants Way

City: Jacksonville Zip Code: 32222 County: Duval County Size: Large

Development Category: New Construction Development Type: Garden Apts (1-3 Stories)

Construction Type: Wood Frame

Demographic Commitment:

Primary: Family for 100% of the Units

Secondary: _____ for _____ of the Units

Unit Composition:

# of ELI Units: 0 ELI Units Are Restricted to _____ AMI, or less. Total # of units with PBRA? 0

# of Link Units: 0 Are the Link Units Demographically Restricted? _____ # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	1	720		$689			$53	$636		$636	$636	$636	$7,632
1	1.0	1	720			$798		$53	$745		$745	$745	$745	$8,940
1	1.0	70	720	60%			$843	$53	$790		$790	$790	$790	$663,600
2	2.0	2	1,020			$973		$63	$910		$910	$910	$910	$21,840
2	2.0	82	1,020	60%			$1,012	$63	$949		$949	$949	$949	$933,816
3	2.0	1	1,287			$1,209		$72	$1,137		$1,137	$1,137	$1,137	$13,644
3	2.0	35	1,287	60%			$1,170	$72	$1,098		$1,098	$1,098	$1,098	$461,160
		192	183,852											$2,110,632

Buildings: Residential - 8 Non-Residential - 4

Parking: Parking Spaces - 382 Accessible Spaces - 18

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB/Gap Loan	100.0%	192	60%	30
HC	100.0%	192	60%	30
HOME	0.5%	1	50%	20
HOME	2.1%	4	60%	20

The set aside period is subject to a qualified contract provision which provides for a set-aside period of 19 years from MMRB closing in the event that a buyer in not found under such provision.

Occupancy Rate at Stabilization:	Physical Occupancy	96.00%	Economic Occupancy	95.00%
	Occupancy Comments			

DDA:	Yes	QCT:	No	Multi-Phase Boost:	No	QAP Boost:	No
Site Acreage:	20.53	Density:	9.3540			Flood Zone Designation:	X
Zoning:	Planned Unit Development (PUD)					Flood Insurance Required?:	No

DEVELOPMENT TEAM		
Applicant/Borrower:	Sydney Trace, Ltd.	% Ownership
General Partner	Sydney Trace GP, LLC ("GP")	0.0100%
Limited Partner	Wells Fargo Community Lending and Investment ("Wells Fargo") or Affiliate	99.9900%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Borrower	
CC Guarantor 2:	GP	
CC Guarantor 3:	John D. Rood Revocable Trust u/a/d 1/26/88 ("JDR Trust")	
CC Guarantor 4:	John D. Rood	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Borrower	
OD Guarantor 2:	GP	
OD Guarantor 3:	JDR TRust	
OD Guarantor 4:	John D. Rood	
Bond Purchaser		
Developer:	TVCD	
Principal 1	John D. Rood	

DEVELOPMENT TEAM (cont)	
General Contractor 1:	Summit Contracting Group, Inc.
Management Company:	WRH Realty Services, Inc.
Const. Credit Enhancer:	N/A
Perm. Credit Enhancer:	N/A
Syndicator:	BC
Bond Issuer:	JHFA
Architect:	Group 4 Design, Inc.
Market Study Provider:	Vogt Strategic Insights ("VSI")
Appraiser:	VSI Appraisal Group

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position						
Lender/Grantor	JHFA/R4	JHFA Gap Loan	COJ HOME	JHFA		
Amount	$14,750,000	$1,500,000	$1,000,000.00	$2,500,000.00		
Underwritten Interest Rate	3.90%	1.00%	1.50%	5.50%		
Loan Term	40.0	40.0	20.0	15.0		
Amortization	40.0	40.00	N/A	N/A		
Market Rate/Market Financing LTV	54.6%	60.2%	63.9%	73%		
Restricted Favorable Financing LTV	92.8%	102.2%	108.5%	124%		
Loan to Cost - Cumulative	47.0%	51.8%	55.0%	63.0%		
Debt Service Coverage	1.286	1.215	1.193	1.016		
Operating Deficit & Debt Service Reserves	$427,639.00					
# of Months covered by the Reserves	4.8					

Deferred Developer Fee	$1,963,976
As-Is Land Value	$2,970,000
As-Is Value (Land & Building)	N/A
Market Rent/Market Financing Stabilized Value	$27,000,000
Rent Restricted Favorable Financing Stabilized Value	$15,900,000
Projected Net Operating Income (NOI) - Year 1	$994,428
Projected Net Operating Income (NOI) - 15 Year	$1,142,649
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Private Placement
Housing Credit (HC) Syndication Price	$0.94
HC Annual Allocation - Initial Award	N/A
HC Annual Allocation - Qualified in CUR	$1,109,810
HC Annual Allocation - Equity Letter of Interest	$1,025,539

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	JHFA/R4	$19,000,000.00	$14,750,000.00	$76,822.92
Local Government	JHFA Gap Loan	$1,500,000.00	$1,500,000.00	$7,812.50
Local Government	COJ HOME	$1,000,000.00	$1,000,000.00	$5,208.33
Local HFA Bonds	JHFA	$2,500,000.00	$2,500,000.00	$13,020.83
HC Equity	BC	$3,779,342.00	$9,640,067.00	$50,208.68
Deferred Developer Fee	Developer	$3,147,062.00	$1,963,976.00	$10,229.04
Deferred Costs - Other		$427,639.00		$0.00
TOTAL		$31,354,043.00	$31,354,043.00	$163,302.31

JHFA will issue MMRB Series A ("Series A") in the amount of $19,000,000 which will be purchased by R4 Capital Funding LLC ("R4") through a private placement. Proceeds from the sale of the Series A Bonds will be utilized by the JHFA to make a MMRB tax-exempt Project Loan to the Borrower with matching economic terms. In addition, JHFA will issue MMRB Series B ("Series B") in the amount of $2,500,000 which will be purchased by JDR Lender, LLC ("JDR") and CSM Lender, LLC ("CSM") in the amounts of $1,700,000 and $800,000, respectively, through a private placement. Proceeds from the sale of the Series B Bonds will be utilized by the JHFA to make a MMRB tax-exempt Subordinate Loan to the Borrower with matching economic terms.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

The following are explanations of each item checked "No" in the table above:

1. The Application included an Equity Financing Agreement dated July 31, 2019, provided by Raymond James Tax Credit Funds, Inc. ("RJTCF") reflecting a total equity contribution of $10,133,858, based on an anticipated annual Housing Credit ("HC") allocation of $1,066,829 and syndication rate of $0.95. Subsequently, Applicant provided an Equity Financing Proposal from Wells Fargo, dated April 24, 2020, which indicated a total equity contribution of $9,640,067, based on an anticipated annual HC allocation of $1,025,539 and syndication rate of $0.940 . This change has no substantial material impact to the MMRB or Gap Loan recommendations for the Subject Development.

2. Total development costs have increased since the application primarily due to lower financial cost.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

Florida Housing's Past Due Report, dated April 24, 2020, reflects the following past due item(s): None

The Asset Management Noncompliance Report, dated February 21, 2020, reflects the following noncompliance items(s): None

This recommendation is subject to satisfactory resolution (as determined by FHFC) of any outstanding past due and/or noncompliance items prior to loan closing.

Strengths:

1. Although the Borrower, General Partner ("GP"), Limited Partner and Developer are newly formed, the principals of the GP, Developer, contractor, and the management company have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Waiver Requests/Special Conditions: None

Additional Information:

1. The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus' impact to the overall economy is unknown. More specifically, it is unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by Seltzer in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.
2. As indicated earlier, the Subordinate Loan will be funded from the proceeds of the sale of the MMRB Series B. Per a Letter of Interest, dated February 11, 2020, CSM will purchase $800,000 of the MMRB Series B. The sole member of CSM is Clarence S. Moore. Per a Letter of Interest, dated February 11, 2020, JDR will purchase the remaining $1,700,000 of the MMRB Series B. The sole member of JDR is John D. Rood Revocable Trust ("JDRRT"). Mr. Moore and JDRRT are also members of the GP. Mr. Rood is the 100% shareholder of TVCD.

Issues and Concerns:

1. In his Statement of Financial/Credit Affairs dated January 4, 2020 and Personal Financial Statement / Schedule of Real Estate Owned ("SREO") dated January 10, 2020, John D. Rood indicated a number of occurrences associated with 10 defaults, 4 of which resulted in loan modification and 1 that resulted in friendly foreclosure that involved multifamily rental properties. Per the Rule, these defaults occurred during a period prior to August 1, 2010 and represent five percent or more of Mr. Rood's affordable developments which have been the subject of a foreclosure or deed in lieu of foreclosure, or in financial arrearage, or other material default and such arrearage or material default remained uncured for a period of 60 days or more.

In addition to the items noted above, there were 6 other properties, a line of credit, a loan, and a note that were listed in Mr. Rood's disclosure which resulted in 4 short sales, 2 friendly foreclosures, 1 deficiency note, and 1 pay down within the past 5 years.

Mitigating Factors:

1. Based on Mr. Rood's default disclosure, the incidents were represented as being amicably worked out to the extent possible. Mr. Rood has funded $21.7 million toward affordable property deficits. Mr. Rood also reports funding $28.9 million on the defaults associated with the other properties. Additionally, the properties listed on his SREO (23 affordable and 6 market) indicate a 1.95 to 1.00 overall debt coverage ratio ("DSC"). Annual operating cash flow for the SREO is represented in the mid seven figures with annual operating cash flow for the affordable properties also represented in the mid seven figures.

Recommendation:

SMG recommends JHFA fund:

1. A Project Loan in the amount of $19,000,000 for construction period financing with a reduction to $14,750,000 at conversion to the permanent period,
2. A Subordinate Loan in the amount of $2,500,000 for construction and permanent period financing, and
3. A Gap Loan in the amount of $1,500,000 for construction and permanent period financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the Loan Conditions (Section B). The reader is cautioned to refer to these sections for complete information.

This recommendation is only valid for six months from the date of the report.

Prepared by:

Benjamin S. Johnson
President

Reviewed by:

Cindy Highsmith
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	JHFA/R4	$19,000,000	$19,000,000	$19,000,000	3.90%	$1,163,370
Second Mortgage	JHFA Gap Loan	$1,500,000	$1,500,000	$1,500,000	1.00%	N/A
Third Mortgage	COJ HOME	$1,000,000	$1,000,000	$1,000,000	1.50%	N/A
Fourth Mortgage	JHFA	$2,500,000	$2,500,000	$2,500,000	5.50%	N/A
HC Equity	BC	$4,053,543	$3,856,027	$3,779,342		
Deferred Developer Fee	Developer	$2,585,686	$3,069,717	$3,147,062		
Delayed Reserve Funding		$0	$427,639	$427,639		
Total		**$30,639,229**	**$31,353,383**	**$31,354,043**		**$1,163,370**

First Mortgage Loan:

Per an April 23, 2020, Proposal Letter ("Proposal"), R4 will purchase the Series A Bonds and the JHFA will make a Project Loan to the Borrower in the amount of $19,000,000 for construction period financing.

Terms of the Project Loan will include a fixed interest rate and interest only payments during the construction period. Based on current market conditions, the expected interest rate is 3.90%.

Seltzer's Construction Debt Service calculation is based on a 24-month construction/stabilization period and an average outstanding loan balance of 57% of the total loan amount during construction and 100% during lease up.

Second Mortgage Loan

The Applicant has applied for a JHFA Gap Loan in the amount of $1,500,000. Terms of the GAP Loan will include a fixed interest rate of 1% and interest only payments during the construction period based on available cash flow.

Third Mortgage Loan

The Applicant has applied for a City of Jacksonville ("COJ") HOME Loan in the amount of $1,000,000. Terms of the COJ HOME Loan will include an interest rate of 1.5% and requires interest only payments during the construction period based on available cash flow.

Fourth Mortgage Loan

Per Term Sheets both dated February 11, 2020, CSM Lender, LLC will purchase $800,000 of the Series B Bonds and JDR Lender, LLC will purchase the remaining $1,700,000 of the Series B Bonds. Subsequently the JHFA will make a Subordinate Loan to the Borrower in the amount of $2,500,000 for construction period financing.

Terms of the Subordinate Loan will include an interest rate fixed at 5.5%. The construction period is up to 30-months with interest only payments due based on available cash flow.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction are HC Equity of $3,779,342, Delayed Reserve Funding (from last equity installment) of $427,639, and Deferred Developer Fees in the amount of $3,147,062. See the Permanent Financing section below for details.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	JHFA/R4	$14,000,000	$14,750,000	$14,750,000	3.90%	40	40	$728,781
Second Mortgage	JHFA Gap Loan	$1,500,000	$1,500,000	$1,500,000	1.00%	40	40	$45,514
Third	COJ HOME	$1,000,000	$1,000,000	$1,000,000	1.50%	N/A	20	$15,000
Fourth	JHFA	$2,500,000	$2,500,000	$2,500,000	5.50%	N/A	15	$137,500
HC Equity	BC	$10,133,858	$9,640,067	$9,640,067				
Def. Developer Fee	Developer	$1,937,043	$1,963,315	$1,963,976				
Total		**$31,070,901**	**$31,353,382**	**$31,354,043**				**$926,795**

Proposed First Mortgage Loan

At conversion to the permanent period the Project Loan will be reduced to $14,750,000. Additional terms include a 16-year maturity (after the up to 24 month construction and stabilization period) and principal and interest payments based on a 40-year amortization period.

Conversion requirements include completion of construction and 90% physical occupancy of the Subject Development for three consecutive calendar months, a minimum 1.15 to 1.00 debt service coverage ("DSC") ratio, and maximum loan to value ratio of 90%.

Second Mortgage Loan

Additional terms of the Gap Loan will include principal and interest payments based on a 40-year amortization period and a twenty year maturity. Payments are to be made semi-annually in arrears out of available cash flow after payment of project expenses and senior debt service.

Third Mortgage Loan

Additional terms of the COJ HOME include interest only payments during the permanent period and a twenty year maturity. Payments due are subject to available cash flow.

Fourth Mortgage Loan

Additional terms of the Subordinate Loan are interest only payments during the permanent period and a fifteen year maturity. Payments due are subject to available cash flow.

Housing Credits Equity Investment:

The Borrower has applied to Florida Housing to receive 4% HC directly from the United States Treasury in conjunction with tax-exempt financing. An HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a Proposal, last updated April 24, 2020, Wells Fargo or an affiliate will purchase a 99.99% interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	$1,928,013	20.00%	Partnership Closing
2nd Installment	$1,851,329	19.20%	on the latest to occur of (i) 95% Completion or (ii) September 1, 2021
3rd Installment	$500,000	5.19%	on the latest to occur of (i) final certificate of occupancy, (ii) lien free construction completion, (iii) estimated eligible basis calculation by GP or (iv) September 1, 2021
4th Installment	$4,878,721	50.61%	on the latest to occur of (i) permanent loan conversion, (ii) attainementof 1.15 DSC for 90 days, (iii) 100% qualified occupancy, (iv) cost certification, (v) GP prepared tax credit timing and eligible basis timing calculation, or (v) May 1, 2022.
5th Installment	$482,004	5.00%	on the latest to occur of (i) 8609 or (ii) May 1, 2022
Total	$9,640,067	100.00%	

Annual Tax Credits per Syndication Agreement: $1,025,539

Total HC Available to Syndicator (10 years): $10,254,364

Syndication Percentage (limited partner interest): 99.99%

Calculated HC Exchange Rate (per dollar): $0.940

Proceeds Available During Construction: $3,779,342

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the Wells Fargo proposal have been received, the developer will have to defer $1,963,976 of developer fees.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	$19,584,000	$17,419,303	$17,419,303	$90,726	$631,575
Site Work				$0	
Hard Cost Contingency - in Constr. Cont.				$0	
Constr. Contr. Costs subject to GC Fee	$19,584,000	$17,419,303	$17,419,303	$90,726	$631,575
General Conditions		$910,000	$910,000	$4,740	
Overhead		$373,031	$373,031	$1,943	
Profit		$559,437	$559,437	$2,914	
Builder's Risk Insurance				$0	
General Liability Insurance		$138,936	$138,936	$724	
Payment and Performance Bonds		$183,293	$183,293	$955	
Contract Costs not subject to GC Fee				$0	
Total Construction Contract/Costs	$19,584,000	$19,584,000	$19,584,000	$102,000	$631,575
Hard Cost Contingency	$979,200	$979,200	$979,200	$5,100	
PnP Bond paid outside Constr. Contr.				$0	
Fees for LOC used as Constr. Surety				$0	
Demolition paid outside Constr. Contr.				$0	
FF&E paid outside Constr. Contr.	$300,000	$300,000	$300,000	$1,563	
Total Construction Costs:	**$20,863,200**	**$20,863,200**	**$20,863,200**	**$108,663**	**$631,575**

Notes to the Construction Costs:

1. The Applicant has provided an executed construction contract, dated March 6, 2020, between the Owner and Summit Contracting Group, Inc. ("Summit") where the basis for payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount of $19,584,000 . The date of commencement is expected to be within 5 days of the latest of the following, written notice to proceed with the work covered by the agent, all required permits and approvals from the applicable government agencies, evidence that there are sufficient funds in place to fund the agreement or receipt of the completed plans and specifications. The General Contractor shall achieve substantial completion no later than 420 days from the date of commencement. If the General Contractor has not achieved substantial completion within the 420 days, there will be a $1,500 per day liquidated damages fee payable to the Owner for the first 30 days and $3,000 per day there after. Retainage shall be limited to 10% of the contract amount, until such time as the project is 50% complete, and then no further retainage will be withheld. Final payment will be made when the contract has been fully performed, the General Contractor has submitted final accounting for the Cost of the Work and a final Certificate for Payment has been issued by the Architect. The Owner's final payment to the Contractor shall be made no later than 30 days after the Architect's final Certificate for Payment.

2. Applicant also provided an executed General Contractor Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapters 67-48 and 67-21 ("Rule"), Florida Administrative Code.

3. General Contractor fees as stated are within the 14% maximum per the Rule. General liability insurance and the cost of the payment and performance bond will be covered by the general contractor.

4. A 5% hard cost contingency is within the limits of the Rule.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$15,000	$15,000	$15,000	$78	$15,000
Appraisal	$10,000	$5,000	$5,000	$26	
Architect's and Planning Fees				$0	
Architect's Fee - Green Initiative				$0	
Architect's Fee - Landscape				$0	
Architect's Fee - Site/Building Design	$250,000	$298,000	$298,000	$1,552	
Architect's Fee - Supervision	$25,000	$48,000	$48,000	$250	
Building Permits	$50,000	$50,000	$50,000	$260	
Builder's Risk Insurance	$60,000	$72,000	$72,000	$375	
Capital Needs Assessment/Rehab				$0	
Engineering Fees	$50,000	$59,600	$59,600	$310	
Environmental Report	$15,000	$5,300	$5,300	$28	
Federal Labor Standards Monitoring			$0	$0	
FHFC Administrative Fees	$15,000	$99,347	$99,883	$520	$99,883
FHFC Application Fee	$50,000	$3,000	$3,000	$16	$3,000
FHFC Credit Underwriting Fee	$25,000	$12,908	$12,908	$67	$12,908
FHFC Compliance Fee		$148,876	$148,876	$775	$148,876
Impact Fee	$270,000	$30,000	$30,000	$156	
Lender Inspection Fees / Const Admin	$20,000	$30,000	$30,000	$156	
Green Building Cert. (LEED, FGBC, NGBS)	$25,000	$20,000	$20,000	$104	
Home Energy Rating System (HERS)				$0	
Insurance	$70,000	$70,000	$70,000	$365	$70,000
Legal Fees - Organizational Costs	$400,000	$100,000	$100,000	$521	$50,000
Local Subsidy Underwriting Fee				$0	
Market Study	$5,000	$5,400	$5,400	$28	$5,400
Marketing and Advertising	$200,000	$150,000	$150,000	$781	$150,000
Plan and Cost Review Analysis	$5,000	$5,000	$5,000	$26	
Property Taxes	$50,000	$50,000	$50,000	$260	$45,000
Soil Test	$12,000	$15,000	$15,000	$78	
Survey	$25,000	$25,000	$25,000	$130	
Tenant Relocation Costs				$0	
Title Insurance and Recording Fees	$50,000	$101,000	$101,000	$526	$50,500
Traffic Study				$0	
Utility Connection Fees	$200,000	$250,000	$250,000	$1,302	
Soft Cost Contingency		$25,712	$25,712	$134	
Total General Development Costs:	**$1,897,000**	**$1,694,143**	**$1,694,679**	**$8,826**	**$650,567**

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision reflect the fees as stipulated in the Architect Contract, dated October 18, 2019, between the Applicant and Group 4 Design Inc. for the Subject Development.
2. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee for 4% HC.
3. The FHFC Credit Underwriting fee is for the FHFC HC fee. The JHFA MMRB Underwriting fee is included in Local HFA Cost of Issuance in Financial Cost below.

4. The FHFC Compliance Fee is based upon Florida Housing's Compliance Fee Calculation Model based on 192 rent restricted units set aside for 30 years.
5. Soft cost contingency is within 5% of General Development Costs (exclusive of the contingency) as limited by Rule.
6. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee		$20,000	$20,000	$104	
Construction Loan Underwriting Fee				$0	
Construction Loan Origination Fee		$95,000	$95,000	$495	
Construction Loan Commitment Fee				$0	
Construction Loan Closing Costs		$78,791	$78,791	$410	
Construction Loan Interest	$950,000	$1,130,000	$1,130,000	$5,885	$532,080
Construction Loan Servicing Fees				$0	
Permanent Loan Application Fee				$0	
Permanent Loan Underwriting Fee				$0	
Permanent Loan Subsidy Layering Rev.				$0	
Permanent Loan Commitment Fee				$0	
Permanent Loan Origination Fee	$350,000	$110,625	$110,625	$576	$110,625
Permanent Loan Closing Costs				$0	
Local HFA Bond Cost of Issuance		$284,584	$284,709	$1,483	$284,709
Other: Syndicatior Due Diligence				$0	
Other: COJ HOME/JHFA Gap Loan Costs		$33,000	$33,000	$172	$33,000
Total Financial Costs:	**$1,300,000**	**$1,752,000**	**$1,752,125**	**$9,126**	**$960,414**
Dev. Costs before Acq., Dev. Fee & Reserves	**$24,060,200**	**$24,309,343**	**$24,310,004**	**$126,615**	**$2,242,556**

Notes to the Financial Costs:

1. Construction Loan and Permanent Loan Origination Fees are consistent with the R4 Proposal.
2. Local Bond HFA Cost of Issuance amount is based on an estimate provided by RBC and includes the following: fees and expenses of the Issuer, RBC Underwriter fee, Real Estate Counsel, Bond Counsel, Disclosure Counsel and other fees.
3. Other Financial Costs are based on the Applicant's estimates, which appear reasonable.

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	$3,609,029	$3,646,400	$3,646,400	$18,992	
Other:				$0	
Total Other Development Costs:	**$3,609,029**	**$3,646,400**	**$3,646,400**	**$18,992**	**$0**

Notes to Developer Fee on Non-Acquisition Costs

1. Developer Fee – Unapportioned is less than 18% of Development Costs, exclusive of Non-Land Acquisition Costs, Land Acquisition Costs and Reserves.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				$0	$0
Land Acquisition Cost				$0	$0
Land	$2,970,000	$2,970,000	$2,970,000	$15,469	$2,970,000
Total Acquisition Costs:	**$2,970,000**	**$2,970,000**	**$2,970,000**	**$15,469**	**$2,970,000**

Notes to the Land Acquisition Costs:

1. The Applicant submitted a Contract for Purchase and Sale of Real Property ("Contract") between TVC Development, Inc. ("Purchaser") and Chimney Lakes Investment Company ("Seller"), dated June 3, 2019. The purchase price of the land was $3,175,000. The closing date shall be a date thirty (30) days after the expiration of the investigation period. An Assignment of Purchase and Sale Agreement was made on July 31, 2019 from TVC Development, Inc. to Sydney Trace, Ltd. There were five amendments made to the original contract dated July 3, 2019, August 6, 2019, August 22, 2019, September 24, 2019 and December 17, 2019. The purchase price was changed to $2,970,000 with the First Amendment and the closing date was pushed back to April 30, 2020 with the Fifth Amendment.

   The appraised value of the vacant land is $2,970,000, which is equal to the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				$0	$0
Operating Deficit Reserve (Lender)	$431,672	$427,639	$427,639	$2,227	$427,639
Other:				$0	$0
Total Reserve Accounts:	**$431,672**	**$427,639**	**$427,639**	**$2,227**	**$427,639**

Notes to Reserve Accounts:

1. Reserves – Operating Deficit is the Operating Deficit Reserve ("ODR") required by R4.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	**$31,070,901**	**$31,353,382**	**$31,354,043**	**$163,302**	**$5,640,195**

Notes to the Total Development Costs:

1. Total Development Costs have increased by $283,142 since the time of the Application, due primarily increases in financial costs.

Operating Pro forma

OPERATING PRO FORMA			ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income		$2,110,632	$10,993
	Rent Subsidy (ODR)		$0	$0
	Other Income:			
	Ancillary Income-Parking		$0	$0
	Miscellaneous		$57,600	$300
	Washer/Dryer Rentals		$0	$0
	Cable/Satellite Income		$0	$0
	Rent Concessions		$0	$0
	Alarm Income		$0	$0
	Gross Potential Income		$2,168,232	$11,293
	Less:			
	Economic Loss - Percentage:	0.0%	$0	$0
	Physical Vacancy Loss - Percentage:	4.0%	($86,729)	($452)
	Collection Loss - Percentage:	1.0%	($21,682)	($113)
Total Effective Gross Revenue			$2,059,820	$10,728
EXPENSES	Fixed:			
	Ground Lease		$0	$0
	Sub-Ground Lease		$0	$0
	Real Estate Taxes		$215,000	$1,120
	Insurance		$76,800	$400
	Other		$0	$0
	Variable:			
	Management Fee - Percentage:	4.0%	$82,393	$429
	General and Administrative		$105,600	$550
	Payroll Expenses		$240,000	$1,250
	Utilities		$134,400	$700
	Marketing and Advertising		$19,200	$100
	Maintenance and Repairs		$134,400	$700
	Reserve for Replacements		$57,600	$300
Total Expenses			$1,065,393	$5,549
Net Operating Income			$994,428	$5,179
Debt Service Payments				
DEBT SERVICE	First Mortgage - JHFA/R4		$728,781	$3,796
	Second Mortgage - JHFA Gap Loan		$45,514	$237
	Third Mortgage - COJ HOME		$15,000	$78
	Fourth Mortgage - JHFA		$137,500	$716
	First Mortgage Fees - JHFA/R4		$44,250	$230
	Fourth Mortgage Fees - JHFA		$7,500	$39
Total Debt Service Payments			$978,545	$5,097
Cash Flow After Debt Service			$15,882	$83

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.286
DSC - Second Mortgage plus Fees	1.215
DSC - Third Mortgage plus Fees	1.193
DSC - Fourth Mortgage plus Fees	1.016
DSC - All Mortgages and Fees	1.016

Financial Ratios	
Operating Expense Ratio	51.7%
Break-Even Ratio	94.5%

Notes to the Operating Pro forma and Ratios:

1. The subject development is projected to achieve 2020 Maximum Allowable HC Rents and 2019 HOME rents published by Florida Housing on all units except the 3 bedroom unit which has an achievable rent equal to the max HC rent based upon the appraiser's estimate of achievable rents per comparable properties surveyed. Utility Allowances are based a Certification of Completeness and Accuracy for Utility Allowance Estimate Per Energy Consumption Model, dated November 14, 2019, and approved by FHFC December 23, 2019. The residents are responsible for paying the electricity and the Applicant paying for water, sewer, pest control, and trash pick-up. No manager/employee units are anticipated at this time.

   A rent roll for the Subject Development is illustrated in the following table:

   MSA/County: Jacksonville/Duval County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	1	720		$689			$53	$636		$636	$636	$636	$7,632
1	1.0	1	720			$798		$53	$745		$745	$745	$745	$8,940
1	1.0	70	720	60%			$843	$53	$790		$790	$790	$790	$663,600
2	2.0	2	1,020			$973		$63	$910		$910	$910	$910	$21,840
2	2.0	82	1,020	60%			$1,012	$63	$949		$949	$949	$949	$933,816
3	2.0	1	1,287			$1,209		$72	$1,137		$1,137	$1,137	$1,137	$13,644
3	2.0	35	1,287	60%			$1,170	$72	$1,098		$1,098	$1,098	$1,098	$461,160
		192	183,852											$2,110,632

2. Miscellaneous income includes revenues from laundry facilities, vending machines, and miscellaneous sources as noted by the Appraiser

3. The Appraiser estimates a stabilized physical vacancy rate of 4% and collection loss of 1% for an economic occupancy of 95% and a physical occupancy rate of 96%. These assumptions are supported by the historical occupancy rates of the Subject Development.

4. Real estate tax expense is based on the Appraiser's estimate

5. Insurance expense is based on the Appraiser's estimate

6. The Applicant has provided an unexecuted Management agreement between Borrower and WRH Realty Services, Inc. with monthly compensation set at the greater of 4% of gross revenue or $4,500.

Comparable management compensation typically ranges between 3.5% and 6%. SMG has utilized a management fee of 4% which is consistent with the appraiser's assumption.

7. Other operating expense estimates are based on market comparables and are supported by the appraisal.
8. Annual deposit to replacement reserve is equal to the First Mortgage lenders and Florida Housing's minimum requirement.
9. First Mortgage Fees include 20 basis points (0.20%) issuer fee, estimated six basis points (0.06%) servicer fee (servicing and compliance) and four basis point (0.04%) fiscal agent fee.
10. A 15-year income and expense projection shows increasing DSC through year fifteen (15). This projection is attached to this report as Exhibit 1.

Section B

Loan Conditions

Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and JHFA at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. None.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and JHFA at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by JHFA, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to JHFA and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of JHFA.
3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw shall include appropriate backup and ACH wiring instructions.
6. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer. Once the Development has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

7. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting JHFA as Loss Payee/Mortgagee, with coverages, deductibles and amounts satisfactory to JHFA and, as applicable, the FHFC Insurance Guide.

8. 100% Payment and Performance ("P&P") Bonds or a Letter of Credit ("LOC") in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the general contractor and the Borrower. In either case, JHFA must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co. with a financial size category of at least FSC VI. JHFA and/or legal counsel must approve the source, amount(s) and all terms of the P&P bonds or LOC. If the LOC option is utilized, the LOC must contain "evergreen" language and be in a form satisfactory to the Servicer, JHFA, and its Legal Counsel.

9. Architect, Construction Consultant, and Borrower certifications on forms provided by JHFA will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.

10. A copy of an Amended and Restated Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to JHFA and its Legal Counsel.

11. At all times there will be undisbursed loan funds (collectively held by JHFA, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with JHFA which is sufficient (in the Authority's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to JHFA in its sole discretion.

12. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.

This recommendation is contingent upon the review and approval of the following items by JHFA and its legal counsel <u>at least 30 days prior to real estate loan closing</u>. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by JHFA, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to JHFA and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of JHFA.

3. An acceptable updated Environmental Audit Report, together with a reliance letter to JHFA, prepared within 90 days of MMRB closing, unless otherwise approved by JHFA, and legal counsel,

based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.

4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the MMRB naming JHFC as the insured. All endorsements required by JHFA shall be provided.
5. JHFA and its legal counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. JHFA shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the MMRB governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's legal counsel acceptable to JHFA addressing the following matters:
   a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
   b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
   c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
   d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership/Operating Agreement and;
   e. Such other matters as JHFA or its legal counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by legal counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by JHFA or its legal counsel in form and substance acceptable to JHFA and its legal counsel, in connection with the loan(s).
11. Any other reasonable conditions established by JHFA and its legal counsel.

<u>Additional Conditions</u>

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.509, Florida Statutes, Rule Chapter 67-21, F. A. C., Sections 420.507(22) and 420.5087, Florida Statutes, Rule Chapters 67-53, and 67-60, F.A.C., , Section 42 I.R.C., and any other State and Federal requirements.

2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRB Loan and First Mortgage Loan in form and substance satisfactory to JHFA and its legal counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. Acceptance by the Borrower and execution of all documents evidencing and securing MMRB in form and substance satisfactory to JHFA and its legal counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
4. If MMRB funds are used for construction or rehabilitation, all amounts necessary to complete construction must be deposited with the Trustee prior to Loan Closing, or any phased HC Equity pay-in of amount necessary to complete construction shall be contingent upon an unconditional obligation, through a Joint Funding Agreement or other mechanism acceptable to JHFA, of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at Loan Closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded.
5. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
6. Guarantors are to provide the standard JHFA Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
7. Guarantors for the MMRB Loan are to provide the standard JHFA Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the First Mortgage, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA"). The calculation of the debt service coverage ratio shall be made by JHFA or the Servicer. Notwithstanding the above, the Operating Deficit guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
8. Guarantors are to provide the standard JHFA Environmental Indemnity Guaranty.
9. Guarantors are to provide the standard JHFA Guaranty of Recourse Obligations.
10. A mortgagee title insurance lender's policy naming JHFA as the insured first, second and third mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to JHFA or its legal counsel. All endorsements that are required by JHFA are to be issued and the form of the title policy must be approved prior to closing.
11. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by JHFA's loan servicing agent, the release of funds shall be at JHFA's sole discretion.
12. Replacement Reserves in the minimum amount of $300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or JHFA's loan servicing agent. However, Applicant has

the option to prepay Replacement Reserves as allowed per the Rule, in the amount of $57,600 (one-half the required Replacement Reserve for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of $300 per unit per year for years 1 and 2, followed by $300 per unit per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. Preservation or Rehabilitation Developments (with or without acquisition) shall not be allowed to draw until the start of the scheduled replacement activities as outlined in the pre-construction Capital Needs Assessment report ("CNA") subject to the activities completed in the scope of rehabilitation, but not sooner than the third year.

The amount established as a Replacement Reserve shall be adjusted based on a CNA to be received by the JHFA or its servicers, prepared by an independent third party and acceptable to the JHFA and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

13. Partner, or other construction inspector acceptable for JHFA, is to act as JHFA's inspector during the construction period.
14. Under the Sydney Trace construction contract, a minimum of 10% retainage holdback on all construction draws is required until the Development is 50% complete, at which time it may be reduced to 0% upon approval from the Owner. JHFA requires a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, at which time no retainage will be withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the Authority's minimum requirement.
15. Satisfactory completion of a pre-loan closing compliance audit conducted by JHFA or its Servicer, if applicable.
16. Closing of the MMRB first mortgage prior to or simultaneous with all other funding sources.
17. Any other reasonable requirements of the Servicer, JHFA or its legal counsel.

Section C

Supporting Information and Schedules

Additional Development and Third Party Supplemental Information

Appraised Value: The appraised value is $27,000,000, as if completed and stabilized, based on market rents and market financing, as reported in the full narrative appraisal, dated May 20, 2020, performed by VSI Appraisal Group. The appraisal was performed by Brian Walsh of VSI Appraisal Group, an Ohio Certified General Real Estate Appraiser, with a temporary practice in Florida License No. TP8372. The appraisal was engaged by R4. SMG is named as an intended user. Based on the market value of the property, the loan-to-value ratio for the first mortgage debt is 54.6%.

The appraised value, as if completed and stabilized and based on HOME and HC restricted rents and favorable terms, is estimated at $15,900,000. The loan-to-value ratio for the first mortgage debt based on this value is 92.8%.

The "as if vacant" value for the land is $2,970,000.

Market Study: A Market Study was prepared for the Subject Development by Vogt Strategic Insights ("VSI"), dated December 31, 2019, and a revised date of May 5, 2020. VSI indicated the current unit mix for the 192 unit garden-style apartment community will remain in place with set-asides of 192 units at 60% of the AMI, 1 low HOME unit and 4 high HOME units. In addition, VSI found the development site to be convenient to neighborhood shopping, employment, educational and medical facilities and stated all necessary utilities and services were available to the site to support the current development plan. Overall, access and exposure are considered good for multifamily purposes. Based on VSI's investigations, the subject property's highest and best use is considered to be suitable for multifamily development.

The target market area for the subject property is generally considered to be within the boundaries of State Route 134 to the north, State Route 21 to the east and south and Branan Field Road, State Route 23 and Oakleaf Plantation Parkway to the west. Within this primary market area ("PMA"), the population is projected to increase slightly over the next five years by about 7,861 persons, or about 7.6%. The number of households in the property's PMA is projected to increase similarly by about 7.2%. There has historically been consistent demand for low-income housing and the impact of new development on existing properties is minimal. There are four existing Family HC apartment projects located within the property's PMA**,** reflecting a current weighted occupancy rate of 99.5%, well exceeding that of market rate apartments. Additionally, there are no HC developments currently under construction. VSI indicated they were unaware of any Guarantee Fund Developments within the PMA of the subject.

VSI projects the Subject Development will achieve 2020 Maximum Allowable HC Rents on all HC units and 2020 Maximum Allowable HOME Rents on all HOME units. Based upon the Subject Development's unit mix, the Appraiser concluded that estimated Market Rental Rates exceed estimated Restricted Rental Rates by at least 24.3% for all funding. This meets the 10% minimum required by FHFC Rule.

In the rental market analysis, the absorption performances of comparable/competitive apartment rentals were analyzed. The analysis indicated an average absorption rate of approximately 20 units per month. Occupancy of 100% is anticipated within 30 days of final completion.

Environmental Report: Environmental Services, Inc. ("ESI") performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-13 and Fannie Mae Guidelines. The ESA has a report issue date of August 9, 2019.

ESI's findings are summarized below:

A recognized environmental condition *("REC")* refers to the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: due to release to the environment; under conditions indicative of a release to the environment; or under conditions that pose a material threat of a future release to the environment:

- ESI did not identify any recognized environmental conditions during the course of this assessment.

ESI's recommends no further investigation of the subject property at this time.

Soil Test Report: Universal Engineering Services ("UES") completed a geotechnical engineering study in connection with the Sydney Trace development, dated July 30, 2019. The report was completed in general accordance with the American Society of Testing and Materials ("ASTM") standards.

UES performed ten (10) Standard Penetration Test ("SPT") geotechnical borings to assess the subsurface conditions. The borings were performed within the planned building footprint. The borings were advanced to depths ranging from 20 to 35 feet with respect to site grades. Groundwater was typically encountered at depths ranging from 2.0 to 3.0 feet below ground surface. Additionally to determine the subsurface conditions in the propose pavement areas, drilled eight (8) auger borings to depths of 6 feet.

UES provided recommendations for site clearing/preparation, dewatering, removing any utilities, stripping topsoils and vegetation, compaction of the subgrade and structural fill soils. SMG's recommendation is conditioned upon strict adherence to the recommendations within UES's geotechnical report.

Pre-Construction Analysis: SMG has received a Document and Cost Review ("DCR") from Partner Engineering and Science, Inc. ("Partner") dated April 2, 2020.

The DCR report states that the plans and specifications (civil, architectural, plumbing, mechanical, and electrical) appear to be adequately prepared and provide the information necessary to satisfactorily complete the construction. Partner states that all documents provided have been reviewed for completeness and general conformance with applicable building codes and standard construction practices. SMG further confirmed with Partner that all committed to Features and Amenities are included in the documents.

The DCR states that the Development has been designed to comply with applicable 2017 Florida Building Code, 2017 Florida Accessibility Code, Florida Fire Prevention Code, Fair Housing Act, and the Americans with Disabilities Act.

A schedule of values dated March 13, 2020 was provided to Partner for the Sydney Trace project totaling $19,584,000 or $102.77 per square foot of gross building area (190,566 total gross square feet) and $102,000 per unit (192 total apartments). Partner's estimated costs are $19,879,651 or $104.32 per square foot of gross building area and $103,539.85 per apartment, a variance of roughly -1.5%, which is within an acceptable range when performing conceptual cost analysis reports such as this.

The construction schedule indicates project substantial completion in 420 days. The contract indicates the Contractor will achieve substantial completion in 420 days from the Date of Commencement. Partner notes that this duration appears to be appropriate for the development, however further detail is recommended throughout the course of the construction. Partner recommends that subsequent schedules be expanded and revised throughout the course of monitoring the construction process so that it:

- A more detailed construction schedule depicting the separate site tasks/activities, building-by-building and level by level and major task/activities within each building construction start and finish dates should be submitted. All major milestones, links, and critical path elements.

- Organizes the work by dwelling units within the residential buildings or by grouping construction tasks such as HVAC work, electrical work, installation of cabinetry, appliances, finishes, etc. per building,
- Incorporates specific milestone dates such as permit received, notice to proceed, substantial completion, and certificates of occupancy.

Site Inspection:

Ryan Johnson of Seltzer Management Group, Inc. conducted a site visit on February 21, 2020. The subject site is in South West Jacksonville in the new, up and coming neighborhood of Oakleaf. The Jacksonville International Airport is 27 miles northeast of the site. Downtown Jacksonville is 16 miles to the northeast. Across the street of the site is Elevate Life Church. About a half mile to the north is the Oakleaf Town Center. The town center consists of multiple restaurants and shops, the US Postal Service, two learning academies, daycare, pharmacy and a library. Directly behind the proposed site is a lake which runs along Oakleaf Village Parkway. South of the site is Oakleaf Plantation, an outdoor recreational area with multiple hiking trails, creeks and the Oakleaf Sports Association. The closest hospital is Orange Park Medical about nine miles away. There are bus stops every couple blocks up and down Argyle Forest Boulevard. I-295, a major US highway, is twelve miles away. I-295 allows for easy access to I-10 and I-95. Marcis Pointe, an elderly community, is seven miles to the northeast of subject site. Courtney Manor, a tax credit community, is seven miles east of the site.

There does not appear to be any apparent adverse conditions that would negatively affect this development nor impair the property's ability to attract tenants.

Features, Amenities, and Resident Programs:

Borrower committed to provide certain features and amenities and certain resident programs in the JHFA Application. These commitments are set forth in the attached Exhibit 2.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Sydney Trace
DATE: June 8, 2020

In accordance with applicable Program Rule(s), the Borrower is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("Florida Housing" or "FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

CREDIT UNDERWRITING **REQUIRED ITEMS:**	**STATUS** **Satis. /Unsatis.**	**NOTE**
1. The Development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("DCR").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of Borrower, general contractor and management	Satis.	

agent.		
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	1
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	N/A	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT’S RESPONSES:

1. Receipt and satisfactory review of an executed Management Agreement.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	$31,354,043
Less Land Cost	($2,970,000)
Less Federal Funds	$0
Less Other Ineligible Cost	($2,670,195)
Less Disproportionate Standard	$0
Total Eligible Basis	$25,713,848
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	$33,428,002
Housing Credit Percentage	3.32%
Annual Housing Credit Allocation	$1,109,810

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of Accounting fees, FHFC administrative, application and HC compliance fees, legal fees, insurance, Market Study, permanent loan origination and commitment fees and closing costs, bond cost of issuance and reserves required by the lender.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100%.
3. Per the Application, this Development is not located in a Difficult to Develop Area ("DDA") but is located in a HUD-designated Small Area DDA ("SADDA"), 32222. Accordingly, the Subject Development qualifies for the 130% Basis Credit.
4. A Housing Credit Percentage of 3.32% is used based on an March 2020 rate of 3.17% plus 15 basis points.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	$31,354,043
Less Mortgages	($19,750,000)
Less Grants	$0
Equity Gap	$11,604,043
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.9400
HC Required to Meet Gap	$12,345,961
Annual HC Required	$1,234,596

Notes to the Gap Calculation:

1. Mortgages include the First Mortgage provided by R$, the JHFA Gap Loan, the COJ HOME loan and the JHFA subordinate loan.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the Wells Fargo LOI, dated October 11, 2019, last revised March 2, 2020.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	$25,713,848
Plus Land Cost	$2,970,000
Aggregate Basis	$28,683,848
Tax-Exempt Bond Amount	$19,000,000
Less Debt Service Reserve	$0
Less Proceeds Used for Costs of Issuance	$0
Plus Tax-exempt GIC earnings	$0
Tax-Exempt Proceeds Used for Building and Land	$19,000,000
Proceeds Divided by Aggregate Basis	66.24%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt Bond amount to be 66.24% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Applicant Request	
HC per Qualified Basis	$1,109,810
HC per Gap Calculation	$1,234,596
Annual HC Recommended	$1,109,810

Notes to the Summary:

1. The Annual HC Recommended is based on the Qualified Basis Calculation.

TAB 5

Sydney Trace
Authorizing Resolution

A RESOLUTION OF THE JACKSONVILLE HOUSING FINANCE AUTHORITY APPROVING AND AUTHORIZING THE ISSUANCE OF JACKSONVILLE HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS (SYDNEY TRACE APARTMENTS), SERIES 2020A AND JACKSONVILLE HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS (SYDNEY TRACE APARTMENTS), SERIES 2020B, IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $21,500,000 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING MULTIFAMILY RESIDENTIAL HOUSING FACILITIES LOCATED IN THE CITY OF JACKSONVILLE, FLORIDA AS DESCRIBED HEREIN; APPOINTING THE PLACEMENT AGENT NAMED HEREIN FOR THE SALE OF THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND LOAN AGREEMENT TO SECURE PAYMENT OF SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT OF MORTGAGE DOCUMENTS WITH RESPECT TO THE SERIES 2020A BONDS AND AN ASSIGNMENT OF MORTGAGE DOCUMENTS WITH RESPECT TO THE SERIES 2020B BONDS; DESIGNATING SELTZER MANAGEMENT GROUP, INC. AS THE INITIAL ISSUER SERVICER, COMPLIANCE AGENT AND FINANCIAL MONITORING AGENT; AND APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A COMPLIANCE MONITORING AGREEMENT, A FINANCIAL MONITORING AGREEMENT AND A CONSTRUCTION LOAN AND MORTGAGE SERVICING AGREEMENT; APPROVING A CREDIT UNDERWRITING REPORT; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE SERIES 2020A BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN BOND PURCHASE AGREEMENTS WITH RESPECT TO THE SERIES 2020B BONDS; DESIGNATING RBC CAPITAL MARKETS, LLC, AS PLACEMENT AGENT FOR THE SERIES 2020A BONDS; AUTHORIZING CERTAIN WAIVERS OF THE ISSUER'S POLICIES AND PROCEDURES; APPOINTING A TRUSTEE; AUTHORIZING ALL OTHER NECESSARY ACTIONS, AGREEMENTS, CERTIFICATES OR INSTRUMENTS REQUIRED TO ISSUE AND DELIVER THE BONDS; AND PROVIDE AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Sections 159.601 through 159.623 Part IV, 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 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, the Jacksonville Housing Finance Authority (the "Issuer") is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition, construction and development of multifamily rental housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, the Issuer has the power to issue revenue bonds for the purposes described in the Act, including, without limitation, to refund outstanding obligations of the Issuer, to finance the purchase of mortgage loans originated to persons of low and moderate income and to stimulate the acquisition, construction and rehabilitation of housing within the County; and

WHEREAS, the Issuer has determined that there exists a shortage of safe and sanitary housing for persons and families of moderate middle and lesser income within Duval County, Florida; and

WHEREAS, pursuant to the Act, and the Indenture of Trust by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), dated as of June 1, 2020 (the "Indenture"), Sydney Trace, Ltd., (the "Borrower") has requested that the Issuer issue its Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A (the "Series 2020A Bonds") and its Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B (the "Series 2020B Bonds" and together with the Series 2020A Bonds, the "Bonds"); and

WHEREAS, the Issuer has determined to issue, sell, and deliver the Bonds for the purpose of funding the loan; and

WHEREAS, the Issuer authorized the issuance of the Bonds pursuant to that certain Resolution adopted by the Issuer on September 18, 2019**;** and

WHEREAS, in addition to issuance of the Series 2020A Bonds, the subordinate Series 2020B Bonds, the Authority will provide a subordinate loan to the Borrower in the amount of $1,500,000 (the "JHFA Loan"), and the City of Jacksonville, Florida (the "City") will provide a subordinate loan to the Borrower in the amount of $1,000,000 (the "City Loan") (collectively, the "Subordinate Loans"); and

WHEREAS, to secure payment of the Bonds, the Issuer and the Trustee will enter into the Indenture to provide for, among other things, the security for the Bonds; and

WHEREAS, the Issuer and the Borrower will enter into the hereinafter described Loan Agreement (the "Loan Agreement") with respect to the Bonds, pursuant to which a mortgage loan will be made to the Borrower in the amount of the Bonds (the "Loan") for the financing of

the acquisition, construction and equipping of a multifamily residential development located on property within the County, to be known as Sydney Trace Apartments; (the "Project"); and

WHEREAS, as a condition of facilitating the Loan and in connection with the issuance of the Bonds, the Issuer, the Trustee and the Borrower will enter into the hereinafter described Land Use Restriction Agreement in order to preserve the tax-exempt status of the Bonds; and

WHEREAS, the Loan shall be evidenced by two mortgage notes (the "Notes"), which Loan and Notes shall be secured separately by a first Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "Senior Mortgage") from the Borrower to and in favor of the Authority, and assigned to the Trustee in connection with the Series 2020A Bonds, and a subordinate Mortgage and Security Agreement from the Borrower to and in favor of the Authority, and assigned to the Trustee in connection with the Series 2020B Bonds (the "Subordinate Mortgage" and together with the Senior Mortgage, the "Mortgages"); and

WHEREAS, the Issuer desires to assign certain of its rights under the Loan Agreement, the Mortgages and the Notes to the Trustee pursuant to that certain Assignment of Mortgage Documents from the Authority to the Trustee with the consent of the Borrower with respect to the Series 2020A Bonds and the Senior Mortgage (the "Senior Assignment") and that certain Assignment of Mortgage Documents from the Authority to the Trustee with the consent of the Borrower with respect to the Series 2020B Bonds and the Subordinate Mortgage (the "Subordinate Assignment" and together with the Senior Assignment, the "Assignments"); and

WHEREAS, the Issuer has determined that a negotiated sale of the Bonds is in the best interest of the Issuer; and

WHEREAS, RBC Capital Markets, LLC will act as Placement Agent for the Series 2020A Bonds; and

WHEREAS, JDR Lender, LLC and CSM Lender, LLC will purchase the Series 2020B Bonds (collectively, the "Subordinate Purchaser"); and

WHEREAS, in connection with the negotiated sale of the Series 2020A Bonds, the Issuer desires to enter into a Bond Purchase Agreement by and among the Issuer, the Borrower and Western Alliance Business Trust as initial purchaser (the "Initial Purchaser") of the Series 2020A Bonds (the "Bond Purchase Agreement"); and

WHEREAS, in connection with the negotiated sale of the Series 2020B Bonds to the Subordinate Purchaser, the Issuer desires to enter into a Bond Purchase Agreement with JDR Lender, LLC and a Bond Purchase Agreement with CSM Lender, LLC (collectively, the "Series 2020B Purchase Agreements"); and

WHEREAS, in order to further secure payment of the Bonds, certain guaranties will be provided by the Borrower, Sydney Trace GP, LLC, John D. Rood Revocable Trust 1/26/88 and John D. Rood, individually, in favor of the Issuer and assigned to the Trustee; and

WHEREAS, the Issuer desires to appoint The Bank of New York Mellon Trust Company, N.A. as Trustee; and

WHEREAS, Seltzer Management Group, Inc., a Florida corporation ("Seltzer") will initially be the financial monitor, issuer servicer and compliance monitoring agent with respect to the Bonds; and

WHEREAS, the Issuer desires to approve the Credit Underwriting Report prepared by Seltzer for the Issuer dated the date thereof (the "Credit Underwriting Report"); and

WHEREAS, the Issuer desires to grant to its appropriate officers the authority to do and perform and execute all other documents and instruments, not mentioned herein, necessary to issue the Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE JACKSONVILLE HOUSING FINANCE AUTHORITY:

Section 1. **Findings and Determinations**. The Issuer hereby finds and determines that:

(a) All statements and provisions of the foregoing recitals are incorporated herein as findings and determinations of the Issuer.

(b) A negotiated sale of the Bonds is in the best interest of the Issuer in light of the prevailing unsettled condition of the bond market, and the necessity of complying with provisions of the Internal Revenue Code of 1986, as amended, which make it essential that the Issuer have maximum flexibility in structuring the Bonds, which flexibility would not be possible in competitive bidding.

(c) Based upon such findings, the Issuer approves the negotiated sale of the Bonds to the Placement Agent and the Subordinate Purchaser, respectively.

(d) Prior to executing and delivering the Indenture, the Issuer shall have received disclosure statements from or on behalf of the Initial Purchaser and the Subordinate Purchaser setting forth the information required by Section 218.385, Florida Statutes, as amended.

(e) In addition to the words and terms defined or described herein, and unless the context otherwise requires, the terms defined in the documents identified and described in the

foregoing recitals and in this Resolution shall have the meanings that are ascribed to them in the Indenture and/or the Loan Agreement.

Section 2. **Authorization and Details of the Bonds**. The Issuer hereby authorizes the issuance of not to exceed $21,500,000 total aggregate principal amount of the Bonds to be designated as "Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds, (Sydney Trace Apartments), Series 2020A", and "Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds, (Sydney Trace Apartments), Series 2020B", or such other name or series designation or in one or more series, all as may be determined by the Issuer. The Bonds shall bear interest payable at such times and in such manner, and shall have maturity dates and shall be subject to redemption, all as described in the Indenture. The Bonds are issuable only as fully registered bonds in the denominations as provided in the Indenture.

Section 3. **Approval of Indenture**. The Issuer hereby approves the form and content of the Indenture between the Issuer and the Trustee attached hereto as **EXHIBIT A**. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Indenture on behalf of the Issuer in substantially the form attached hereto as **EXHIBIT A**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 4. **Approval of Loan Agreement**. The Issuer hereby approves the form and content of the Loan Agreement by and between the Issuer and the Borrower attached hereto as **EXHIBIT B**. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Loan Agreement, including the form of the Note attached as an exhibit thereto, on behalf of the Issuer in substantially the form attached hereto as **EXHIBIT B**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 5. **Approval of Land Use Restriction Agreement**. The Issuer hereby approves the form and content of the Land Use Restriction Agreement by and among the Issuer, the Borrower and the Trustee attached hereto as **EXHIBIT C** (the "Land Use Restriction Agreement"). The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the Issuer in substantially the form attached hereto as **EXHIBIT C**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 6. **Approval of Compliance Monitoring Agreement, Financial Monitoring Agreement, Construction Loan and Mortgage Servicing Agreement and Credit Underwriting Report.** Seltzer is hereby appointed to perform the duties of compliance monitoring agent pursuant to the Compliance Monitoring Agreement by and among the Issuer, the Borrower, the Trustee and Seltzer (the "Compliance Monitoring Agreement"), the duties of financial monitoring agent pursuant to the Financial Monitoring Agreement by and among the Issuer, the Borrower, the Trustee and Seltzer (the "Financial Monitoring Agreement"), and the duties of Issuer Servicer under the Indenture, the Loan Agreement, the Land Use Restriction Agreement and the Construction Loan and Mortgage Servicing Agreement by and among the Issuer, the Borrower, the Trustee and Seltzer (the "Mortgage Servicing Agreement"). The forms of the Compliance Monitoring Agreement, the Financial Monitoring Agreement and the Mortgage Servicing Agreement attached hereto as **EXHIBITS D, E** and **F**, respectively, are hereby approved. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Compliance Monitoring Agreement, the Mortgage Servicing Agreement and the Financial Monitoring Agreement on behalf of the Issuer in substantially the forms attached hereto as **EXHIBITS D, E** and **F**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer. The Issuer hereby approves the Credit Underwriting Report prepared by Seltzer in connection with the Project Facilities and delivered to the Issuer.

Section 7. **Approval of Bond Purchase Agreement.** The Issuer hereby approves the form and content of the Bond Purchase Agreement by and among the Issuer, the Borrower and the Initial Purchaser attached hereto as **EXHIBIT G** (the "Bond Purchase Agreement"). The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Issuer in substantially the form attached hereto as **EXHIBIT G**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 8. **Approval of Assignments**. The Issuer hereby approves the form and content of the Assignments attached hereto as **EXHIBIT H** and **EXHIBIT I,** respectively. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Assignments on behalf of the Issuer in substantially the form attached hereto as **EXHIBIT H** and **EXHIBIT I,** respectively., with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 9. **Approval of Series 2020B Purchase Agreements**. The Issuer hereby approves the form and content of the Series 2020B Purchase Agreements attached hereto as **EXHIBIT J** and **EXHIBIT K,** respectively. The Chair, Vice Chair or any member of the Issuer is

hereby authorized to execute and deliver the Series 2020B Purchase Agreements on behalf of the Issuer in substantially the form attached hereto as **EXHIBIT J** and **EXHIBIT K,** respectively, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 10. **Execution of Bonds**. The Chair, Vice Chair or any member of the Issuer and Secretary or Assistant Secretary of the Issuer are hereby authorized and directed to execute, by manual or facsimile signature, the Bonds in definitive form. The Bonds shall be in substantially the form set forth in the Indenture, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer may deem necessary and appropriate. The execution and delivery of the Bonds by the aforementioned persons shall be conclusive evidence of the Issuer's approval and authorization thereof.

Section 11. **Authentication and Delivery of Bonds**. Upon their execution in the form and manner set forth in the Indenture, the Issuer shall deliver the Bonds to the Trustee for authentication, and the Trustee is hereby authorized and directed to authenticate and to deliver said Bonds to the designated purchaser or purchasers of the Bonds.

Section 12. **Appointment of Placement Agent and Trustee**. RBC Capital Markets, LLC is hereby appointed as Placement Agent in connection with the issuance of the Series 2020A Bonds and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee in connection with the issuance of the Bonds.

Section 13. **Waiver of Certain Provisions of Multifamily Policies and Procedures**. To the extent necessary, with respect to the Subordinate Purchaser, the Issuer hereby waives the requirement under its multifamily policies and procedures that one or both of them be "Sophisticated Investors" as such term is defined in the Issuer's 2018 Multifamily Bond Allocation Policies and Procedures and Program Guidelines Handbook.

Section 14. **Authorizations, Further Actions and Conditions**. The Chair, Vice Chair or other member of the Issuer, the Finance Director and such other officers and employees or agents of the Issuer as may be designated by the Chair, are each designated as agents of the Issuer in connection with the issuance and delivery of the Bonds and are authorized and empowered, collectively or individually, to take all actions and steps, to approve, execute and deliver, if appropriate, all contracts, agreements and such other instruments, to approve the form of and approve such changes and complete all omissions and blank spaces in such instruments, documents and contracts, including the exhibits thereto, and to take such other and further actions as they may deem necessary or desirable to accomplish the intent thereof, including the sale, issuance and delivery of the Bonds, including, but not limited to, in consultation with the Issuer's Financial Advisors, Bond Counsel and the Office of the General Counsel, executing and delivering certain additional documents as may be necessary; provided,

however, that such terms and conditions set forth in such additional documents shall not be inconsistent with the provisions of this Resolution.

Section 15. **Severability**. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 16. **Repealing Clause**. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 16. **Effective Date**. This Resolution shall take effect immediately upon its adoption.

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APPROVED AND ADOPTED by the Jacksonville Housing Finance Authority this 17th day of June 2020.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

FORM APPROVED:

By:_____
Office of the General Counsel

EXHIBIT LIST

EXHIBIT A	FORM OF INDENTURE OF TRUST
EXHIBIT B	FORM OF LOAN AGREEMENT
EXHIBIT C	FORM OF LAND USE RESTRICTION AGREEMENT
EXHIBIT D	FORM OF COMPLIANCE MONITORING AGREEMENT
EXHIBIT E	FORM OF FINANCIAL MONITORING AGREEMENT
EXHIBIT F	FORM OF CONSTRUCTION LOAN AND MORTGAGE SERVICING AGREEMENT
EXHIBIT G	FORM OF BOND PURCHASE AGREEMENT
EXHIBIT H	FORM OF ASSIGNMENT OF MORTGAGE DOCUMENTS (SERIES 2020A)
EXHIBIT I	FORM OF ASSIGNMENT OF MORTGAGE DOCUMENTS (SERIES 2020B)
EXHIBIT J	FORM OF BOND PURCHASE AGREEMENT (JDR LENDER, LLC)
EXHIBIT K	FORM OF BOND PURCHASE AGREEMENT (CSM LENDER, LLC)

EXHIBIT A

FORM OF INDENTURE OF TRUST

BMO DRAFT
6/9/2020

INDENTURE OF TRUST

by and between

JACKSONVILLE HOUSING FINANCE AUTHORITY

and

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

as Trustee

Dated as of June 1, 2020

Relating to:

$19,000,000
Jacksonville Housing Finance Authority
Multifamily Housing Revenue Bonds
(Sydney Trace Apartments), Series 2020A

and

$2,500,000
Jacksonville Housing Finance Authority
Multifamily Housing Subordinate Revenue Bonds
(Sydney Trace Apartments), Series 2020B

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INDENTURE OF TRUST

This **INDENTURE OF TRUST** (as amended, modified, supplemented or restated from time to time, this "Indenture"), dated as of June 1, 2020, made and entered into by and between the **JACKSONVILLE HOUSING FINANCE AUTHORITY**, a public body corporate and politic duly created, organized and existing under the laws of the State (together with its successors and assigns, the "Issuer"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,** a national banking association authorized to exercise corporate trust powers in the State and authorized to accept and execute the trusts of the character herein set out, as trustee (together with any successor trustee hereunder and their respective successors and assigns, (the "Trustee"),

W I T N E S S E T H:

WHEREAS, by virtue of the authority of the laws of the State, and particularly the Act, the Issuer is empowered to issue its revenue bonds, notes or other evidences of Indebtedness to finance the acquisition, rehabilitation and development of multifamily rental housing for persons of low, moderate and middle income at prices or rentals they can afford; and

WHEREAS, the Issuer has determined to issue and sell its Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A, in the original aggregate principal amount of $19,000,000 (the "Series 2020A Bonds"), its Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B-1 in the original aggregate principal amount of $1,700,000, and its Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B-2 in the original aggregate principal amount of $800,000 (collectively, the "Subordinate Bonds" and collectively, the "Bonds") for the purpose of financing all or a portion of the costs of the acquisition and construction of a multifamily residential housing facility located at 8575 Merchants Way, Jacksonville, Duval County, Florida, 32222, consisting of a total of 192 units to be commonly known as Sydney Trace Apartments (the "Project") all pursuant to this Indenture and the Loan Agreement, dated as of June 1, 2020 (as amended, modified, supplemented or restated from time to time, the "Loan Agreement"), between the Issuer and Sydney Trace, Ltd., a Florida limited partnership duly organized and existing under the laws of the State (together with its permitted successors and assigns, the "Borrower"); and

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

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

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

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE COVENANTS AND UNDERTAKINGS HEREIN EXPRESSED, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY AND RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO AGREE AS FOLLOWS:

GRANTING CLAUSES

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

(a) All moneys from time to time paid by the Borrower pursuant to the terms of the Loan Agreement, the Note and the Bond Documents and all right, title and interest of the Issuer (including, but not limited to, the right to enforce any of the terms thereof) under and pursuant to and subject to the provisions of the Loan Agreement, the Bond Documents and the Note (but in each instance excluding the Reserved Rights, as defined herein); and

(b) All other moneys and securities from time to time held by the Trustee under the terms of this Indenture, excluding the Expense Fund, the Costs of Issuance Account and the Rebate Fund and excluding amounts required to be rebated to the U.S. Treasury under Section 148(f) of the Code, as amended, whether or not held in the Rebate Fund; and

(c) Any and all property, rights and interests (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder to the Trustee, which the Trustee is hereby authorized to receive at any and all times and to hold and apply the same subject to the terms of this Indenture; and

(d) All of the proceeds of the foregoing (except the amounts payable to or on behalf of the Issuer on account of its Reserved Rights), including without limitation investments thereof;

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

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

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

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

ARTICLE I
DEFINITIONS

Section 1.1 **Defined Terms**. In addition to terms defined elsewhere in this Indenture, the following words and terms as used in this Indenture and the preambles hereto shall have the

following meanings unless the context or use clearly indicates another or different meaning or intent.

"Absolute and Unconditional Guaranty of Completion" means the Absolute and Unconditional Guaranty of Completion, dated as of the date hereof, by the Issuer Guarantors to and for the benefit of the Issuer and the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Absolute and Unconditional Guaranty of Operating Deficits" means the Absolute and Unconditional Guaranty of Operating Deficits, dated as of the date hereof, by the Issuer Guarantors to and for the benefit of the Issuer and the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Accountant" means an accounting firm specified by the Borrower and approved in writing by the Controlling Person.

"Accounts" means all funds and accounts established under this Indenture from time to time.

"Act" means the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Chapter 52 Ordinance Code of the City, as amended, Ordinance 2014-185-E of the City, Resolution No. 2019-832-A of the City adopted on December 10, 2019, a Resolution of the Issuer adopted on September 18, 2019 and a Resolution of the Issuer adopted on June 15, 2020.

"Advance" means any disbursement from the Project Fund established under this Indenture made or to be made by the Trustee pursuant to the terms of the Loan Agreement.

"Affiliate" means, with respect to any designated Person, each Person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another designated Person, pursuant to the organizational document(s) of an entity or by other express, written agreement.

"Annual Budget" means, for any Fiscal Year, the capital and operating budget adopted by the Borrower and approved by the Controlling Person, or deemed approved, pursuant to Section 6.24 of the Loan Agreement.

"Anti-Terrorism Regulations" shall have the meaning ascribed to such term in Section 6.23 of the Loan Agreement.

"Approved Buyer" means (i) (1) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act, (2) an "accredited investor" as defined in Regulation D promulgated under the Securities Act or (3) any other transferee expressly permitted under the Investor Letter, (ii) an Affiliate of Purchaser; or (iii) a trust, custodial or securitization

arrangement in which all of the beneficial ownership interests would be owned by one or more other Approved Buyers.

"Architect" means Group 4 Design, Inc.

"Architect's Agreement" means the contract dated October 18, 2019 between the Borrower and the Architect, providing for the design of the Improvements and the supervision of the construction thereof, including ongoing monthly inspection of the Improvements during the construction of the Improvements, certification of Requisitions and certification of Final Completion, among other things, as the same may be amended, modified, supplemented or restated from time to time.

"Assignment of Capital Contributions" means the Assignment of Capital Contributions, dated the date hereof, by the Borrower for the benefit of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Assignment of Management Agreement" means the Assignment of Management Agreement, dated as of the date hereof, by the Borrower to and for the benefit of the Trustee, consented to by the Managing Agent, as the same may be amended, modified, supplemented or restated from time to time.

"Assignment of Project Documents" means the Assignment of Project Documents, dated as of the date hereof, made by the Borrower in favor of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Authorized Denomination" means $250,000, and any amount in excess of $250,000, but not in excess of the aggregate principal amount of Bonds then Outstanding.

"Authorized Person" means one or more individuals duly authorized (in writing by the Borrower to the Trustee) to bind the Borrower in connection with the administration of the Project. The initial Authorized Persons of the Borrower are Clarence S. Moore, James R. Hoover, and Jason O. Floyd.

"Bankruptcy Code" means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

"Bond" or **"Bonds"** shall have the meaning given to such term in the recitals to this Indenture.

"Bond Counsel" means an attorney, or firm of attorneys, nationally recognized, designated by the Issuer and experienced in legal work relating to the financing of facilities through the issuance of tax-exempt bonds, reasonably acceptable to the Controlling Person.

"Bond Coupon Rate" means with respect to the Series 2020A Bonds, [___]% per annum, and with respect to the Subordinate Bonds, 5.50% per annum.

"Bond Documents" means, collectively, the Bonds, this Indenture, the Loan Agreement, the Note, the Land Use Restriction Agreement, the Tax Certificate, the Purchase Agreement, the Series 2020B Purchase Agreement, the Mortgage, the Subordinate Mortgage, the Environmental Indemnity, the Assignment of Management Agreement, the Issuer Assignment, the Continuing Disclosure Agreement, the Replacement Reserve Agreement, the Assignment of Project Documents, the General Partner Pledge, the Developer Fee Pledge, the Assignment of Capital Contributions, the Guaranty of Recourse Obligations, the Guaranty of Debt Service and Stabilization and the Guaranty of Completion, the Subordination Agreement, the Issuer Guaranties, the Issuer Servicer Documents and all other agreements or instruments relating to, or executed in connection with the issuance and delivery of the Bonds, including all modifications, amendments or supplements thereto.

"Bond Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"Bond Proceeds Account" means the account of that name within the Project Fund created pursuant to Section 4.1(a) hereof.

"Bondholder" or **"Holder"** or words of similar import, when used with reference to the Bonds, means the registered owner or owners of the Bonds, as applicable.

"Borrower" shall have the meaning given to such term in the recitals to this Indenture.

"Business Day" means any day on which the offices of the Trustee are open for business and on which The New York Stock Exchange is not closed.

"Capital Expenditures" means the capital expenditures relating to any construction, repair and replacement of the Improvements or made pursuant to the recommendations of the Engineering Consultant.

"Capitalized Interest Account" means the account of that name within the Project Fund created pursuant to Section 4.1(a) hereof.

"Change Order" means a change made to the Plans and Specifications relating to the Project, as evidenced by a written change order request in accordance with the terms of the Construction Contract.

"City" means the City of Jacksonville, Florida.

"Code" means the Internal Revenue Code of 1986, as amended, and the rulings and regulations (including temporary and proposed regulations) promulgated thereunder.

"**Collateral**" means all property of the Borrower in which the Issuer or Trustee is granted a security interest to secure payment of the Loan.

"Completion Date" means the date by which the construction of the Improvements must achieve Final Completion. The initial Completion Date for the construction completion is **[_____, 20__]**; provided, however, that at the request of the Borrower and with the prior written approval of the Controlling Person delivered to the Trustee, the Completion Date may be extended one or more times for such periods as the Controlling Person may approve in its sole discretion, upon delivery of such other information and funds as reasonably requested by the Controlling Person or the Majority Owner. The approval of the Controlling Person shall not be unreasonably withheld, conditioned or delayed in connection with any reasonably required extension of the Completion Date as a result of any Force Majeure event.

"Compliance Monitoring Agreement" means the Compliance Monitoring Agreement, dated as of June 1, 2020, by and among the Issuer, the Borrower, the Issuer Servicer and the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Condemnation Award" means the total condemnation proceeds actually paid by the condemnor as a result of the condemnation of all or any part of the property subject to the Mortgage less the actual costs incurred, including attorneys' fees, in obtaining such award.

"Construction Loan and Mortgage Servicing Agreement" means the Construction Loan and Servicing Agreement, dated as of June 1, 2020, by and among the Issuer, the Borrower, the Issuer Servicer and the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Construction Contract" means the contract dated March 6, 2020, between the Borrower and the Contractor, providing for the construction of the Improvements and certification of Requisitions, among other things, as the same may be amended, modified, supplemented or restated from time to time.

"Contamination" means the uncontained release, discharge or disposal of any Hazardous Substances at, on, upon or beneath the Project, whether or not originating at the Project, or arising from the Project into or upon any land or water or air, or otherwise into the environment, which may require remediation under any applicable Legal Requirements.

"**Continuing Disclosure Agreement**" means the Continuing Disclosure Agreement, dated as of the date hereof, between the Borrower and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent, as the same may be amended, modified, supplemented or restated from time to time.

"Continuing, Absolute and Unconditional Guaranty of Recourse Obligations" means the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, dated as of the date hereof, by the Issuer Guarantors named therein to and for the benefit of the Issuer and the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Contractor" means Summit Contracting Group, Inc., a Florida corporation.

"Control" (including, with the correlative meanings, the terms "controlling", "controlled by" and "under common control with") means, as used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such other Person, or of the Person, whether through contract, stock ownership, partnership interests, membership, voting rights, governing boards, committees, divisions or other bodies with one or more common members, directors, trustees or other managers, or otherwise.

"Controlling Person" means any entity designated in writing by the Majority Owner to act as a Controlling Person hereunder, in accordance with Article IX hereof. If at any time a Controlling Person has not been designated by the Majority Owner, all references herein and in other Bond Documents to "Controlling Person" shall refer to the Majority Owner. The initial Controlling Person is R4 Servicer LLC.

"**Costs of Issuance Account**" means the account of that name within the Project Fund created pursuant to Section 4.1(a) hereof.

"Counsel" means an attorney, or firm of attorneys, admitted to practice law before the highest court of any state in the United States or the District of Columbia, including any Bond Counsel.

"Debt Service Schedule" means the schedule of debt service payments with respect to the Bonds, together with any replacement thereof, each as delivered by Controlling Person pursuant to Section 3.4(e) of this Indenture.

"Default" means an event or condition which is, or which after giving notice or lapse of time or both would be, an Event of Default.

"**Default Interest**" means interest payable at the Default Rate.

"Default Rate" means a rate per annum equal to ten percent (10%) per annum; provided that such rate shall in no event exceed the maximum rate allowed by law.

"Depository Agreement" means the agreement referenced in Section 4.8.

"Determination of Taxability" means a determination that the interest accrued or paid on any of the Bonds is included in gross income of the Holders or former Holders for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

(i) the day on which the Borrower, the Issuer, the Trustee or any Holder is advised in writing by the Commissioner or any District Director of the IRS that the interest on the Bonds is included in the gross income of any Holder or former Holder thereof for federal income tax purposes;

(ii) the day on which the Borrower receives notice from the Trustee in writing that the Trustee has received (1) a notice in writing by any Holder or former Holder that the IRS has issued a statutory notice of deficiency or similar notice to such Holder or former Holder that asserts in effect that the interest on the Bonds received by such Holder or former Holder is included in the gross income of such Holder or former Holder for federal income tax purposes, or (2) an Opinion of Bond Counsel that concludes in effect that the interest on the Bonds is included in the gross income of any Holder or former Holder thereof for federal income tax purposes;

(iii) the day on which the Borrower, the Issuer, the Trustee or any Holder is advised in writing by the Commissioner or any District Director of the IRS that there has been issued a public or private ruling of the IRS or a technical advice memorandum issued by the national office of the IRS that the interest on the Bonds is included in the gross income of any Holder or former Holder thereof for federal income tax purposes; or

(iv) the day on which the Borrower, the Issuer, the Trustee or any Holder is advised in writing by Counsel that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States in a proceeding with respect to which the Borrower has been given written notice and an opportunity to participate and defend that the interest on the Bonds is included in the gross income of any Holder or former Holder thereof for federal income tax purposes;

provided, however, no Determination of Taxability shall occur to the extent that the interest on any of the Bonds is included in the gross income of any Holder or former Holder for federal income tax purposes solely because such Bond was held by a Person who is a Substantial User or a Related Person.

"Developer" means TVC Development, Inc., a Florida corporation, authorized to conduct its business in the State, together with its successors and assigns approved by the Controlling Person.

"**Developer Fee Pledge**" means the Developer Limited Guaranty, Pledge and Security Agreement dated as of the date hereof from Developer in favor of the Trustee.

"Development Budget" means the budget for the implementation and completion of the acquisition, construction and equipping of the Project, initially as attached to the loan Agreement as Schedule 4, together with any modifications or amendments thereto made in accordance with the Loan Agreement and with the prior written consent of the Controlling Person.

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

"**Dissemination Agent Fee**" the annual Dissemination Agent Fee under the Continuing Disclosure Agreement, in the amount of $250 per year, payable semiannually in arrears on each [_____] 1 and [_____]1, commencing **[_____ 1, 2020]**.

"Effective Gross Revenues" of the Borrower means, for the [three (3)] month period prior to the determination of Stabilized NOI, the annualized aggregate revenues during such period generated from all tenants and others occupying or having a right to occupy or use the Project or any portion thereof pursuant to leases, including (at the Controlling Person's reasonable discretion, taking into account whether such income is recurring and is appropriate for a stabilized property), vending machine income, cable TV revenues, laundry service and parking income, as adjusted in the Controlling Person's judgment for factors including but not limited to: (i) seasonal fluctuation in the rental rate in the market in which the Project is located; (ii) evidence of rent deterioration; (iii) concessions, reductions, inducements or forbearances (such as any cash reduction in monthly rent during the term of a lease, any free rent before, during or after the term of a lease, any rent coupons, gift certificates and tangible goods or any other form of rent reduction or forbearance); (iv) economic vacancy at the higher of: (1) seven percent (7%) and (2) actual economic vacancy based on the annualized vacancies of the Project; (v) 30-day or more delinquencies; (vi) low-income restrictions required by any applicable federal, state or local subsidy program or any restrictive covenant or regulatory agreement; and (vii) other applicable adjustments as reasonably determined by the Controlling Person. Effective Gross Revenues shall exclude revenues from Section 8 vouchers to the extent such revenues cause the rent on any unit to exceed the maximum allowable tax credit rent designated for such unit.

"**Engineer's Agreement**" means the agreement, if any, between the Borrower and the structural engineer for the Project approved by the Controlling Person, relating to the construction of the Improvements, as the same may be amended, modified, supplemented or restated form time to time.

"Engineering Consultant" means a consultant licensed to practice in the State and chosen by the Controlling Person.

"Environmental Audit" means the written **[Phase I]** environmental site assessment for the Project prepared by Environmental Services, Inc. and provided to the Controlling Person.

"Environmental Indemnity" means the Environmental Indemnity Agreement dated as of the date hereof, by the Borrower and Guarantors named therein in favor of the Trustee.

"Environmental Indemnity Agreement (Issuer)" means the Environmental Indemnity Agreement dated as of the date hereof, by the Borrower and Guarantors named therein in favor of the Issuer and the Trustee.

"Environmental Laws" means all Legal Requirements governing or relating to the protection of the environment, natural resources or human health concerning (i) activities at any of the Project, (ii) repairs or construction of any Improvements, (iii) handling of any materials at

any of the Project, (iv) releases into or upon the air, soil, surface water or ground water from any of the Project, and (v) storage, distribution, use, treatment, transport or disposal of any waste at or connected with any activity at any of the Project, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq., as amended from time to time; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 5101 et seq., as amended from time to time; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as amended from time to time; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq., as amended from time to time; and comparable State statutes.

"Environmentally Sensitive Area" means (i) a wetland or other "water of the United States" for purposes of Section 404 of the federal Clean Water Act or any similar area regulated under any State or local Legal Requirements, (ii) a floodplain or other flood hazard area as defined pursuant to any applicable state Legal Requirements, (iii) a portion of the coastal zone for purposes of the federal Coastal Zone Management Act, or (iv) any other area development of which is specifically restricted under applicable Legal Requirements by reason of its physical characteristics or prior use.

"EPA" shall have the meanings ascribed to such term in Section 6.14(e) of the Loan Agreement.

"Equity Account" means the account of that name within the Project Fund created pursuant to Section 4.1(a) hereof.

"ERISA" shall have the meaning ascribed to such term in Section 5.11 of the Loan Agreement.

"ERISA Affiliate" shall have the meaning ascribed to such term in Section 5.11 of the Loan Agreement.

"Event of Default" means, with respect to this Indenture, any of the events specified in Section 6.1 hereof, or with respect to the Loan Agreement, any of the events specified in Section 7.1 thereof.

"Executive" means any one of Chair or Vice Chair of the Issuer.

"Expense Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"**Expenses**" means the aggregate annualized operating expenses (including replacement reserves) of the Project as reasonably determined by the Controlling Person in an amount equal to the greater of: (i) the actual amount of aggregate annualized Expenses for the [three (3)] month period prior to the determination of Stabilized NOI, provided that such actual expenses reflect normalized/stabilized operations as reasonably determined by the Controlling Person; and (ii) $[_____] per annum increased on an annual basis commencing January 1, 2022 by 3%, adjusted to reflect actual cost of utilities, insurance and Impositions (provided that for Impositions

constituting real property taxes, if any, the cost shall be based on the full assessed value of the Project after taking into account completion of construction), plus all required deposits into the Replacement Reserve Fund established under the Indenture.

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the Issuer, the Trustee and the Majority Owner, with a copy to the Controlling Person, to the effect that a proposed action, event or circumstance (i) does not affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and (ii) does not affect the treatment of interest on the Bonds as not being an item of tax preference for purposes of the federal alternative minimum tax, which opinion may be subject to customary assumptions and exclusions.

"Final Completion" means, with respect to the Project, that each of the following conditions has been satisfied:

(i) the Controlling Person shall have received a copy of the final Plans and Specifications containing all Change Orders and there shall have been no Material Change Orders other than Material Change Orders approved by the Controlling Person;

(ii) the Borrower shall have obtained the Governmental Actions, if any, required by the Legal Requirements and all Governmental Authorities associated with the Project, including use and occupancy permits or their equivalent (if any are required), and shall have furnished true copies of all such Governmental Actions to the Controlling Person. Temporary certificates of occupancy, as opposed to final certificates of occupancy or their equivalent, shall be acceptable: provided, that (A) the Punchlist Items do not have a total cost to complete exceeding two percent (2%) of the contract price of the Work, nor an estimated time to complete, as reasonably determined by the Engineering Consultant, exceeding forty-five (45) days (except for items such as landscaping, the completion of which is subject to seasonal conditions), (B) such Punchlist Items do not substantially interfere with or prevent the use and occupancy of the Project, (C) such Punchlist Items do not include major appliances or materially affect the systems (including plumbing, electrical, HVAC, mechanical, roofing and sprinklers) serving the Project or major structural components of the Project and (D) adequate reserves, in amounts equal to **[110]%** of the cost of completion of such items as estimated by the Architect and approved by the Engineering Consultant (or 125%, with respect to the items described in subsection (A) as being subject to seasonal conditions) have been deposited into the Project Fund;

(iii) as to all such Governmental Actions, no appeal or other action or proceeding challenging any such Governmental Actions shall have been filed or, if filed and decided, there shall have been no appeal (or further appeal) taken and all other statutory appeal periods must have expired, and there shall be no claim, litigation or governmental proceeding pending against the Borrower or the Project challenging the validity or the issuance of any zoning, subdivision or other land use ordinance, variance, permit or approval, or any Governmental Action of the kind described in this subparagraph (iii). In addition, as to all of such permits, approvals and certificates having

statutory, regulatory or otherwise expressly specified and determinable appeal periods, such periods, if any, must have expired without an appeal having been taken (or any such appeal shall have been denied or shall have affirmed the granting of such Governmental Action);

(iv) the Controlling Person shall have received from the Architect, and the Engineering Consultant shall have approved, a certificate of the Architect in the form customary for projects of the scope of the Work for the Project with respect to substantial completion of the Work at the Project;

(v) all Work set forth in the Plans and Specifications for the Project other than Punchlist Items shall have been incorporated into the Improvements at the Project;

(vi) except for Permitted Encumbrances and Impositions not then due and payable, the Project shall be free of any and all private or governmental charges, claims or Liens (filed or not) of any nature, excepting only the liens and security interests in favor of the Trustee and any other encumbrances approved by the Controlling Person in writing or otherwise permitted by the Loan Agreement;

(vii) with respect to all contractors and subcontractors and materialmen (for contracts less than $50,000, only as required by the Title Company; provided that the Title Company insures over any mechanics' and materialmen's liens arising from such excepted contractors, subcontractors or materialmen), either (i) the Borrower shall have obtained a conditional waiver and release upon final payment of mechanics' and materialmen's liens if there are no Punchlist Items or (ii) if there are Punchlist Items, the Borrower shall have obtained a conditional waiver and release upon progress payment of mechanics' and materialmen's liens for all of the Improvements at the Project except for the Punchlist Items, and true copies thereof have been delivered to the Controlling Person; however, if the Borrower is contesting in good faith any obligation to a contractor or materialmen, then the Borrower may provide, in lieu of a waiver and release, a bond in the form and substance acceptable to the Controlling Person;

(viii) the final complete use of proceeds and completion certificates in the form required under the Loan Agreement shall have been provided to the Controlling Person and shall be reasonably acceptable to the Controlling Person;

(ix) an endorsement down-dating the Title Policy insuring the Mortgage as a first lien, subject to Permitted Encumbrances; and

(x) if construction work is contemplated which would result in new structures or expansion of foot prints of the existing structures, the Trustee shall have received an as-built ALTA/NSPS Urban Class Survey certified to the Trustee and the Controlling Person.

"Financial Monitoring Agreement" means the Financial Monitoring Agreement, dated as of June 1, 2020, by and among the Issuer, the Borrower, the Issuer Servicer and the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Financing Statements" means any and all financing statements (including continuation statements) or other instruments filed or recorded to perfect the Security Interest created in this Indenture.

"First Interest Payment Date" means the first (1st) calendar day of the second full calendar month following the Issue Date (August 1, 2020) with respect to the Series 2020A Bonds and August 1, 2020, subject to available cash flow, with respect to the Subordinate Bonds.

"First Principal Payment Date" means the first (1st) calendar day of the month following achievement of Stabilization with respect to the Series 2020A Bonds and the Maturity Date with respect to the Subordinate Bonds.

"First Optional Call Date" means July 1, 2033 with respect to the Series 2020A Bonds.

"First Put Date" means July 1, 2039 with respect to the Series 2020A Bonds.

"Fiscal Year" means the annual accounting year of the Borrower, which currently begins on January 1 of each calendar year.

"Fitch" means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Controlling Person, by notice to the Borrower, the Issuer and the Trustee.

"Force Majeure" means any acts of God, strikes, walkouts or other labor disputes, riots, civil strife, war, acts of a public enemy, lightning, fires, explosions, storms or floods or shortages of labor or materials, the occurrence of labor or supply shortage/stoppage due to a declared pandemic (e.g. COVID) or other causes of a like nature beyond the control of the Borrower; provided, however, that the unavailability of sources of financing, the insufficiency of funds, the loss of a tenant or changes in market conditions shall not constitute Force Majeure.

"GAAP" means generally accepted accounting principles in effect in the United States from time to time, consistently applied.

"General Partner" means Sydney Trace GP, LLC, a Florida limited liability company, and its permitted successors and assigns, as permitted by the Controlling Person and the restrictions described in the definition of "Permitted Transfer" herein.

"General Partner Pledge" means the Limited Guaranty, Pledge of Partnership Interests and Security Agreement, dated the date hereof, by the General Partner, in favor of the Trustee.

"Government Obligations" means (i) direct obligations of the United States for the full and timely payment of which the full faith and credit of the United States is pledged and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States, 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 (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the U.S. Treasury), 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.

"Governmental Action" means all permits, authorizations, registrations, consents, certifications, approvals, waivers, exceptions, variances, claims, orders, judgments and decrees, licenses, exemptions, publications, filings, and notices to and declarations of or with any Governmental Authority and shall include all permits and licenses required to construct, use, operate and maintain any of the Project.

"Governmental Authority" means any federal, state, or local governmental or quasi - governmental subdivision, authority, or other instrumentality thereof and any entity asserting or exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and having jurisdiction over the Borrower and/or the Project.

"Granting Clauses" means the granting clauses in the preamble hereof.

"Guarantors" means, as applicable with respect to each Guarantor Document, the Borrower, the General Partner, TVC Development, Inc., John D. Rood Revocable Trust 1/26/88, and John D. Rood, individually, together with their respective heirs, executors, personal and legal representatives and permitted successors and assigns.

"Guarantor Documents" means, collectively, (i) the Guaranty of Recourse Obligations, (ii) the Guaranty of Completion, (iii) the Guaranty of Debt Service and Stabilization, (iv) the Environmental Indemnity, (v) the Environmental Indemnity Agreement (Issuer), (vi) the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, (vii) the Absolute and Unconditional Guaranty of Completion, and (viii) the Absolute and Unconditional Guaranty of Operating Deficits.

"Guaranty of Completion" means the Guaranty of Completion, dated as of the date hereof, made by the Guarantors named therein in favor of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Guaranty of Debt Service and Stabilization" means the Guaranty of Debt Service and Stabilization, dated as of the date hereof, made by the Guarantors named therein favor of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Guaranty of Recourse Obligations" means the Guaranty of Recourse Obligations, dated as of the date hereof, made by the Guarantors named therein in favor of the Trustee and the

beneficiaries named therein, as the same may be amended, modified, supplemented or restated from time to time.

"Hazardous Substances" means any petroleum or petroleum products and their by-products, flammable explosives, radioactive materials, toxic chemicals and substances, radon, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and polychlorinated biphenyls (PCB), asbestos-containing materials (ACMs), lead-containing or lead-based paint (LBP), radon, Mold, medical waste and other bio-hazardous materials and any chemicals, pollutants, materials or substances defined as or included in the definition of "hazardous substances" as defined pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act, "regulated substances" within the meaning of subtitle I of the federal Resource Conservation and Recovery Act and words of similar import under applicable Environmental Laws.

"Holder" or **"Owner"** means the Person who shall be the registered owner of any Bond.

"HUD" means the U.S. Department of Housing and Urban Development.

"Impositions" means, with respect to the Project, all taxes including, without limitation, all real and personal property taxes, water charges and sewer rents, any special assessments, charges or claims and any other item which at any time may be or become a lien upon the Project.

"Improvements" means all buildings and other improvements included in the Project.

"Indebtedness" means, collectively, and includes all present and future indebtedness, liabilities and obligations of any kind or nature whatsoever of the Borrower to the Issuer, the Controlling Person, the Trustee or to the Holders from time to time of the Bonds or holder of Subordinate Debt, now existing and hereafter arising, under or in connection with this Indenture or any of the other Bond Documents or any of the Subordinate Debt Documents,, including future advances, principal, interest, indemnities, other fees, late charges, enforcement costs and other costs and expenses whether direct or contingent, matured or unmatured and all other obligations of the Borrower to the Controlling Person, the Trustee, the Issuer or the Holders from time to time of the Bonds or holder of Subordinate Debt.

"Indemnified Parties" shall have the meaning given to such term in Section 2.5 of the Loan Agreement.

"Indenture" shall have the meaning given to such term in the first paragraph hereof.

"Insurance and Condemnation Proceeds Account" means the account of that name within the Project Fund created pursuant to Section 4.1(a) hereof.

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

"Interest Payment Date" means the first (1st) calendar day of each month, commencing on the First Interest Payment Date.

"Investor Letter" means those certain Investor Letters substantially in the forms attached hereto as Exhibit C and D.

"Investor Limited Partner" means Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation, and its successors and assigns in such capacity pursuant to the Partnership Agreement.

"IRS" means the Internal Revenue Service.

"Issue Date" means June 30, 2020, the date on which the initial draw of the Bonds are issued and delivered to the purchaser or purchasers thereof.

"Issuer" means the Jacksonville Housing Finance Authority, a public body corporate and politic, duly created, organized and existing under the laws of the State, including the Act, or any successor to its rights and obligations under the Loan Agreement and this Indenture.

"Issuer Assignment" means that certain Assignment of Mortgage Documents, dated as of June 1, 2020, from the Issuer to the Trustee, and acknowledged by the Borrower, as the same may be amended, modified, supplemented or restated from time to time relating to the Series 2020A Bonds.

"Issuer Fee" means the ongoing fee of the Issuer in the amount of 20 basis points (0.20%) of the outstanding principal amount of the Loan (as calculated by the Controlling Person on the Business Day prior to any principal reduction of the Note) payable in semiannual installments in arrears on each [_____] 1 and [_____] 1, commencing **[**_____**]** 1, 2020, so long as any portion of the Loan is outstanding.

"Issuer Guaranties" means the Environmental Indemnity Agreement (Issuer), the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, the Absolute and Unconditional Guaranty of Completion and the Absolute and Unconditional Guaranty of Operating Deficits made by the Issuer Guarantors named therein, each for the benefit of the Issuer and the Trustee.

"Issuer Guarantors" means collectively, jointly and severally, the Borrower, the General Partner, TVC Development, Inc., John D. Rood Revocable Trust 1/26/88, and John D. Rood, individually.

"Issuer Servicer" means Seltzer Management Group, Inc., a Florida corporation, its successors and assigns, or any other servicer appointed by the Issuer to service the Loan on behalf of Issuer and to monitor the Project.

"Issuer Servicer Documents" means the Construction Loan and Mortgage Servicing Agreement, the Financial Monitoring Agreement and the Compliance Monitoring Agreement.

"**Issuer Servicer Fee**" means any fee payable by the Borrower to the Issuer Servicer pursuant to Section 2.2(d) of the Loan Agreement.

"Land" shall have the meaning assigned to such term in the Mortgage.

"Land Use Restriction Agreement" means the land use restriction agreement, dated as of June 1, 2020, among the Issuer, the Trustee and the Borrower, as the same may be amended, modified, supplemented or restated from time to time.

"Lease" shall have the meaning assigned to such term in the Mortgage.

"Legal Requirements" means all statutes, codes, laws, ordinances, regulations, rules, policies, or other federal, state, local and municipal requirements of any Governmental Authority whether now or hereafter enacted or adopted, and all judgments, decrees, injunctions, writs, orders or like action of an arbitrator or a court or other Governmental Authority of competent jurisdiction (including those pertaining to health, safety or the environment).

"**Lien**" means any lien, mortgage, security interest, tax lien, pledge, encumbrance, conditional sale or title retention arrangement, or any other interest in property designed to secure the repayment of indebtedness, whether arising by agreement or under any statute or law, or otherwise.

"**Loan**" means, collectively, (i) the loan of proceeds of the Series 2020A Bonds from the Issuer to the Borrower, as evidenced by the Series 2020A Note and (ii) the loan of proceeds of the Subordinate Bonds from the Issuer to the Borrower, as evidenced by the Subordinate Note, each pursuant to the terms of the Loan Agreement.

"Loan Agreement" shall have the meaning given to such term in the recitals to this Indenture.

"Local Time" means eastern time (daylight or standard, as applicable) in New York, New York.

"Majority Owner" means any one Person that is the beneficial owner of the Outstanding Series 2020A Bonds; provided, however, if no one Person is the beneficial owner of all of the Outstanding Series 2020A Bonds, "Majority Owner" means the beneficial owner or beneficial owners of at least fifty-one percent (51%) in aggregate principal amount of all Outstanding Series 2020ABonds. Following repayment of the Series 2020A Bonds in whole, the Majority Owner means the beneficial owner or beneficial owners of at least fifty-one percent (51%) in aggregate principal amount of all Outstanding Subordinate Bonds.

"Major Contract" shall mean any subcontract for labor or materials, or both, in connection with the Improvements which is for an aggregate contract price equal to or greater than $250,000, whether pursuant to one contract or agreement or multiple contracts or agreements, after taking into account all change orders.

"Management Agreement" shall have the meaning ascribed to such term in Section 6.19 of the Loan Agreement.

"Managing Agent" means the WRH Realty Services, Inc., together with any successor manager of the Project approved by the Controlling Person and their respective successors and assigns.

"Material Adverse Effect" means a material adverse effect on the business operations, assets, condition (financial or otherwise) or prospects of the Borrower.

"Material Change Order" means a Change Order which (i) would result in an increase or decrease of the lesser of $100,000 or 20% of hard cost contingency in the aggregate contract price of the Work to be performed on the Project or such lower amounts as may be required under the Construction Loan and Mortgage Servicing Agreement; (ii) when aggregated with other Change Orders previously effected, would result in an increase or decrease in excess of the lesser of $250,000 or 25% of hard costs contingencies in the aggregate contract price for the Work to be performed on the Project or such lower amounts as may be required under the Construction Loan and Mortgage Servicing Agreement; (iii) would reduce the number of apartment units in the Project; (iv) would materially reduce the aggregate useable square footage of the apartment units or the parking areas in the Project; (v) would change the number of one-, two- and three- bedroom apartments in the Project; (vi) would alter the scope of the recreational facilities or ancillary facilities of the Project; (vii) would alter the number of apartment units in the Project designated for occupancy by low and moderate income tenants; (viii) makes a substitution for any material or product that is of lesser quality, in the Controlling Person's determination, than that specified in the Plans and Specifications relating to the Project; or (ix) would materially adversely impair the value of the Project once the Work is completed.

"Material Contract" means each indenture, mortgage, agreement or other written instrument or contract to which the Borrower is a party or by which any of its assets are bound (including, without limitation, any employment or executive compensation agreement, collective bargaining agreement, agreement relating to an Obligation, agreement for the construction, repair or disposition of real or personal property, agreement for the purchasing or furnishing of services, operating lease, joint venture agreement, agreement relating to the acquisition or disposition of an Affiliate or agreement of merger or consolidation) which (i) evidences, secures or governs any outstanding obligation of the Borrower of $100,000 or more per annum, or (ii) if canceled, breached or not renewed by any party thereto, would have a Material Adverse Effect.

"**Maturity Date**" means, collectively July 1, 2063 with respect to the Series 2020A Bonds and July 1, 2063 with respect to the Subordinate Bonds.

"Moisture Management Program" shall have the meaning ascribed to such term in Section 6.14(e) of the Loan Agreement.

"Mold" shall have the meaning ascribed to such term in Section 6.14(e) of the Loan Agreement.

"**Monitoring Fee**" shall have the meaning given to such term in Section 2.2(a) of the Loan Agreement.

"Monthly Tax and Insurance Amount" means an amount equal to the sum of (i) one-twelfth (1/12th) of the annual Impositions plus (ii) one-twelfth (1/12th) of the annual insurance premiums for the insurance coverages for the Project required by Section 6.4 of the Loan Agreement, as any such amounts may be increased if the Controlling Person determines that funds in the Tax and Insurance Escrow Fund will be insufficient to pay Impositions and insurance premiums when due.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Controlling Person, by notice to the Borrower, the Issuer and the Trustee.

"Mortgage" means, collectively, the first Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of the date hereof, made by the Borrower to the Issuer and assigned to the Trustee covering the Project and the Series 2020A Bonds and the Mortgage and Security Agreement, dated as of the date hereof made by the Borrower to the Issuer and assigned to the Trustee covering the Project and the Subordinate Bonds.

"Note" means, collectively, the promissory note of the Borrower relating to the Series 2020A Bonds, dated the Issue Date, as endorsed by the Issuer to the Trustee (the "Series 2020A Note"), and the Series 2020B-1 Note and the Series 2020B-2 Note of the Borrower relating to the Subordinate Bonds, each dated the Issue Date, as endorsed by the Issuer to the Trustee (the "Subordinate Note"), each in the form attached as Exhibit A to the Loan Agreement.

"**Obligations**" means any and all obligations of the Borrower for the payment of money including without limitation any and all (i) obligations for money borrowed, (ii) obligations evidenced by bonds, debentures, notes, guaranties or other similar instruments, (iii) construction contracts, installment sale agreements and other purchase money obligations in connection with the performance of work, sale of property or rendering of services, (iv) leases evidencing the acquisition of capital assets, (v) obligations under any applicable ground lease, (vi) reimbursement obligations in connection with letters of credit and other credit enhancement facilities, (vii) obligations for unfunded pension liabilities, (viii) guaranties of any such obligation of a third party, and (ix) any such obligations of third parties secured by assets of the Borrower; but excluding obligations under contracts for supplies, services and pensions allocable to current

Expenses during the current or future Fiscal Years in which the supplies are to be delivered, the services rendered or the pension paid if the related amounts are due and paid within thirty (30) days of the date such amounts are invoiced.

"OFAC" means the Office of Foreign Assets Control of the U.S. Treasury.

"OFAC Violation" shall have the meanings ascribed to such term in Section 6.23 of the Loan Agreement.

"Operating Reserve Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"Opinion of Bond Counsel" means any opinion of Bond Counsel delivered pursuant to this Indenture with respect to the excludability of interest on the Bonds from gross income of the Holders thereof for federal income tax purposes or other matters specified in this Indenture. Each such opinion shall be addressed to the Trustee, the Majority Owner, the Controlling Person and the Issuer.

"Origination Fee" shall have the meaning given to such term in Section 2.2(a) of the Loan Agreement.

"Outstanding" means, when used with reference to the Bonds at any date as of which the amount of outstanding Bonds is to be determined, all Bonds that have been authenticated and delivered by the Trustee hereunder, except:

(i) Bonds cancelled or delivered for cancellation at or prior to such date;

(ii) Bonds deemed to be paid in accordance with Section 5.2 hereof, except as otherwise provided therein;

(iii) Bonds in lieu of which others have been authenticated under Sections 2.8 and 2.9 hereof;

(iv) Bonds authorized but not yet drawn-down and delivered to Purchaser; and

(v) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the Holders of a specified percentage of Outstanding Bonds hereunder, all Bonds held by or for the account of the Issuer, the Borrower or any Affiliate of the Borrower; provided, however, that for purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Trustee shall be obligated to consider as not being outstanding only Bonds known by the Trustee by actual notice thereof to be so held; provided, further, that if all of the Bonds are at any time held by or for the account of the Borrower or any Affiliate of the Borrower, then such Bonds shall be deemed to be Outstanding at such time for the purposes of this

subparagraph (v).

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Borrower, dated as of June [__], 2020, as may be amended, modified, supplemented or restated from time to time.

"**Payment and Performance Bonds**" shall mean dual-obligee payment and performance bonds (or a letter of credit in lieu of such bonds) relating to the Contractor (or, if required by Controlling Person, each contractor that enters into a Major Contract with Borrower), issued by a surety company or companies authorized to do business in the State and acceptable to Controlling Person, and in form and content reasonably acceptable to Controlling Person, in each case in an amount not less than the full contract price; together with a dual obligee and modification rider naming the Trustee and the Controlling Person and in the form and substance acceptable to Controlling Person which shall be attached thereto.

"PBGC" shall have the meaning ascribed to such term in Section 5.11 of the Loan Agreement.

"Permitted Encumbrances" means only:

(i) the Land Use Restriction Agreement;

(ii) the Mortgage;

(iii) liens securing the Subordinate Debt;

(iv) Impositions not yet due and payable or being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted (1) if such proceedings do not in the opinion of the Controlling Person involve the risk of the sale, forfeiture or loss of the property subject to such lien or interfere with the operation of the Project and (2) provided that the Borrower shall have established a reserve or made other appropriate provision, if any, as shall be required by the Controlling Person, and any foreclosure, distraint, sale or other similar proceedings shall have been effectively stayed;

(v) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or being contested by appropriate proceedings promptly initiated and diligently conducted (1) if such proceedings do not in the opinion of the Controlling Person involve the risk of the sale, forfeiture or loss of the property subject to such lien or interfere with the operation of the Project and (2) provided such liens have been bonded or the Borrower shall have established a reserve or made other appropriate provision, if any, as shall be required by the Controlling Person;

(vi) to any unit regulated by an extended low-income housing commitment for a period of three (3) years from the date of any foreclosure, (i) none of the tenants

occupying those units at the time of foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code; and

(vii) the exceptions listed in the Title Policy and any other matters affecting title which are approved in writing by the Controlling Person.

"Permitted Investments" means any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State for moneys proposed to be invested therein:

(i) Bonds or other obligations of the United States;

(ii) Bonds or other obligations, the payment of the principal and interest of which is unconditionally guaranteed by the United States;

(iii) Direct obligations issued by the United States or obligations guaranteed in full as to principal and interest by the United States or repurchase agreements with a qualified depository bank or securities dealers fully collateralized by such obligations, maturing on or before the date when such funds will be required for disbursement;

(iv) Obligations of state and local government and municipal bond issuers which are rated investment-grade by either S&P or Moody's or other non-rated obligations of such issuers guaranteed or credit-enhanced by a Person whose long-term debt or long-term deposits or other obligations are rated investment-grade by either S&P or Moody's;

(v) Prime commercial paper rated either "A-1" by S&P or "P-1" by Moody's and, if rated by both, not less than "A-1" by S&P and "P-1" by Moody's;

(vi) Bankers' acceptances drawn on and accepted by commercial banks;

(vii) Interests in any money market fund or trust, the investments of which are restricted to obligations described in clauses (i) through (vi) of this definition or obligations determined to be of comparable quality by the board of directors of such fund or trust, including, without limitation, any such money market fund or trust for which the Trustee, an affiliate of the Trustee, a Qualified Custodian or an affiliate of the Qualified Custodian serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian;

(viii) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Borrower, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates; and

(ix) Such other investments selected by the Borrower as may be authorized by applicable law and consented to by the Controlling Person, including, without limitation, pursuant to the Depository Agreement.

"Permitted Transfer" means (i) a transfer by devise or descent or by operation of law upon the death of a direct or indirect owner in the Borrower, so long as such transfer does not result in a change of management or control of the affected entity, (ii) the transfer of a direct or indirect ownership interest in the General Partner for estate planning purposes, so long as such transfer does not result in a change of management or control of the General Partner, (iii) a transfer of partnership interests in Borrower to the Investor Limited Partner, (iv) a transfer of the limited partner interests of the Investor Limited Partner in the Borrower to an Affiliate of such Investor Limited Partner, (v) a transfer of indirect shares or ownership interests in the Investor Limited Partner so long as the direct ownership interests in the Investor Limited Partner are owned or controlled by Investor Limited Partner, (vi) a transfer of any shares or ownership interests in the Investor Limited Partner to non-affiliates after the contributions by the owners of the Investor Limited Partner of all installments of capital contributions required to be made by the Investor Limited Partner under the Partnership Agreement, (vii) transfers of any interests in the General Partner so long as the Guarantor, or one or more members of the Guarantor, controls the Borrower after such transfer occurs, (viii) the removal and replacement of the General Partner pursuant to the Partnership Agreement, (ix) after the payment in full of all capital contributions under the Partnership Agreement, any other transfer, assignment, pledge, hypothecation or conveyance of limited partner interests in, or change in the limited partners of, the Borrower (and the owners of such limited partners) not described above, in accordance with the terms of the Partnership Agreement or(x) the extension, amendment or replacement of commercial leases approved by the Controlling Person. For purposes herein, a transfer of membership interests in the General Partner among the current members or to a trust for the benefit of the heirs of the current members of the General Partner will not result in a change of management or control of the General Partner.

"Person" means any individual, for-profit or not-for-profit corporation, partnership, joint venture, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Plans and Specifications" means, with respect to the Project, the plans and specifications for the construction of Improvements prepared by the Architect and more particularly identified on Schedule 5 attached to the Loan Agreement and approved by the Controlling Person, as the same may be amended, modified or supplemented as permitted under the Loan Agreement through Change Orders or otherwise.

"Principal Payment Date" means the first (1st) calendar day of each month, commencing on the First Principal Payment Date with respect to the Series 2020A Bonds and at maturity with respect to the Subordinate Bonds.

"Project" has the meaning given to such term in the recitals which is being financed by the proceeds of the Bonds.

"**Project Costs**" means the costs, fees, and expenses associated with the acquisition, construction, and equipping of the Project for use as affordable rental housing including but not limited to the cost of materials, appliances, equipment, and other items of tangible personal property, the fees and expenses of architects, contractors, engineers, attorneys, accountants, developers, surveyors, payment of capitalized interest, payment of certain costs and expenses incidental to the issuance of the Bonds and payment of any other costs shown on the Development Budget.

"Project Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"Proposed Budget" shall have the meaning given to such term in Section 6.24 of the Loan Agreement.

"Punchlist Items" means any items (i) that are not completed at the time of the issuance of a temporary use and occupancy permit to complete fully the construction of the Project in accordance with the Plans and Specifications for the Project and (ii) that are required for the issuance of a final certificate of occupancy or its equivalent.

"Purchase Agreement" means the Bond Purchase Agreement, dated on or about the Issuer Date among the Issuer, the Borrower, and the Series 2020A Purchaser, as the same may be amended, modified, supplemented or restated from time to time.

"Purchaser" means collectively, the Series 2020A Purchaser and the Series 2020B Purchaser, together with their respective successors and assigns.

"Qualified Custodian" means a bank or trust company with trust powers organized under the laws of the United States or any state of the United States, or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least $50,000,000.

"Qualified Project Costs" means the actual costs incurred to acquire, construct and equip the Project which (i) are or were incurred after July 18, 2019, (ii) are (A) chargeable to the Project' capital account or would be so chargeable either with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs, within the meaning of U.S. Treasury Regulation Section 1.103-8(a)(l), and if charged or chargeable to the Project' capital account are or would have been deducted only through an allowance for depreciation or (B) made for the acquisition of land, to the extent allowed in Section 147(c) of the Code, and (iii) are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code.

"Rebate Amount" shall have the meaning given to such term in Section 6.10(c) of the Loan Agreement.

"Rebate Analyst" shall have the meaning given to such term in Section 6.10(c) of the Loan Agreement and shall be reasonably acceptable to the Controlling Person.

"Rebate Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"Rebate Report" shall have the meaning given to such term in Section 6.10(c) of the Loan Agreement.

"Record Date" means with respect to each Interest Payment Date, the Business Day before such Interest Payment Date occurs.

"Redemption Fund" means the fund of that name created pursuant to Section 4.1(a)(vii) hereof.

"Register" means the register of the record Owners of Bonds maintained by the Trustee.

"Regulatory Agreement Default" shall have the meaning given to such term in Section 7.9(b) of the Loan Agreement.

"Related Person" with reference to any Substantial User, means a "related person" within the meaning of Section 147(a)(2) of the Code.

"Rents" shall have the meaning assigned to such term in the Mortgage.

"Repayments" means all payments of principal and interest on the Loan required to be paid by the Borrower to the Trustee, as the assignee of the Issuer, pursuant to the Loan Agreement.

"Replacement Reserve Agreement" means the Replacement Reserve and Security Agreement, dated as of the date hereof, made by the Borrower in favor of the Trustee, as the same may be amended, modified, supplemented or restated from time to time.

"Replacement Reserve Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"Required Equity Funds" means all installments of equity contributions to be made to the Borrower by the Investor Limited Partner through achievement of Stabilization and funding of the Operating Reserve Fund, subject to and in accordance with the terms of the Partnership Agreement.

"Requisition" means a requisition in the form attached to the Loan Agreement as Exhibit B, together with all invoices, bills of sale, schedules, applications for payment, certifications and other submissions required for the disbursement of the proceeds of the Bonds from the Project Fund pursuant to the terms hereof and the Construction Loan and Mortgage Servicing Agreement.

"Reserved Rights" means the rights of the Issuer pursuant to Sections 2.5, 3.6, 4.2, 6.10 and 10.13 of the Loan Agreement and the rights of the Issuer pursuant to other sections of the Loan Agreement providing that notices, reports and other statements be given to the Issuer.

"Retainage" means a holdback of 10 percent (10%) of the hard costs of construction of the Improvements under each contract or subcontract until achievement of completion of 50% of the work, and a holdback of zero percent (0%) of such costs thereafter.

"S&P" means Standard & Poor's Global Ratings, a division of Standard & Poor's Financial Services LLC, a limited liability company organized and existing under the laws of the State of New York, its successors and assigns and, if such company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Controlling Person, by notice to the Borrower, the Issuer and the Trustee.

"Sale" means the direct or indirect sale, agreement to sell, assignment, transfer, conveyance, hypothecation, lien, mortgage, grant of a security interest in or a deed to secure debt or deed of trust with respect to, encumbrance, lease, sublease or other disposition of the Project, or any part thereof or interest therein whether voluntary, involuntary, by operation of law or otherwise, other than (i) the leasing of individual residential units to tenants, (ii) the extension, amendment, renewal or replacement of commercial leases currently in effect and (iii) the grant of easements for utilities and similar purposes in the ordinary course, provided such easements do not impair the use of the Project or diminish the value of the Project. "Sale" shall also include the direct or indirect sale, transfer, assignment, pledge, hypothecation or conveyance of legal or beneficial ownership of (a) equity ownership interests in the Borrower, (b) a controlling interest in the aggregate, at any time or times, of the equity ownership interests in the General Partner or (c) the substitution of a new General Partner in the Borrower without the Controlling Person's written consent, which it may withhold in its sole discretion; provided, however, that "Sale" shall not include a Permitted Transfer or a Permitted Encumbrance.

"SEC" means the U.S. Securities and Exchange Commission.

"Secondary Market Transaction" shall have the meaning given to such term in Section 10.12(a) of the Loan Agreement.

"Securities" shall have the meaning given to such term in Section 10.12(a) of the Loan Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Security" shall have the meaning given to such term in the Granting Clauses.

"Security Interest" or **"Security Interests"** means the security interests created herein and shall have the meanings set forth in the U.C.C.

"Series 2020A Purchaser" means Western Alliance Business Trust.

"Series 2020B Purchase Agreement" means collectively, that certain Bond Purchase Agreement by and between the Issuer and JDR Lender, LLC and that certain Bond Purchase Agreement by and between the Issuer and CSM Lender, LLC, each dated on or about the Issue Date, as the same may be amended, modified, supplemented or restated from time to time.

"Series 2020B Purchaser" means collectively, JDR Lender, LLC, and CSM Lender, LLC.

"Series 2020B-1 Note" means the promissory note of the Borrower relating to the Series 2020B-1 Bonds.

"Series 2020B-2 Note" means the promissory note of the Borrower relating to the Series 2020B-2 Bonds.

"Stabilization" means the point at which (i) the Improvements have been at least ninety percent (90%) occupied by qualified tenants meeting the requirements of the Bond Documents in each of the prior three (3) consecutive months, (ii) the ratio of Stabilized NOI in each of the prior three (3) consecutive months to maximum principal, interest, Issuer fees and Trustee Fees payable in any month (other than the Maturity Date) on the amount of Bonds Outstanding equals or exceeds 1.15 to 1.00; (iii) no Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default shall have occurred and be then continuing under the Bond Documents; (iv) the Project shall have achieved Final Completion, (v) $427,639 has been deposited into the Operating Reserve Fund as required by Section 8.4 of the Loan Agreement; and (vi) $[_____] of the Series 2020A Bonds have been redeemed as required by Section 3.4(b)(vii) hereof, all as reasonably determined or approved by the Controlling Person.

"**Stabilization Date**" means the earlier to occur of: (i) the date specified by the Controlling Person that all of the conditions to achievement of Stabilization have been satisfied; or (ii) [July 1, 2023}.

"Stabilized NOI" means, for any period, (x) Effective Gross Revenues for such period less (y) Expenses for such period, as determined or approved by the Controlling Person.

"State" means the State of Florida.

"Subordination Agreement" means collectively, those certain subordination agreements dated as of the date hereof, relating to the Subordinate Debt.

"Subordinate Debt" means collectively, loans from the Issuer, the City and the Subordinate Bonds in the amount of $1,500,000, $1,000,000 and $2,500,000, respectively.

"**Subordinate Debt Documents**" means all applicable documents evidencing or securing the Subordinate Debt or otherwise executed and delivered by the Borrower in connection therewith or as a condition of the advance of the proceeds thereof, together with a subordination agreement executed by the lender of such Subordinate Debt, all in form and substance acceptable to the Controlling Person and the Issuer with respect to any subordination agreement to be executed by the Issuer.

"**Subordinate Debt Proceeds Account**" means the account of that name created pursuant to Section 4.1(a) hereof.

"Subordinate Mortgage" means collectively, each separate Mortgage and Security Agreement, related to the Subordinate Debt, dated as of the date hereof made by the Borrower, as mortgagor, to the mortgagees named therein.

"Subordinate Note" means collectively, the Series 2020B-1 Note and the Series 2020B-2 Note.

"Substantial Completion Date" means the date that is three (3) months prior to the Completion Date.

"Substantial Completion" means satisfaction of the items (ii) and (iii) in the definition of Final Completion and the Controlling Person has determined that construction of the Improvements is sufficiently complete such that the Improvements can be occupied by tenants as a multifamily residential rental project.

"Substantial User" means, with respect to any "facilities" (as the term "facilities" is used in Section 144(a) of the Code), a "substantial user" of such "facilities" within the meaning of Section 147(a) of the Code.

"Surplus Bond Proceeds" means all moneys and any unliquidated investments remaining in the Bond Proceeds Account of the Project Fund upon Final Completion and after payment in full of the Project Costs (except for proceeds of the Bonds being retained to pay for Project Costs not then due and payable for which the Trustee shall have retained amounts pursuant to the Loan Agreement).

"Surplus Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"Tax and Insurance Escrow Fund" means the fund of that name created pursuant to Section 4.1(a) hereof.

"Tax Certificate" means, collectively, the Arbitrage Rebate Agreement, dated the Issue Date, by and between the Issuer and the Borrower and acknowledged by the Trustee as to certain obligations, and the Borrower Proceeds Certificate, dated the Issue Date, from the Borrower, as each may be amended, modified or supplemented from time to time.

"Third Party Costs" means the ongoing fees of the Issuer, the Trustee, the Rebate Analysts or any other third party in connection with the Bonds.

"Title Company" means the title insurance company insuring the lien of the Mortgage on the Issue Date together with any successor title company approved by the Controlling Person.

"Title Policy" means the mortgagee's title insurance policy relating to the Project issued by the Title Company to the Trustee, effective on the date of recording of the Mortgage, as the same may be subsequently down-dated or endorsed from time to time, with the approval of the Controlling Person.

"Trustee" shall have the meaning given to such term in the first paragraph of this Indenture.

"Trustee's Fee" means the ongoing compensation and expenses payable to the Trustee as follows: (a) the acceptance fee of the Trustee of $3,500 payable on the Issue Date; (b) the annual administration fees and expenses of the Trustee, as Trustee, registrar and paying agent of $4,250 for the ordinary services of the Trustee rendered under this Indenture during each twelve month period, payable semiannually in arrears on each [____] 1 and [_____] 1, commencing [_____] 1, 20**[20]**; (c) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and extraordinary costs and expenses incurred by it under this Indenture as and when the same become due, including reasonable counsel fees (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, further, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and (d) all amounts payable to the Trustee pursuant to the indemnification of the Trustee under the Loan Agreement.

"U.C.C." means the Uniform Commercial Code of the State as now in effect or hereafter amended.

"**U.S. Treasury**" means the U.S. Department of the Treasury.

"**U.S. Treasury Regulations**" means the then-in-effect regulations promulgated under the Code, including any successor regulations or provisions therein.

"**Underwriter Group**" shall have the meaning given to such term in Section 10.12 of the Loan Agreement.

"Underwritten Management Fee" means 4.0% of Effective Gross Revenues received from the Project on account of rents, service fees, late charges, penalties and other charges under Leases.

"United States" or **"U.S."** means the United States of America.

"Work" means the items of construction of the Improvements required to be performed under the Plans and Specifications.

Section 1.2 **Rules of Construction.** Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

(a) All terms defined in the Loan Agreement and not defined herein shall have the meaning given to such terms in the Loan Agreement.

(b) Words importing the singular number shall include the plural number and vice versa.

(c) **The table of contents, captions, and headings herein are for convenience of reference only and shall not constitute a part of this Indenture nor shall they affect its meaning, construction or effect.**

(d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.

(e) All references in this Indenture to particular Articles or Sections are references to Articles or Sections of this Indenture, unless otherwise indicated.

ARTICLE II
GENERAL TERMS AND PROVISIONS OF THE BONDS

Section 2.1 **Ratably Secured**.

(a) Except as set forth below and in the Subordination Agreement with respect to the Subordinate Bonds, all Bonds issued hereunder are and are to be, to the extent provided in this Indenture, equally and ratably secured by this Indenture without preference, priority or distinction on account of the actual time or times of the authentication, delivery or maturity of the Bonds so that subject as aforesaid, all Bonds at any time Outstanding shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall be disposed of at some future date.

(b) The Subordinate Bonds shall be and hereby are subordinated in priority, right and time of payment to (i) amounts due and payable on Series 2020A Bonds, Owners of the Subordinate Bonds, by acceptance thereof, the Issuer and the Trustee expressly agree and acknowledge that for so long as any Series 2020A Bonds remain Outstanding hereunder and/or any other amount senior in priority to the payment of Subordinate Bonds, as set forth in this Indenture is due and remains unpaid (i) no payment shall be made on or with respect to the

Subordinate Note, the Subordinate Mortgage or the Subordinate Bonds and no Event of Default shall exist with respect to the Subordinate Bonds if the Trustee does not hold sufficient funds to pay amounts then due and payable with respect to Series 2020A Bonds and other senior in priority obligations as aforesaid, (ii) no remedy shall be available to Owners of Subordinate Bonds if a default in payment of the principal of, premium, if any, or interest on, the Subordinate Note, the Subordinate Mortgage or the Subordinate Bonds then exists, (iii) the Subordinate Note and the Subordinate Mortgage are, and shall be, subordinated in priority, right and time of payment to the prior payment in full of amounts due and payable under the Senior Note as set forth in the Senior Note and the Agreement, and no payment shall be made on or with respect to the Subordinate Note, the Subordinate Mortgage or the Subordinate Bonds during any period in which an Event of Default with respect to the Senior Note, the Series 2020A Bonds, the Senior Mortgage or the Senior Credit Agreement exists, and (iv) in the event the Subordinate Note is canceled or extinguished for any reason, the Subordinate Bonds shall also be canceled and the debt evidenced thereby extinguished unless the Developer executes and delivers a new Subordinate Note to the Trustee, which substitute Subordinate Note shall be in form and substance similar to the pre-existing Subordinate Note and in all other respects satisfactory to the owners of 100% of the Series 2020A Bonds.

Section 2.2 **Security.** The Bonds and the interest and any premium thereon shall be limited obligations of the Issuer as provided in Section 10.8 hereof and shall be secured by and payable from the Security pledged and assigned to the Trustee by the Issuer pursuant to the Granting Clauses.

Section 2.3 **Payment of Bonds and Performance of Covenants.** The Issuer shall promptly pay, but only out of the Security, the principal of, premium, if any, and interest on the Bonds at the place, on the dates and in the manner provided in the Bonds. The Issuer shall promptly perform and observe all covenants, undertakings and obligations set forth herein, in the Bonds or in the other Bond Documents to which the Issuer is a party on its part to be performed or observed. The Issuer shall fully cooperate with the Trustee in the enforcement by the Trustee of any such rights granted to the Issuer under the Loan Agreement and the other Bond Documents to which the Issuer is a party.

Section 2.4 **Execution; Limited Obligation**.

(a) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Executive of the Issuer. In case any officer whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signatures shall nevertheless be valid and sufficient for all purposes.

(b) The Bonds shall be limited obligations of the Issuer. The Bonds and the interest thereon and redemption premium, if any, shall not be deemed to constitute or create an indebtedness, liability or obligation of the Issuer, the State or any political subdivision or agency thereof within the meaning of any State constitutional provision or statutory limitation or a

pledge of the faith and credit or the taxing power of the State or any such political subdivision or agency. The Bonds and the interest thereon are payable solely from and secured by the Security, all as described in and subject to limitations set forth in this Indenture, for the equal and ratable benefit of the Holders, from time to time, of the Bonds.

Section 2.5 **Certificate of Authentication**. No Bonds shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication, substantially in the form of Exhibit A, attached hereof, executed by an authorized representative of the Trustee and such certificate on any Bond issued by the Issuer shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

Section 2.6 **Form of Bonds.**

(a) The Bonds, the Trustee's certificate of authentication and the form of assignment shall be in substantially the form set forth as Exhibit A hereto with regard to the Series 2020A Bonds, and in substantially the forms set forth as Exhibit B hereto with regard to the Subordinate Bonds, with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or are required by law and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the officer of the Issuer executing such Bonds, as evidenced by such officer's execution of the Bonds.

(b) Bonds shall be in either typewritten or printed form. Any expenses, including but not limited to expenses of printing, incurred in connection with the preparation of the form of the Bonds shall be paid by the Borrower.

Section 2.7 **Delivery of Bonds.**

(a) Upon the execution and delivery hereof, the Issuer shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds to the Purchasers.

(b) Prior to the delivery by the Trustee of the Bonds, there shall be provided to the Trustee:

(i) A certified copy of all resolutions adopted and proceedings had by the Issuer authorizing execution of this Indenture, the Loan Agreement and the other Bond Documents to which the Issuer is a party and the issuance of the Bonds;

(ii) An original executed copy of the Note (endorsed without recourse by the Issuer to the Trustee) and an executed copy of each other Bond Document;

(iii) Copies of any Financing Statements required to be filed to perfect the security interests in the Security or under Section 3.2 of the Loan Agreement;

(iv) A copy of the completed IRS Form 8038 to be filed by or on behalf of the Issuer pursuant to Section 149(e) of the Code;

(v) A copy of the Tax Certificate;

(vi) An Opinion of Bond Counsel or counsel to the Issuer to the effect that this Indenture, the Loan Agreement, the Purchase Agreement and the Series 2020B Purchase Agreement have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding agreements of the Issuer;

(vii) An approving Opinion of Bond Counsel that the Bonds have been duly authorized and validly issued, that this Indenture creates a valid lien on the Security, that interest on the Bonds will be excludable from gross income of the Holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, that the Bonds are not required to be registered under the Securities Act of 1933, as amended, and that the Indenture need not be qualified under the Trust Indenture Act of 1939, as amended;

(viii) An opinion of Counsel for the Borrower, and the Issuer Guarantors to the effect that the Continuing Disclosure Agreement and the other Bond Documents to which the Borrower is a party have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms, subject to customary qualification and exceptions and in form and substance acceptable to the Issuer and the Majority Owner, and such other opinions as are required by the Purchase Agreement or reasonably requested by the Controlling Person or the Majority Owner;

(ix) A pro forma title insurance policy reasonably acceptable to the Controlling Person;

(x) Reliance letters for, or address of the opinions to, the Controlling Person and Majority Owner with respect to each of the opinions provided to the Trustee;

(xi) An executed copy of the Guarantor Documents; and

(xii) Such other documents as may be required in writing by the Issuer, Trustee, Bond Counsel, or Controlling Person.

(c) Upon receipt of the foregoing, the Trustee shall authenticate and deliver the Bonds as provided in the written instructions of the Issuer to the Trustee.

Section 2.8 **Mutilated, Lost, Stolen or Destroyed Bonds**. If any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Bond of the same maturity, interest rate, principal amount and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided, that there shall be first

furnished to the Trustee evidence satisfactory to it and the Issuer of the ownership of such Bond and of such loss, theft or destruction (or, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee), together with indemnity satisfactory to the Trustee and the Issuer and compliance with such other reasonable regulations as the Issuer and the Trustee may prescribe. If any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the Holder of such Bond with their reasonable fees, costs and expenses in connection with this Section.

Section 2.9 **Exchangeability and Transfer of Bonds; Persons Treated as Owners**.

(a) The Register and all other records relating to the registration of the Bonds and the registration of transfer of the Bonds as provided herein shall be kept by the Trustee.

(b) Any Holder of a Bond, in person or by his/her duly authorized attorney, may transfer title to his/her Bond on the Register upon surrender thereof at the principal office of the Trustee, by providing the Trustee with (a) a written instrument of transfer (in substantially the form of assignment attached to the Bond) executed by the Holder or such Holder's attorney, duly authorized in writing and (b) if applicable, an Investor Letter in the form attached hereto as Exhibit C or D, as applicable, and thereupon the Issuer shall execute, and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same aggregate principal amount and tenor as the Bond surrendered (or for which transfer of registration has been effected) and of any Authorized Denomination or Authorized Denominations.

(c) Bonds may be exchanged upon surrender thereof at the principal office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the Holder or such Holder's attorney duly authorized in writing, for an equal aggregate principal amount of Bonds of the same tenor as the Bonds being exchanged and of any Authorized Denomination or Authorized Denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds that the Holder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

(d) Such registrations of transfer or exchanges of Bonds shall be without charge to the Holders of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration of transfer or exchange and all reasonable expenses of the Issuer shall be paid by the Borrower.

(e) The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, except as expressly provided herein, and payment of or on account of either principal or interest shall be made only to or upon the order of the registered owner thereof or his/her duly authorized attorney, but such registration

may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(f) All Bonds issued upon any registration of transfer or exchange of Bonds shall be legal, valid and binding limited obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such registration of transfer or exchange.

Section 2.10 **Non-presentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay the principal of and interest on such Bond shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liability of the Issuer and the Borrower to the owner thereof for the payment of such Bond or portion thereof as the case may be, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee, subject to any applicable escheat laws, to hold such fund or funds uninvested in the Bond Fund, without liability to the Holder of such Bond for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his/her part on, or with respect to, said Bond, or portion thereof.

Section 2.11 **Reserved**.

Section 2.12 **Authority.** The Issuer represents and warrants that (i) it is duly authorized under the laws of the State to issue the Bonds and to execute, deliver and perform the terms of the Loan Agreement and this Indenture; (ii) all action on its part for the issuance of the Bonds and execution and delivery of the Bond Documents to which it is a party has been duly taken; (iii) the Bonds, upon issuance and authentication, and the Bond Documents to which it is a party, upon delivery, assuming that they are the respective legal, valid, binding and enforceable obligations of the other parties thereto, shall be valid and enforceable obligations of the Issuer in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and general equitable principles; (iv) it has not heretofore conveyed, assigned, pledged, granted a security interest in or otherwise disposed of the Security; (v) it has not received any payments under the Loan Agreement; (vi) without making any independent investigation, it has no knowledge of any right of set-off, defense or counterclaim to payment or performance of the terms or conditions of the Loan Agreement; and (vii) the execution, delivery and performance of the Bond Documents to which it is a party and issuance of the Bonds are not in contravention of law or any agreement, instrument, indenture or other undertaking to which it is a party or by which it is bound and no other approval, consent or notice from any governmental agency is required on the part of the Issuer.

Section 2.13 **No Litigation.** The Issuer represents and warrants that there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the Issuer, threatened against or affecting

the Issuer wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, this Indenture or the other Bond Documents to which the Issuer is a party, or (ii) the exclusion from gross income of interest on the Bonds.

Section 2.14 **Further Assurances**. The Issuer covenants that it will cooperate to the extent necessary with the Borrower and the Trustee in their defenses of the Security against the claims and demands of all Persons and, upon payment or provision for payment of the fees and expenses to be incurred by the Issuer in connection therewith, will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better pledging of the Security. Except for any amendment, modification, supplement, waiver or consent related to the Reserved Rights, the Issuer shall not cause or permit to exist any amendment, modification, supplement, waiver or consent with respect to the Loan Agreement without the prior written consent of the Trustee, which consent shall be governed by Article VIII hereof.

Section 2.15 **No Other Encumbrances; No Dissolution**. The Issuer covenants that (i) except as otherwise provided herein and in the Loan Agreement, it will not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Security and (ii) to the fullest extent permitted by applicable law, for so long as the Bonds are Outstanding, it will not dissolve, terminate or permit itself to be dissolved or terminated without a successor to its obligations hereunder and under the Bonds having assumed its obligations hereunder and under the Bonds.

Section 2.16 **No Personal Liability.** No recourse shall be had for the enforcement of any obligation, promise or agreement of the Issuer contained herein or in the Bonds or the other Bond Documents to which the Issuer is a party or for any claim based hereon or thereon or otherwise in respect hereof or thereof against any director, member, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever shall attach to, or be incurred by, any director, member, officer, agent, attorney or employee as such, past, present or future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity, under or by reason of any of the obligations, promises or agreements entered into in the Bonds or between the Issuer and the Trustee, whether herein contained or to be implied herefrom as being supplemental hereto; and all personal liability of that character against every such trustee, member, officer, agent, attorney and employee is, by the execution of this Indenture and as a condition of, and as part of the consideration for, the execution of this Indenture, expressly waived and released.

ARTICLE III
INTEREST RATE AND REDEMPTION OF BONDS

Section 3.1 **Authorized Amount of Bonds**. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued and Outstanding hereunder is expressly limited to $21,500,000. The Bonds shall be designated "Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A" and "Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B." The form of Bonds attached as Exhibit A and Exhibit B, respectively, to this Indenture shall be the form of Bonds referred to herein. The Bonds shall be issued as draw-down Bonds in accordance with Section 3.2(e) below.

Section 3.2 **Issuance of Bonds**.

(a) The Bonds shall bear interest from the Issue Date until paid or exchanged, as applicable, at the applicable Bond Coupon Rate, and the Bonds shall mature, unless sooner paid, on the Maturity Date, on which date all unpaid principal of and interest on the Bonds shall be due and payable.

(b) The Bonds shall be issued as fully registered bonds without coupons in Authorized Denominations only. The Series 2020A Bonds shall be numbered from RA-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Trustee. The Subordinate Bonds shall be numbered from RB-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Trustee.

(c) The Bonds shall be dated the Issue Date and initially issued as provided herein and in the written instructions from the Issuer. Interest on the Bonds shall be computed from the most recent Interest Payment Date to which interest has been paid or duly provided for or if no interest has been paid or provided for, from the Issue Date. The Bonds shall mature on their respective Maturity Date, on which date all unpaid principal of and interest on the respective Bonds shall be due and payable. The Series 2020A Bonds are subject to mandatory sinking fund redemption as provided in Section 3.4(c) hereof. In any case that an Interest Payment Date or Principal Payment Date shall occur on a day that is not a Business Day, such payments shall be made on the next succeeding Business Day.

(d) The principal of and the interest on the Bonds shall be payable in lawful currency of the United States. The principal of the Bonds shall be payable at the principal office of the Trustee upon presentation and surrender of the Bonds; provided, however, that Bonds need not be presented for payment upon redemption pursuant to Section 3.4(c) of this Indenture. Payments of interest on the Bonds will be mailed to the persons in whose names the Bonds are registered on the Register at the close of business on the Record Date next preceding each Interest Payment Date; provided that, any Holder of a Bond or Bonds in an aggregate principal amount

of not less than $250,000 may, by prior written instructions provided to the Trustee (which instructions shall remain in effect until revoked by subsequent written instructions), instruct that interest payments be made by wire transfer to an account in the continental United States or other means acceptable to the Trustee.

(e) The Bonds are issued as draw-down Bonds. The Series 2020A Purchaser and the Series 2020B Purchaser shall fund the purchase price of the Bonds, respectively from time to time, in accordance with expected draw-down installments provided in Exhibit B to the Purchase Agreement and the Series 2020B Purchase Agreement, respectively, to provide funds for deposit in Bond Proceeds Account of the Project Fund for disbursement therefrom pursuant to the Requisitions. The Series 2020B Purchaser shall fund the purchase price of the Subordinate Bonds from time to time, in accordance with expected draw-down installments as provided in the Subordinate Bonds, to provide funds for deposit in Bond Proceeds Account of the Project Fund for disbursement therefrom pursuant to the Requisitions. Subject to the requirement that the Bonds are issued and remain Outstanding in an Authorized Denomination, the initial purchase of Bonds by the Series 2020A Purchaser and the Series 2020B Purchaser on the Issue Date will be in an amount equal to not less than $51,000. The Trustee shall record amounts funded in such manner in the Bond recordkeeping system maintained by the Trustee. The Holders may request exchange of the Bonds for Bonds reflecting the principal draw-down from time to time in accordance with Section 2.9. Upon deposit by the Series 2020A Purchaser or the Series 2020B Purchaser, as applicable, of each installment of the purchase price of each draw-down Bond, the aggregate amount of series of Bonds purchased shall be deemed Outstanding and shall begin to accrue interest. Notwithstanding anything herein to the contrary, the aggregate purchase price of the Bonds funded by the Purchaser may not exceed the authorized amount set forth in Section 3.1, and no additional amounts may be funded after the last day of the third calendar year following the Issue Date unless there is delivered a Favorable Opinion of Bond Counsel. The Issuer and the Trustee acknowledge that the Borrower and the Series 2020A Purchaser have agreed pursuant to the Purchase Agreement that under certain circumstances the Series 2020A Bonds may be converted from a draw-down bond issue to a fully funded issue, and each of the Issuer and the Trustee agrees to take all actions reasonably required of it in connection with such a conversion of the Series 2020A Bonds to a fully funded bond issue.

Section 3.3 **Interest Rate on Bonds.** The Bonds shall bear interest at the Bond Coupon Rate from the Issue Date to the date of payment in full of the Bonds, calculated on the basis of a 360-day year for the actual number of days elapsed in the manner set forth in the form of the Bonds. With respect to the Series 2020A Bonds, interest accrued on the Series 2020A Bonds shall be paid in arrears on each Interest Payment Date and on the Maturity Date and any date of redemption prior to the Maturity Date; provided, however, that in the event that principal of or interest payable on the Bonds is not paid when due, there shall be payable on the amount not timely paid, interest at the Default Rate, as more fully set forth in Section 6.8 hereof. Interest accrued on the Subordinate Bonds shall be paid annually from and to the extent of available Cash Flow as defined and provided in Section 10.2(a) of the Partnership Agreement.

Section 3.4 **Redemption of Bonds.**

(a) Optional Redemption of Bonds. The Series 2020A Bonds are subject to optional redemption in whole but not in part, at the direction of the Borrower upon not less than fifteen (15) days written notice to the Trustee and the Controlling Person (which notice shall be unconditional and irrevocable), in Authorized Denominations on any Interest Payment Date occurring on or after the First Optional Call Date, at a redemption price equal the percentage of the principal amount thereof set forth below, plus accrued interest thereon to, but not including, the redemption date as follows:

From and Including	To but Excluding	Redemption Price
[_____] 1, 2032	[_____] 1, 2034	103%
[_____] 1, 2034	[_____] 1, 2036	102%
[_____] 1, 2036	[_____] 1, 2037	101%
[_____] 1, 2037	Maturity	100%

The Subordinate Bonds are subject to optional redemption on or after redemption or payment in full of the Series 2020A Bonds.

(b) Mandatory Redemption of Bonds.

(i) *Surplus Fund.* The Bonds are subject to mandatory redemption from, and to the extent of, amounts on deposit in the Surplus Fund (subject to Section 4.4 hereof) on the First Interest Payment Date for which notice of redemption can be given in accordance with this Indenture, following the deposit of Surplus Bond Proceeds in the Surplus Fund at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued thereon to, but not including, the redemption date.

(ii) *Insurance or Condemnation.* The Bonds are subject to mandatory redemption in whole or in part on the First Interest Payment Date for which notice of redemption can be given in accordance with this Indenture after and to the extent that Insurance Proceeds or a Condemnation Award in connection with the Project are deposited in the Project Fund and are not to be used to repair or restore the Project at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued thereon to, but not including, the redemption date.

(iii) *Achievement of Stabilization.* The Series 2020A Bonds are subject to mandatory redemption in part on the First Interest Payment Date for which notice of redemption can be given in accordance with this Indenture, in the amount as specified by the Controlling Person to the Trustee necessary to cause the Project to meet the requirements of clause (ii) of the definition of "Stabilization" if the Project have not achieved Stabilization by the Stabilization Date

at a redemption price equal to 100% of the principal amount of the Series 2020A Bonds to be redeemed plus interest accrued thereon to, but not including, the redemption date.

(iv) *Extraordinary Events.* The Bonds are subject to extraordinary mandatory redemption in whole or in part, at the direction of the Controlling Person to the Trustee and the Borrower, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued thereon to, but not including, the redemption date, on the First Interest Payment Date for which notice of redemption can be given in accordance with this Indenture following receipt by the Trustee of the direction of the Controlling Person, within one hundred eighty (180) days of the occurrence of any of the following events:

(1) the Project shall have been damaged or destroyed to such an extent that in the reasonable judgment of the Controlling Person (A) it cannot reasonably be restored within a period of six (6) consecutive months to the condition thereof immediately preceding such damage or destruction and losses during such period not covered by insurance, (B) the Borrower is thereby prevented from carrying on its normal operations at the Project for a period of six (6) consecutive months and losses during such period not covered by insurance, or (C) it would not be economically feasible for the Borrower to replace, repair, rebuild or restore the same;

(2) title in and to, or the temporary use of, all or substantially all of the Project shall have been taken under the exercise of the power of eminent domain by any Governmental Authority or any Person acting under Governmental Authority (including such a taking as, in the judgment of the Controlling Person, results in the Borrower being prevented thereby from carrying on its normal operations at the Project for a period of six (6) consecutive months) and losses during such period not covered by insurance;

(3) as a result of any changes in the Constitution of the State, or the Constitution of the United States or by legislative or administrative action (whether state or federal) or by final decree, judgment, decision or order of any court or administrative body (whether state or federal), any material provision of the Loan Agreement or the Bond Documents, in the judgment of the Controlling Person, shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein;

(4) unreasonable burdens or excessive liabilities shall have been imposed on the Borrower with respect to the operations of the Project, including, without limitation federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Indenture that, in the judgment of the Controlling Person, would cause the Project not to be able to achieve Final Completion and Stabilization or able to pay debt service and operating expenses;

(5) changes which the Borrower cannot reasonably control or overcome in the economic availability of materials, supplies, labor, equipment and other properties and things necessary for the efficient operation of the Project for the purposes contemplated by the Loan Agreement shall have occurred or technological changes that the Borrower cannot reasonably overcome shall have occurred that, in the judgment of the Controlling Person, would cause the Project not to be able to achieve Final Completion and Stabilization or able to pay debt service and operating expenses;

(6) legal curtailment of the Borrower's use and occupancy of all or substantially all of the Project for any reason other than that set forth in (ii) above, which curtailment shall, in the judgment of the Controlling Person, prevent the Borrower from carrying on its normal operations at the Project for a period of six (6) consecutive months and losses during such period not covered by insurance; or

(7) the Loan Agreement is terminated prior to its expiration for any reason, including the occurrence of an Event of Default under the Loan Agreement.

(v) *Determination of Taxability.* The Bonds are subject to mandatory redemption in whole at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued thereon to, but not including, the redemption date, on the First Interest Payment Date for which notice of redemption can be given in accordance with this Indenture within forty-five (45) days after the occurrence of a Determination of Taxability; provided, however, if mandatory redemption on account of a Determination of Taxability of less than all the Bonds would result, in the opinion of Bond Counsel, in the interest on the Bonds Outstanding following such mandatory redemption being excludable from the gross income of the Holders of such Bonds Outstanding, then the Bonds are subject to mandatory redemption upon the occurrence of a Determination of Taxability in the amount specified in such opinion, provided that such redemption must be in an Authorized Denomination.

(vi) *First Put Date.* The Series 2020A Bonds are subject to mandatory redemption in whole on any Interest Payment Date specified by the Controlling Person on or after the First Put Date, if the Controlling Person directs redemption by providing notice to the Borrower, the Trustee and the Issuer at least one hundred eighty (180) days prior to the Interest Payment Date specified in such notice on which the Bonds are to be redeemed at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to, but not including, the redemption date. The direction of the Controlling Person to redeem the Bonds shall be irrevocable and shall be binding on the Holders of all of the Bonds and on any transferee(s) of such Holders.

(vii) *Special Redemption.* The Series 2020A Bonds are subject to mandatory redemption in part on any Interest Payment Date specified by the Controlling Person

following Final Completion but not later than the Stabilization Date in the principal amount of $[_____] at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed without premium or penalty plus interest accrued thereon to, but not including, the redemption date.

(c) Mandatory Sinking Fund Redemption. The Series 2020A Bonds are subject to mandatory sinking fund redemption in part on each Principal Payment Date, from amounts paid by the Borrower to the Trustee for deposit into the Redemption Fund pursuant to Sections 2.3(d) and 8.3 of the Loan Agreement (in the amount set forth on Schedule 3 of the Loan Agreement), at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued thereon to, but not including, the redemption date.

(d) Selection of Bonds to be Redeemed. If less than all the Outstanding Bonds shall be called for redemption, the Trustee shall select or arrange for the selection of Bonds to be redeemed by lot in Authorized Denominations, provided that any Bond or portion thereof remaining Outstanding shall be in an Authorized Denomination.

(e) Debt Service Schedule. On or before the Stabilization Date, the Controlling Person shall deliver to the Trustee and the Borrower a schedule of debt service payments providing for level debt service with respect to the Series 2020A Bonds calculated on the basis of the fixed Bond Coupon Rate and a 480-month amortization schedule each commencing on the Stabilization Date with principal payments commencing on the First Principal Payment Date (with all remaining principal payable on the Maturity Date, if applicable). In the event of a partial redemption of Series 2020A Bonds other than pursuant to Section 3.4(c) hereof, the Debt Service Schedule shall be adjusted to provide for level debt service in respect of the Series 2020A Bonds remaining Outstanding after such partial redemption, on the basis of the number of months remaining in the original 480-month amortization schedule. The Controlling Person shall provide the Trustee and the Borrower with a new Debt Service Schedule reflecting such adjustment promptly following any such partial redemption. The Controlling Person, with the prior written consent of the Borrower, may deliver a modified Debt Service Schedule from time to time hereafter for any other purpose agreed to by Controlling Person and Borrower. In connection with any such modified Debt Service Schedule, the Controlling Person may, at its election and at Borrower's expense, require a Favorable Opinion of Bond Counsel.

(f) Partial Redemption of Bonds. In case part but not all of a Bond shall be selected for redemption, upon presentation and surrender at the operations office of the Trustee of such Bond by the Holder thereof or his attorney duly authorized in writing (with due endorsement for transfer or accompanied by written instrument of transfer in form satisfactory to the Trustee), the Issuer shall execute and the Trustee shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds, at the option of such Holder, of any Authorized Denomination of like tenor, or if less than the minimum Authorized Denomination, an amount necessary to equal the unredeemed portion of the principal amount of the Bond;

provided, however, such surrender of Bonds shall not be required for payment of the redemption price pursuant to Section 3.4(c) hereof. For all purposes of this Indenture (including exchange and transfer), the Bond so issued in less than a minimum Authorized Denomination shall be deemed to have been issued in an Authorized Denomination. Bonds so presented and surrendered shall be canceled in accordance with this Indenture.

(g) Right of Borrower to Purchase Bonds. Subject to delivery of a Favorable Opinion of Bond Counsel, provided that such opinion shall not be required if all of the Bonds are held by a Substantial User or Related Person to a Substantial User, the Borrower shall have the option, by written notice to the Trustee and the Controlling Person given not less than five (5) Business Days (forty-five (45) days in case of a redemption pursuant to Section 3.4(b)(vi) hereof) in advance of such redemption date, to purchase the Bonds, in whole, but not part, in lieu of redemption on the redemption date. The purchase price of the Bonds so purchased in lieu of redemption shall be equal to the redemption price thereof, and shall be payable on the redemption date. Bonds so purchased in lieu of redemption shall be registered to or according to the direction of the Borrower.

Notwithstanding anything to the contrary within this Indenture or the Loan Agreement, the Borrower (and any "related party" to the Borrower as defined in Section 1.150-1(b) of the U.S. Treasury Regulations and Section 144(a)(3) of the Code) and the Issuer (and any "related party" to the Issuer as defined in Sections 1.150-1(b) and 1.150-1(e) of the U.S. Treasury Regulations) shall not be permitted to purchase the Bonds in an amount related to the amount of the Note or the Loan.

Section 3.5 **Notice of Redemption.** Notice of redemption shall be mailed by the Trustee by first-class mail, postage prepaid, at least thirty (30) days before the redemption date to each Holder of the Bonds to be redeemed in whole or in part at his/her last address appearing on the Register, with a copy to the Controlling Person, but no defect in or failure to give such notice of redemption to any person shall affect the validity of the redemption as to any other person; provided, however, that no notice of redemption shall be required for mandatory sinking fund redemption pursuant to Section 3.4(c) hereof. All Bonds properly called for redemption and for which monies for payment of the redemption price are held by the Trustee will cease to bear interest on the date fixed for redemption, and, thereafter, the Holders of such Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Trustee and a new Bond for any portion not redeemed.

Section 3.6 **Payments Due on Non-Business Days.** In any case where the date of maturity of, interest on or premium, if any, or principal of the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of such interest, premium or principal need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue for the period from and after such date.

ARTICLE IV
FUNDS

Section 4.1 **Establishment of Funds and Accounts; Applications of Proceeds of the Bonds and Other Amounts**.

(a) The following are hereby created and established as special trust funds:

(i) the Project Fund, consisting of:

(A) the Bond Proceeds Account;

(B) the Costs of Issuance Account (containing a Bond Proceeds Subaccount and an Equity Subaccount);

(C) the Equity Account;

(D) the Capitalized Interest Account (containing a Bond Proceeds Subaccount and an Equity Subaccount);

(E) the Insurance and Condemnation Proceeds Account;

(ii) the Replacement Reserve Fund;

(iii) the Tax and Insurance Escrow Fund;

(iv) the Rebate Fund;

(v) the Bond Fund;

(vi) the Surplus Fund;

(vii) the Redemption Fund;

(viii) the Operating Reserve Fund

(ix) the Subordinate Debt Proceeds Account; and

(x) the Expense Fund.

(b) All the Accounts created by subsection (a) of this Section 4.1 shall be held by the Trustee in trust for application only in accordance with the provisions of this Indenture.

(c) The initial proceeds of the sale of the Bonds ($[_____]), the initial installment of Required Equity Funds ($_____) and the Subordinate Debt proceeds ($_____) shall be applied as follows:

(i) $_____, representing a portion of the proceeds of the sale of the Bonds, shall be deposited in the Bond Proceeds Account of the Project Fund;

(ii) $_____, representing a portion of the initial installment of the Bonds shall be deposited in the Bond Proceeds Subaccount of the Capitalized Interest Account of the Project Fund;

(iii) $_____, representing a portion of the initial installment of Required Equity Funds ($_____) and representing a portion of the Subordinate Debt proceeds ($[_____]) shall be deposited in the Equity Subaccount within the Costs of Issuance Account of the Project Fund;

(iv) $_____, representing a portion of the initial installment of Required Equity Funds shall be deposited in the Replacement Reserve Fund;

(v) $_____, representing the balance of the initial installment of Required Equity Funds, shall be deposited in the Equity Account of the Project Fund; and

(vi) $_____, representing a portion of the Subordinate Debt, shall be deposited in the Subordinate Debt Proceeds Account.

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

Section 4.2 **Bond Fund.**

(a) There is hereby separately created and established with the Trustee the Bond Fund. There shall be deposited in the Bond Fund (i) all Repayments specified in the Loan Agreement to be deposited in the Bond Fund, including all proceeds resulting from the enforcement of the Security or its realization as collateral; and (ii) all other moneys received by the Trustee under the Loan Agreement for deposit by it in the Bond Fund.

(b) Moneys in the Bond Fund shall be held in trust for the Holders and, except as otherwise expressly provided herein, shall be used solely for the payment of the interest on the Bonds, for the payment of principal of the Bonds upon maturity, whether stated or accelerated, or upon mandatory or optional redemption prior to the Maturity Date, and for the payment of the acceleration premium set forth in Section 2.3(c) of the Loan Agreement.

(c) After payment in full of the Bonds, or provision for the payment of the Bonds having been made pursuant to Section 5.2 hereof, and upon payment of any amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Loan Agreement, any amounts remaining in the Bond Fund shall be paid to the Borrower.

Section 4.3 **Project Fund.**

(a) The Trustee shall deposit all amounts specified in Section 4.1 hereof into the specified accounts and subaccounts of the Project Fund. The Trustee will receive and deposit installments of the purchase price of the Bonds, as set forth in Section 3.2(e) hereof, into the Bond Proceeds Account of the Project Fund. The Trustee will receive and deposit into the Equity Account amounts received as future installments of Required Equity Funds from the Investor Limited Partner and the General Partner, in accordance with the provisions of the Partnership Agreement and the Assignment of Capital Contributions. The Trustee shall deposit into the Subordinate Debt Proceeds Account of the Project Fund all future installments of the proceeds of the Subordinate Debt. The Trustee shall deposit any other amounts received, to the extent not otherwise directed herein, in such Accounts as directed by the Controlling Person.

(b) The Trustee is hereby authorized and directed to use moneys in the Project Fund for payment or reimbursement to the Borrower upon the receipt of a fully executed Requisition approved in writing by the Controlling Person and the Issuer Servicer in accordance with the provisions of the Loan Agreement and the Construction Loan and Mortgage Servicing Agreement; *provided, however*, on the Issue Date, the Trustee shall disburse amounts in the Project Fund pursuant to a closing memorandum prepared by RBC Capital Markets, LLC identifying the amount to be paid and the payee. Except as otherwise consented to in writing by the Controlling Person, through approval of a Requisition or otherwise, moneys in the Project Fund shall be applied for payment or reimbursement of Project Costs, and at least 95% of moneys on deposit in the Bond Proceeds Account of the Project Fund shall be applied to Qualified Project Costs. After Final Completion of the Project, but in no event later than the Stabilization Date, all Surplus Bond Proceeds remaining in the Bond Proceeds Account of the Project Fund shall be transferred to the Surplus Fund. Upon achievement of Stabilization all remaining amounts in the Equity Account of the Project Fund shall be paid to the Borrower (upon receipt of the prior written approval of the Controlling Person, which approval shall not be unreasonably withheld or delayed).

(c) Capitalized Interest Account. The Trustee shall and is hereby authorized to transfer funds from the Capitalized Interest Account to the Bond Fund to pay interest on the Bonds accruing up to and including: (i) the Completion Date with respect to amounts in the Bond Proceeds Subaccount; and (ii) achievement of Stabilization with respect to the Equity Subaccount without submission of any Requisition. With respect to any such transfer, the Trustee shall first transfer amounts from proceeds of the sale of the Bonds. The Trustee shall transfer any Surplus Bond Proceeds remaining in the Capitalized Interest Account after Final Completion of the Project, but in no event later than the Stabilization Date, to the Surplus Fund.

(d) Costs of Issuance Account. Amounts in the Costs of Issuance Account shall be disbursed by the Trustee only to pay costs of issuance. On the Issue Date, the Trustee shall disburse amounts in the Costs of Issuance Account pursuant to a closing memorandum prepared by RBC Capital Markets, LLC identifying the amount to be paid and the payee. Thereafter, the Trustee shall disburse amounts in the Costs of Issuance Account as directed by the Borrower in a writing identifying the amount to be paid and the payee. Amounts remaining in the Costs of Issuance Account (including investment proceeds) after the payment of all costs of issuance, and in any event not later than thirty (30) days following the Issue Date, shall be transferred by the Trustee to the Bond Proceeds Account or Equity Account of the Project Fund, as directed by the Controlling Person in writing.

(e) Insurance and Condemnation Proceeds Account. Moneys representing a Condemnation Award or Insurance Proceeds shall be deposited into the Insurance and Condemnation Proceeds Account of the Project Fund, and notice of such deposit thereof shall be given by the Trustee to the Controlling Person, the Issuer Servicer and the Majority Owner. To the extent there has been a determination pursuant to the Bond Documents to restore the Project, such Condemnation Award or Insurance Proceeds shall be expended for such purposes in accordance with the provisions of the Bond Documents. In the event there is a determination pursuant to the Bond Documents not to restore the Project, such Condemnation Award or Insurance Proceeds shall be either (i) transferred to the Bond Fund and applied to the redemption of Bonds in accordance with Section 3.4 hereof or (ii) released to the Borrower if the Borrower obtains an Opinion of Bond Counsel that such release will not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes, all in accordance with direction of the Controlling Person to the Trustee and subject to the provisions of the Bond Documents.

(f) The Trustee shall transfer moneys between Accounts as directed in writing by the Controlling Person and consented to by the Borrower, provided that no consent shall be required following the occurrence and during the continuance of a Default or Event of Default hereunder. Upon the occurrence and continuation of an Event of Default hereunder, all money and investments in the Project Fund may be disbursed at the direction of the Controlling Person to pay any costs and expenses of the Project, to pay costs of enforcement of the Bond Documents and to pay any and all amounts owed by the Borrower under the Bond Documents, in whatever amounts and whatever order the Controlling Person may determine. Notwithstanding anything to the contrary herein, if the remaining amount in any Fund or Account is less than $1,000, the Trustee shall, at the direction of the Controlling Person, transfer such remaining amounts to the Bond Fund to pay interest and principal on the Bonds.

Section 4.4 **Surplus Fund.** The Surplus Fund shall receive all Surplus Bond Proceeds transferred thereto in accordance with the provisions of this Indenture. The deposit of Surplus Bond Proceeds in the Surplus Fund shall be, and shall be deemed to be, a joint direction by the Borrower and the Controlling Person to the Trustee to redeem the greatest principal amount of the Bonds possible to be redeemed from such deposit pursuant to Section 3.4(b)(i) hereof on the

earliest redemption date on which the Bonds may be redeemed, and on such redemption date (or, if such day is not a Business Day, the immediately preceding Business Day) an amount equal to the principal amount of Bonds to be redeemed plus interest accrued thereon to the redemption date shall be transferred from the Surplus Fund to the Bond Fund and used for such redemption. After such transfer, if and to the extent that there are moneys remaining in the Surplus Fund, such moneys in the Surplus Fund shall be transferred to the Bond Fund and shall be used for payment of interest on or principal of the Bonds.

Section 4.5 **Reserved.**

Section 4.6 **Use of Certain Additional Funds and Accounts.**

(a) Redemption Fund.

(i) There shall be deposited in the Redemption Fund (a) all payments specified in Section 8.3 of the Loan Agreement to be deposited in the Redemption Fund, and (b) all other moneys received by the Trustee under the Loan Agreement or this Indenture for deposit by it in the Redemption Fund. Moneys in the Redemption Fund shall be held in trust for the Holders and, except as otherwise expressly provided herein, shall be used solely for the redemption of Bonds pursuant to Section 3.4 hereof. On each Principal Payment Date or redemption date and as otherwise required hereunder or at the written direction of the Controlling Person, the Trustee shall transfer such amounts from the Redemption Fund to the Bond Fund and call and redeem Bonds as provided in Section 3.4 hereof. After payment in full of the Bonds, or provision for the payment of the Bonds having been made pursuant to Section 5.2 hereof, and the payment of any amounts owing to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Loan Agreement, any amounts remaining in the Redemption Fund shall be paid to the Borrower as soon as practicable.

(ii) Upon the occurrence and continuation of an Event of Default hereunder, all money and investments in the Redemption Fund may be disbursed at the direction of the Controlling Person to pay any costs and expenses of the Project, to pay costs of enforcement of the Bond Documents and to pay any and all amounts owed by the Borrower under any of the Bond Documents, in whatever amounts and in whatever order the Controlling Person may determine.

(b) Tax and Insurance Escrow Fund. There shall be deposited in the Tax and Insurance Escrow Fund all moneys received for such purpose by the Trustee from the Borrower pursuant to Section 8.2 of the Loan Agreement. Moneys in the Tax and Insurance Escrow Fund shall be applied to payment of Impositions and insurance premiums at the direction of the Borrower, subject to the prior written consent of the Controlling Person and prior written notice to the Issuer Servicer; provided, however, that upon the occurrence and continuation of an Event of Default hereunder, all money and investments held in the Tax and Insurance Escrow Fund may be disbursed at the direction of the Controlling Person to pay costs and expenses of the Project, to pay costs of enforcement of the Bond Documents and to pay any and all amounts owed

by the Borrower under any of the Bond Documents, in whatever amounts and in whatever order the Controlling Person may determine. The Trustee shall provide the Issuer Servicer with monthly statements evidencing balances and withdrawals from the Tax and Insurance Escrow Fund. Upon the payment in full of the Bonds and the fees, costs and expenses of the Issuer, the Issuer Servicer and the Trustee, or provision for the payment of the Bonds having been made pursuant to Section 5.2 hereof, and upon payment of amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Loan Agreement, any amounts remaining in the Tax and Insurance Escrow Fund shall be paid to the Borrower as soon as practicable.

(c) Rebate Fund. The Issuer recognizes that investment of the proceeds of the Bonds will be at the written direction of the Borrower but agrees that it will commit no act, or omit any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder. There is hereby established with the Trustee a Rebate Fund. Any provisions in this Indenture to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder. The Issuer and the Trustee will observe the covenants contained in the Tax Certificate as if fully set forth herein.

(d) Replacement Reserve Fund. There shall be deposited in the Replacement Reserve Fund all moneys received for such purpose by the Trustee from the Borrower pursuant to the Replacement Reserve Agreement. Moneys in the Replacement Reserve Fund shall be disbursed by the Trustee upon receipt of a written request therefor executed by the Borrower and approved in writing by the Controlling Person (such approval not to be reasonably withheld, conditioned or delayed) and prior written notice to the Issuer Servicer, in accordance with the terms of the Replacement Reserve Agreement; provided that, upon the occurrence and continuation of an Event of Default hereunder, all moneys and investments in the Replacement Reserve Fund (other than moneys held to pay costs required to be paid but not yet payable) may be disbursed at the direction of the Controlling Person to pay any costs and expenses of the Project, to pay costs of enforcement of the Bond Documents and to pay any and all amounts owed by the Borrower under the Bond Documents, in whatever amounts and whatever order the Controlling Person may determine. The Trustee shall provide the Issuer Servicer with monthly statements evidencing balances and withdrawals from the Replacement Reserve Fund. Upon the payment in full of the Bonds, or provision for the payment of the Bonds having been made pursuant to Section 5.2 hereof, upon payment of amounts payable to the United States pursuant to any rebate requirement and any other amounts owing hereunder and under the Loan Agreement, any amounts remaining in the Replacement Reserve Fund shall be paid to the Borrower as soon as practicable.

(e) Operating Reserve Fund. There shall be deposited in the Operating Reserve Fund all moneys received for such purpose pursuant to Section 8.4 of the Loan Agreement. Funds shall be disbursed from the Operating Reserve Fund, at the request of the Borrower, but only with the Controlling Person's and the Investor Limited Partner's written

consent, to fund any debt-service payments, operating deficits or expenses of the Borrower or for any other operating or capital needs of the Project. Upon receipt by the Trustee from the Borrower of a written request together with the written approval of the Controlling Person, which approval shall not be unreasonably withheld or delayed, the Trustee shall disburse funds from the Operating Reserve Fund in accordance with such written request. Upon the occurrence and continuation of an Event of Default all moneys and investments in the Operating Reserve Fund may be disbursed at the direction of the Controlling Person to pay any costs and expenses of the Project, to pay any costs of enforcement of the Bond Documents and to pay any and all amounts owed by the Borrower under the Bond Documents, in whatever amounts and whatever order the Controlling Person may determine. Interest earnings on amounts held in the Operating Reserve Fund shall be released not more frequently than annually to the Borrower upon its written request and with the prior written consent of the Controlling Person. Upon payment in full of the Bonds, or provision for the payment of the Bonds having been made pursuant to Section 5.2 hereof, and upon payment of amounts payable to the U.S. Treasury pursuant to any rebate requirement and any other amounts owing hereunder and under the Loan Agreement, any amounts remaining in the Operating Reserve Fund shall be paid to the Borrower as soon as practicable.

(f) Expense Fund. The Trustee shall deposit amounts received from the Borrower for the purpose of paying Trustee's Fees, the Issuer Fee, and any other fees, costs or expenses required under the Loan Agreement into the Expense Fund. The Trustee shall pay such amounts to the proper persons on the dates and in the amounts due. Amounts on deposit in the Expense Fund shall be withdrawn or maintained, as appropriate by the Trustee to pay (i) to or at the direction of, the Issuer, the Issuer Fee, (ii) to the Trustee, the Trustee's Fee, (iii) upon receipt, to the Trustee, any amounts due to the Trustee which have not been paid, other than amounts paid in accordance with clause (ii) hereof, and (iv) upon receipt, to, or at the direction of, the Issuer, the Issuer Fee due and unpaid, other than amounts paid in accordance with clause (i) above. Moneys held in the Expense Fund are not held for the benefit of the Owners and are not part of the Security.

(g) Subordinate Debt Proceeds Account. The Trustee shall deposit amounts received from the Borrower from the Subordinate Debt into the Subordinate Debt Proceeds Account. The Trustee is hereby authorized and directed to use moneys in the Subordinate Debt Proceeds Account for payment or reimbursement to the Borrower upon the receipt of a fully executed Requisition approved in writing by the Controlling Person and the Issuer Servicer in accordance with the provisions of the Loan Agreement and the Construction Loan and Mortgage Servicing Agreement.

Section 4.7 **Records**.

(a) The Trustee shall cause to be kept and maintained records pertaining to all funds and accounts maintained by the Trustee hereunder and all disbursements therefrom and shall periodically deliver to the Borrower, with a copy to Controlling Person, monthly statements of activity and statements indicating the investments made with moneys in all such funds during the applicable period. Upon written request, the Trustee shall provide the Borrower

and the Controlling Person, within a reasonable period of time, with a report stating the principal amount of Bonds Outstanding and a list of the registered owners of the Bonds as of the date specified by the Borrower or the Controlling Person in its request.

(b) The Trustee shall provide the Borrower and the Controlling Person with a written report, on a monthly basis through the calendar month in which the last obligation of the Bonds is retired, identifying the Permitted Investments in which the moneys held as part of the Accounts were invested during the preceding period and the dates of such investments, together with such other information as the Trustee ordinarily provides to Persons such as the Borrower and the Controlling Person in its regular monthly investment reports.

Section 4.8 **Investment of Funds**. Subject to the provisions of Section 4.9 and Article V hereof, all moneys held hereunder shall be invested and reinvested in Permitted Investments as instructed in writing by the Borrower (with the prior written consent of the Controlling Person provided to the Trustee); provided, however, that any moneys held by the Trustee to pay the principal of or interest that has become payable with respect to the Bonds shall not be invested. All Permitted Investments shall be held in the name of the Trustee, as Trustee under this Indenture, and by or under the control of the Trustee, and investment earnings shall be deemed at all times to be a part of the fund and account which was used to purchase the same. The Trustee may act as principal or agent in the making or disposing of any investment and may make any and all such investments through its own bond or investment department or the bond or investment department of any trust company under common control with the Trustee and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Ratings of investments, for the purposes of determining whether such investments constitute Permitted Investments, shall be determined at the time of purchase of such investments and without regard to ratings subcategories. Although the Issuer and the Borrower each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Borrower hereby agree that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. All Permitted Investments shall be deemed at all times to be a part of the fund or account which was the source of the moneys used to acquire such investments and any interest accruing thereon, and any profit realized from Permitted Investments shall be credited to the respective fund or account, and any loss resulting from Permitted Investments shall be similarly charged. The Trustee is authorized to cause to be sold and reduced to cash a sufficient amount of Permitted Investments whenever the cash balance in any fund or account hereunder is or will be insufficient to make a requested or required disbursement. The Trustee shall not be responsible for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale, so long as the Trustee performs its obligations hereunder in accordance with the terms of this Indenture. The Trustee shall be entitled to rely on the investment direction of the Issuer or Borrower as to both the suitability and legality of the directed investments. Absent specific, written instructions from the Borrower approved by the Controlling Person to invest cash balances in Permitted Investments hereunder,

the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Permitted Investments. Majority Owner and Controlling Person hereby direct the Trustee to enter into that certain Depository Agreement dated as of the date hereof (the "Depository Agreement"), and Borrower expressly approves the investment instructions contained in the Depository Agreement.

Section 4.9 **Yield Restriction.** Funds representing proceeds of the Bonds in (a) the Project Fund (other than the Capitalized Interest Account therein) remaining on the third anniversary of the Issue Date and (b) the Bond Fund, the Redemption Fund and the Capitalized Interest Account which do not qualify as a bona fide debt service fund, in excess of $100,000, the allowable minor portion, will not be invested at an overall yield in excess of the yield on the Bonds, unless the Borrower, the Trustee, the Controlling Person and the Majority Owner receive an Opinion of Bond Counsel that the investment of such funds at an overall yield in excess of such amount does not adversely affect the excludability of interest on the Bonds by the Holders thereof for federal income tax purposes.

Section 4.10 **Guaranties.** Any amounts realized by the Trustee under the Guaranty of Completion, the Guaranty of Debt Service and Stabilization, the Guaranty of Recourse Obligations, the Environmental Indemnity or the Issuer Guaranties shall be used or applied or invested by the Issuer or the Trustee as directed in writing by the Issuer or the Controlling Person, as applicable.

ARTICLE V
DISCHARGE OF LIEN

Section 5.1 **Discharge of Lien and Security Interest.** Upon payment in full of all of the Bonds and all other amounts payable under the Loan Agreement and other Bond Documents, these presents and the Security Interests shall cease, determine and be discharged, and thereupon the Trustee shall, upon receipt by the Trustee of a no-adverse-effect opinion of Counsel and an opinion of Counsel stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, (a) cancel and discharge this Indenture and the Security Interests; (b) execute and deliver to the Issuer and the Borrower, at the Borrower's expense, such instruments in writing as shall be required to cancel and discharge this Indenture and the Security Interests and reconvey to the Issuer and the Borrower the Security and assign and deliver to the Issuer and the Borrower so much of the Security as may be in its possession or subject to its control, except for moneys and Government Obligations held in the Bond Fund for the purpose of paying Bonds; and (c) mark as cancelled the Note and satisfy, discharge and release the Mortgage and the Subordinate Mortgage; provided, however, that the cancellation and discharge of this Indenture pursuant to this Section 5.1 shall not terminate the powers and rights granted to the Trustee with respect to the payment, registration of transfer and exchange of the Bonds; provided, further, that the rights of the Issuer and the Trustee to indemnity, non-liability and payment of all reasonable fees, costs and expenses shall survive the cancellation and discharge of this Indenture pursuant to this Section 5.1.

Section 5.2 **Defeasance.**

(a) Bonds shall be deemed to have been paid within the meaning of Section 5.1 hereof if:

(i) there shall have been irrevocably deposited in the Bond Fund sufficient money or Government Obligations of such maturities and interest payment dates and bearing such interest as will, in the opinion of a nationally recognized firm of certified public accountants, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings also to be held in trust), be sufficient for the payment at their respective maturities or redemption dates prior to maturity of the principal of the Bonds not later than the earliest redemption date possible under Section 3.4 (and any earlier partial redemption date required herein) and interest to accrue thereon, and redemption premium, if any, through such maturity or redemption dates, as the case may be;

(ii) there shall have been paid or provision duly made for the payment of all fees, costs and expenses of the Issuer and the Trustee, due or to become due; and

(iii) if any Bonds are to be redeemed on any date prior to their maturity, the Trustee shall have received in form satisfactory to it irrevocable instructions from the Borrower to redeem such Bonds on such date and either evidence satisfactory to the Trustee that all redemption notices required by this Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices has been granted to the Trustee.

(b) Limitations set forth elsewhere herein regarding the investment of moneys held by the Trustee in the Bond Fund shall not be construed to prevent the depositing and holding in the Bond Fund of the Government Obligations described in this Section 5.2 for the purpose of defeasing the lien of this Indenture as to Bonds which have not yet become due and payable. Notwithstanding any other provision of this Indenture to the contrary (but subject to Section 5.2(a)(i) hereof), all funds deposited with the Trustee as provided in this Section may be invested and reinvested, at the direction of the Borrower, in Government Obligations (or in a money market fund that invests solely in Government Obligations and is rated no lower than the second highest category by one of Fitch, Moody's or S&P and, if more than one of such rating agencies then rates such money market fund, is rated no less than the second highest rating category by each of such rating agencies then rating such money market fund) maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations (or money market fund) in the hands of the Trustee pursuant to this Section which is not required for the payment of the Bonds and interest and redemption premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in the Bond Fund.

(c) The right of the Holders to receive payments in respect of the principal, premium, if any, and interest on the Bonds when due will survive the defeasance pursuant to this Section 5.2.

Section 5.3 **Discharge of this Indenture.** Notwithstanding the fact that the lien of this Indenture upon the Security may have been discharged and cancelled in accordance with Section 5.1 hereof, this Indenture and the rights granted and duties imposed hereby, to the extent not inconsistent with the fact that the lien upon the Security may have been discharged and cancelled, shall nevertheless continue and subsist after payment in full of the Bonds or the deemed payment in full of the Bonds in accordance with Section 5.2 hereof until the Trustee shall have returned to the Borrower all funds held by the Trustee which the Borrower is entitled to receive pursuant to this Indenture after all Bonds have been paid at maturity or redeemed on the date set for redemption. Upon payment in full or defeasance of the Bonds, payment of amounts payable to the United States pursuant to any rebate requirement and payment of all other amounts owing hereunder and under the Loan Agreement, all remaining amounts held by the Trustee shall be paid to the Borrower.

ARTICLE VI
DEFAULT PROVISIONS AND REMEDIES

Section 6.1 **Events of Default.** Any one of the following shall constitute an Event of Default hereunder:

(a) Failure to pay interest on any Bond when and as the same shall have become due;

(b) Failure to pay the principal of or any premium on any Bond when and as the same shall become due, whether at the stated maturity or redemption date thereof or by acceleration;

(c) Failure to observe or perform any other of the covenants, agreements or conditions on the part of the Issuer included in this Indenture or in the Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Issuer and the Borrower (with a copy to the Investor Limited Partner and the Majority Owner) has been given by the Controlling Person, the Majority Owner (with a copy to the Trustee) or the Trustee; or

(d) The occurrence and continuance of an Event of Default under the Loan Agreement or the failure by the Borrower to perform or comply with any of the other terms or conditions contained in any other Bond Documents to which the Borrower is a party and continuation of such failure beyond the expiration of any notice, grace or cure period provided in the Loan Agreement or the Bond Documents (as applicable).

Section 6.2 **Acceleration.**

(a) Upon the direction of the Controlling Person after an Event of Default has occurred, the Trustee shall immediately, by notice in writing sent to the Issuer, the Borrower, the Majority Owner, the Investor Limited Partner and the Controlling Person, declare the principal of all Bonds then Outstanding (if not then due and payable) and the interest accrued thereon to be due and payable immediately, and, upon said declaration, such principal and interest shall become and be immediately due and payable. Upon any declaration of acceleration hereunder, the Trustee shall immediately exercise such rights as it may have under the Loan Agreement and the Note to declare all Repayments to be immediately due and payable. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon (including Default Interest, if any) and which will accrue thereon to the date of payment and all unpaid interest on the Bonds on the date of payment, and the acceleration premium described in Section 6.8 hereof (if applicable). The Investor Limited Partner shall have the right, but not the obligation, to cure any Event of Default of the Borrower under the Bond Documents within the same applicable cure periods as the Borrower and such cure shall be accepted or rejected as if made or tendered by the Borrower.

(b) Immediately following any such declaration of acceleration, the Trustee shall cause to be mailed notice of such declaration by first-class mail, postage prepaid, to each Holder of a Bond at his/her last address appearing on the Register. Any defect in or failure to give such notice of such declaration shall not affect the validity of such declaration.

Section 6.3 **Other Remedies; Rights of Holders.**

(a) Upon the happening and continuance of an Event of Default hereunder, the Trustee may, with the prior written consent of the Controlling Person, and shall upon the direction of the Controlling Person, with or without taking action under Section 6.2 hereof, pursue any available remedy to enforce the performance of or compliance with any Bond Documents.

(b) No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, the Controlling Person, the Majority Owner or the Holders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Majority Owner, the Controlling Person or to the Holders hereunder or now or hereafter existing.

(c) 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 and as often as may be deemed expedient.

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

(e) The Trustee, as the assignee of substantially all right, title and interest of the Issuer in and to the Loan Agreement and the Note, shall be empowered to enforce each and every right granted to the Issuer under the Loan Agreement and the Note other than Reserved Rights.

(f) Notwithstanding anything contained herein or in the Mortgage to the contrary, upon the occurrence and continuance of an Event of Default, the Trustee will not be required to foreclose if doing so will subject it to environmental liability for which it is not adequately indemnified, or will require the approval of a governmental regulator that cannot be obtained, and before taking any foreclosure action or any action which may subject the Trustee to liability under any Environmental Laws, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action.

Section 6.4 **Right of Controlling Person to Direct Proceedings**.

(a) Anything in this Indenture to the contrary notwithstanding, the Controlling Person shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

(b) No Holder shall have the right to institute any proceeding for the enforcement of this Indenture unless (1) such Holder has given the Trustee and the Borrower and the Investor Limited Partner written notice of an Event of Default, (2) the Controlling Person shall have requested the Trustee in writing to institute such proceeding, (3) the Trustee shall have been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, (4) there shall have been offered to the Trustee indemnity satisfactory to it against the cost, expense and liability to be incurred in connection with such request and (5) the Trustee shall have thereafter failed or refused to exercise such powers or to institute such proceeding within sixty (60) days after receipt of notice with no inconsistent direction given during such sixty (60) days by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding. Nothing in this Indenture shall affect or impair any right of enforcement conferred on any Holder by the Act or otherwise to enforce (i) the payment of the principal of, acceleration premium, if any, and interest on Bonds at and after the maturity thereof, or (ii) the obligation of the Issuer to pay the principal of, acceleration premium, if any, and interest on Bonds to such Holder at the time, place, from the sources and in the manner as provided in this Indenture.

Section 6.5 **Discontinuance of Default Proceedings.** In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise and such proceedings shall have been discontinued or abandoned for any reason or shall have

been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer and the Trustee shall continue as if no such proceedings had been taken subject to the limits of any adverse determination.

Section 6.6 **Waiver.** The Trustee, with the consent of the Controlling Person may, and shall upon the written direction of the Controlling Person, waive any Default or Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity of principal; provided, however, that there shall be no such waiver or rescission unless all principal of, acceleration premium, if any, and interest on the Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate of interest borne by the Bonds and all fees, costs and expenses of the Trustee and the Issuer shall have been paid or provided for.

Section 6.7 **Application of Moneys.** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be deposited in the Bond Fund and, after payment (out of moneys derived from a source other than moneys held for the redemption of Bonds) of (i) the cost 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, including reasonable attorneys' fees, and all other outstanding fees, costs and expenses of the Trustee and (ii) any sums due to the Issuer under the Loan Agreement (other than Repayments), such moneys shall be applied in the order set forth below:

(a) Unless the principal of all Bonds shall have become or been declared due and payable, all such moneys shall be applied:

First: To the payment of all installments of interest then due on the Series 2020A Bonds in order of priority first to installments past due for the greatest period and, if the amount available shall not be sufficient to pay in full any particular installment, then to the ratable payment of the amounts due on such installment;

Second: To the payment of the unpaid principal of and acceleration premium, if any, of the Series 2020A Bonds which shall have become due (other than Series 2020A Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), with interest on such Series 2020A Bonds from the respective dates upon which they became due (at the rate borne by the Series 2020A Bonds, to the extent permitted by law) and, if the amount available shall not be sufficient to pay in full Series 2020A Bonds due on any particular date, together with such acceleration premium, then to the ratable payment of the amounts due on such date;

Third: To the payment of the amounts required to reimburse the Issuer and the Owners of the Series 2020A Bonds for any legal or other out-of-pocket costs incurred by them in connection with exercising their remedies hereunder;

Fourth: To the payment of all installments of interest then due on the Subordinate

Bonds in order of priority first to installments past due for the greatest period and, if the amount available shall not be sufficient to pay in full any particular installment, then to the ratable payment of the amounts due on such installment;

Fifth: To the payment of the unpaid principal of and acceleration premium, if any, of the Subordinate Bonds which shall have become due (other than Subordinate Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), with interest on such Subordinate Bonds from the respective dates upon which they became due (at the rate borne by the Subordinate Bonds, to the extent permitted by law) and, if the amount available shall not be sufficient to pay in full Subordinate Bonds due on any particular date, together with such acceleration premium, then to the ratable payment of the amounts due on such date; and

Sixth: The balance shall be paid to the Borrower (subject to any required deposits to the Rebate Fund).

(b) If the principal of all the Bonds shall have become or been declared due and payable, then all such moneys shall be applied to the payment of the principal, acceleration premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority as between principal, premium, interest, installments of interest or Bonds, ratably according to the amounts due respectively for principal, premium and interest to the persons entitled thereto, except as otherwise set forth in Section 2.1 herein and in the Subordination Agreement.

(c) If the principal on all Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded under this Article, then, subject to subsection (b) of this Section in the event that the principal of all the Bonds shall again become or be declared due and payable, the moneys shall be applied in accordance with subsection (a) of this Section.

(d) Notwithstanding anything contained herein to the contrary, with respect to the Bonds, the Controlling Person may, with express written consent of the Majority Owner, by written notice to the Trustee direct the application of funds other than in the manner set forth in Section 6.7(b) above, including, without limitation, the application of funds between the principal or acceleration premium of or interest on the Bonds.

(e) Whenever moneys are to be applied pursuant to this Section, the Trustee shall fix the date, which shall be not more than seven (7) calendar days after such acceleration, upon which such application is to be made, and upon such date interest on the principal amount of Bonds to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

Section 6.8 **Default Interest and Acceleration Premium**. In the event that principal or interest payable on the Bonds is not paid when due, there shall be payable on the amount not

timely paid interest at the Default Rate, to the extent permitted by law. This interest shall accrue at the Default Rate until the unpaid amount, together with interest thereon, shall have been paid in full. In the event there shall have occurred an acceleration of the Bonds or the Borrower's obligations under the Loan Agreement following an Event of Default on or before the First Optional Call Date, any tender of payment of any amount necessary to pay the Bonds in full shall include the acceleration premium set forth in Section 2.3(c) of the Loan Agreement.

Section 6.9 **Rights of Owners of Subordinate Bonds**. So long as any Series 2020A Bond remains Outstanding hereunder, the Owners of the Subordinate Bonds shall have no right, individually or collectively, to direct the Trustee to exercise any remedies hereunder or under the any Bond Document or to cause an acceleration of the Bonds without the prior written consent of the Controlling Person.

ARTICLE VII
THE TRUSTEE

Section 7.1 **Appointment of Trustee.** The Trustee is hereby appointed and does hereby agree to act in such capacity, and to perform the duties of the Trustee under this Indenture, but only upon and subject to the following express terms and conditions (and no implied covenants or other obligations shall be read into this Indenture against the Trustee):

(a) The Trustee may execute any of its trusts or powers hereunder and perform any of its duties either directly or by or through attorneys, agents, custodians, nominees, receivers or employees appointed with due care. The Trustee shall be entitled to advice of Counsel concerning all matters hereunder, and the advice of such Counsel or any opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon. The Trustee may in all cases pay such reasonable compensation to all such attorneys, agents, custodians, nominees, receivers and employees. The Trustee may act upon the opinion or advice of Counsel, accountants, engineers or surveyors selected by it in the exercise of reasonable care or, if the same are selected by the Issuer, 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 in good faith in reliance upon such opinion or advice.

(b) Except as provided in Section 7.8 hereof, the Trustee shall not be responsible for any recital herein or in the Bonds, or for the recording, re-recording, filing or re-filing of this Indenture, of any Financing Statements or continuation statements, or for insuring the Security or the Project, except as instructed by the Controlling Person, or collecting any insurance moneys, or for the validity 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 of or title to the Project or otherwise as to the maintenance of the Security. The Trustee shall not be liable to the Borrower, any Holder, any beneficial owner or any other Person for any loss suffered in connection with any investment of funds made by it in accordance with Section 4.8 or Article V hereof as instructed by the

Borrower in accordance with the provisions of this Indenture, and with the prior written consent of the Controlling Person, as applicable. The Trustee shall have no duty or responsibility with respect to any information, statements or recital in any preliminary or final placement memorandum, offering memorandum, official statement, offering circular or similar disclosure material prepared or distributed with respect to the Bonds (except for information expressly provided by the Trustee concerning itself for inclusion therein) and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. If any Bond Document requires that a party deliver financial statements to the Trustee, the Trustee shall have no duty or obligation to review such statements, shall not be considered to have notice of the content of such statements or any Default or Event of Default based on such content and shall have no duty to verify the accuracy of such statements.

(c) The Trustee shall not be accountable (x) for the use of any Bonds authenticated or delivered hereunder after such Bonds shall have been delivered in accordance with instructions of the Issuer, (y) for the use or application by the Borrower of the proceeds of the Bonds advanced to the Borrower as provided in the Loan Agreement in accordance with the provisions of this Indenture or (z) for the use and application of money received by any paying agent. The Trustee may become the owner of Bonds secured hereby with the same rights as any other Holder.

(d) The Trustee shall be protected in acting upon opinions of Counsel and upon any notice, request, consent, certificate, order, affidavit, letter, 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 notices, directions, consents, approvals or requests provided to the Trustee pursuant to the terms of this Indenture or any of the Bond Documents shall not be effective until provided in writing. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Holder of any Bond shall be conclusive and binding upon all future Holders of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) The permissive right of the Trustee to do things enumerated in this Indenture or the Loan Agreement shall not be construed as duties. The Trustee shall only be responsible for the performance of the duties expressly set forth herein and shall not be answerable therefor other than to the extent of its gross negligence, bad faith or willful misconduct in the performance of those express duties.

(f) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts, relating to the Project.

(g) The Trustee shall not be required to give any bond or surety in respect of the execution of said trust and powers or otherwise in respect of this Indenture.

(h) Before taking any action requested hereunder by the Holders which may require it to expend its own funds, the Trustee may require satisfactory security or indemnification for the reimbursement of all expenses to which it may be put and to protect it against such liability, except such liability which is adjudicated to have resulted from its gross negligence, bad faith or willful misconduct in connection with any action so taken. The Trustee shall not be entitled to indemnification as a precondition to giving notices of default or taking other actions at the direction of the Majority Owner or the Controlling Person which do not require the Trustee to expend its own funds or for which funds have been advanced by the Majority Owner or the Controlling Person to the Trustee in advance of its taking such action.

(i) All moneys received by the Trustee, until used or applied or invested as herein provided, shall be held as special trust funds for the purposes specified in this Indenture and for the benefit and security of the Holders of the Bonds as herein provided. Such moneys need not be segregated from other funds except to the extent required by law or herein provided, and the Trustee shall not otherwise be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(j) The Trustee shall not be bound to ascertain or inquire as to the performance of the obligations of the Borrower or the Issuer under the Loan Agreement or this Indenture, and shall not be deemed to have, or be required to take, notice of default under this Indenture (other than under Section 6.1(a) or (b), or Section 6.1(c) if written notice thereof has been received by the Trustee) or the occurrence of a Determination of Taxability, except (i) in the event the Borrower fails to pay any Repayment when due, (ii) in the event of an insufficient amount in the Bond Fund (or any account therein) to make a principal or interest payment on the Bonds, (iii) in the event of written notification of a Determination of Taxability by the Holder of any Bonds, (iv) in the event of written notification of such Default by the Controlling Person, the Majority Owner or two or more Holders with combined holdings of not less than twenty-five percent (25%) of the principal amount of Outstanding Bonds, or (v) in the event of receipt of an Opinion of Bond Counsel concluding that a Determination of Taxability has occurred, and in the absence of such notice the Trustee may conclusively presume there is no Determination of Taxability and no default except as aforesaid. The Trustee may nevertheless require the Issuer and the Borrower to furnish information regarding performance of their obligations under the Loan Agreement and this Indenture but is not obligated to do so.

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

(l) In addition to the Trustee's other duties hereunder, the Trustee shall authenticate and cancel Bonds as provided herein, keep such books and records relating to such duties as shall be consistent with prudent industry practice and make such books and records

available for inspection by the Issuer and the Borrower at all reasonable times. All Bonds shall be made available for authentication, exchange and registration of transfer at the principal office of the Trustee.

(m) The Trustee shall have no duty to inspect or oversee the construction or completion of the Improvements or to verify the truthfulness or accuracy of the certifications made by the Borrower in any Requisition.

(n) Without limiting the duties of the Trustee expressly set forth herein, the Trustee shall have no obligation or responsibility whatsoever in connection with (i) any federal or state tax-exempt status of the Bonds or the interest thereon, (ii) the consequences of the investment or non-investment of any funds or accounts relating to the Bonds under Section 148 of the Code or (iii) the calculation of any amount required to be rebated to the United States under Section 148 of the Code.

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

(p) Whenever in the administration of this Indenture the Trustee deems it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee may, in the absence of bad faith on its part and except as otherwise expressly set forth herein, rely upon a written certificate of the Controlling Person or the Majority Owner.

(q) In the absence of a direction from the Controlling Person or the Majority Owner, if the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of this Indenture, then the directions given by the group of Holders which holds the largest percentage of the principal amount of the Bonds shall be controlling, and the Trustee shall follow such directions.

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

(s) The Trustee, in its commercial banking or in any other capacity, may in good faith buy, sell, own, hold or deal in any of the Bonds and may join in any action that any Holder may be entitled to take with like effect as if it were not the Trustee. The Trustee, in its commercial banking or in any other capacity, may also engage in or be interested in any financial or other transaction with the Borrower and may act as depository, trustee or agent for any

committee of Holders secured hereby or other obligations of the Borrower, as freely as if it were not the Trustee hereunder. The provisions of this paragraph shall extend to the affiliates of the Trustee.

(t) The Trustee may conclusively rely upon and shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, Requisition, direction, opinion or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of the Bonds shall be conclusive and binding upon all future owners of the same Bonds and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Indenture or any other document reasonably relating to the Bonds and delivered using Electronic Means (as defined below); provided, however, that the Issuer, the Borrower, the Controlling Person or the Majority Owner, as the case may be, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such directions and instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer, the Borrower, the Controlling Person or the Majority Owner elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such direction or instructions, the Trustee's understanding of such directions or instructions shall be deemed controlling. The Issuer, the Borrower, the Controlling Person and the Majority Owner each understand and agree that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions 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, the Borrower, the Controlling Person and the Majority Owner, as the case may be, shall each be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. 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 directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. Each of the Issuer, the Borrower, the Controlling Person and the Majority Owner agree: (i) to assume all risks arising out of the use of Electronic Means to submit directions or 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 directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify

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

(u) Whether or not expressly so provided, each and every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Section.

Section 7.2 **Compensation and Indemnification of Trustee; Trustee's Prior Claim**.

(a) The Loan Agreement provides that the Borrower will pay the reasonable fees, costs and expenses of the Trustee under this Indenture and all other amounts which may be payable to the Trustee under this Section, such fees, costs and expenses to be paid when due and payable by the Borrower directly to the Trustee for its own account. Except as set forth in Section 6.7, the Trustee shall not have a lien on the Security for the payment of its fees, costs or expenses and shall not be entitled to pay its fees, costs and expenses from amounts held in the funds and accounts hereunder. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

(b) The Borrower shall (i) pay the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), (ii) pay or reimburse the Trustee upon request for all reasonable costs, expenses, disbursements and advances incurred or made, in accordance with any of the provisions of this Indenture and the Loan Agreement (including the reasonable compensation and the reasonable expenses and disbursements of its Counsel and of all agents and other persons not regularly in its employ), except to the extent that any such expense, disbursement or advance is due to its own gross negligence, willful misconduct or bad faith, and (iii) indemnify the Trustee and its officers, directors, agents and employees (each, a "Trustee Indemnified Party") for, and hold each such Trustee Indemnified Party harmless against, any loss, liability, expense, losses or damages whatsoever (including reasonable costs and fees of counsel, auditors or other experts) asserted or arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder or the performance of such Trustee Indemnified Party's duties hereunder or under the Loan Agreement, including the reasonable costs and expenses (including the reasonable fees, costs and expenses of its counsel) of defending itself against or investigating any claim of liability in the premises, except to the extent that any such loss, liability or expense was due to such Trustee Indemnified Party's own gross negligence, willful misconduct or bad faith. "Trustee," for purposes of this Section shall include any predecessor Trustee, but the gross negligence, willful misconduct or bad faith of any Trustee, shall not affect the indemnification of any other Person. The obligations of the Borrower under this Section shall survive the termination of this Indenture.

Section 7.3 **Intervention in Litigation.** In any judicial proceedings to which the Issuer is a party, the Trustee may intervene on behalf of Holders, and shall so intervene if requested in writing by the Controlling Person, the Majority Owner or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding.

Section 7.4 **Resignation; Successor Trustees**.

(a) The Trustee and any successor Trustee may resign at any time upon giving prior written notice to the Issuer, the Borrower, the Controlling Person and each Holder of Bonds then Outstanding as shown on the Register. Such resignation shall take effect only upon the appointment of a successor Trustee by the Issuer with the consent of the Controlling Person and the acceptance of such appointment by the successor Trustee. If no successor is appointed within sixty (60) days after the notice of resignation, the Controlling Person may appoint a Trustee or the resigning Trustee may petition any court of competent jurisdiction to appoint a successor Trustee, until a successor shall have been appointed as provided above. Upon appointment of a successor Trustee, the resigning Trustee shall assign all of its right, title and interest in this Indenture and the Security to the successor Trustee. The successor Trustee shall be a bank or trust company with trust powers organized under the laws of the United States or any state of the United States, or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least $50,000,000. Any successor Trustee shall accept in writing its duties and responsibilities hereunder, and such writing shall be provided to the Issuer, the Controlling Person and the Borrower.

(b) Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, reorganization or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or any material part of the corporate trust business of the Trustee that includes this Indenture, shall be the successor of the Trustee hereunder without the execution or filing of any paper of any further act on the part of any Person, anything herein to the contrary notwithstanding, provided that such successor Trustee shall be eligible to serve as Trustee under the provisions of this Indenture. If the Trustee is not the successor corporation in any such merger or consolidation, the Trustee shall give notice of such event to the Borrower and shall take such action as may be required to effect a transfer of the trust included in this Indenture to such successor corporation.

Section 7.5 **Removal of Trustee.** The Trustee may be removed upon at least thirty (30) days prior written notice, by an instrument or concurrent instruments in writing delivered to the Trustee, the Issuer, the Controlling Person and the Borrower and signed by the Majority Owner. During such time that no Event of Default has occurred and is continuing under this Indenture, the Trustee may also be removed by an instrument or concurrent instruments in writing delivered to the Trustee and the Issuer and signed by the Controlling Person, with notice to the Borrower. Such removal shall take effect only upon the appointment of a successor Trustee by the Issuer with the consent of the Controlling Person and the acceptance of such appointment by the successor Trustee. If no successor is appointed within sixty (60) days after the notice of removal, the Controlling Person may appoint a Trustee or the removed Trustee may petition any court of

competent jurisdiction to appoint a successor Trustee, until a successor shall have been appointed as provided above. Upon such removal, the Trustee shall assign to the successor Trustee all of its right, title and interest in this Indenture and the Security in the same manner as provided in Section 7.4 hereof.

Section 7.6 **Instruments of Holders**.

(a) Any instrument required by this Indenture to be executed by Holders may be in any number of writings of similar tenor and may be executed by Holders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds given in any of the following forms shall be sufficient for any of the purposes of this Indenture:

(i) A certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him/her the execution thereof; and

(ii) A certificate executed by any trust company or bank stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank, as the property of such party, the Bonds therein mentioned.

(b) The Trustee may rely on such an instrument of Holders unless and until the Trustee receives notice in the form specified in clauses (a) (i) or (ii) above that the original such instrument is no longer reliable. In the absence of direction from the Controlling Person, if the Trustee shall receive conflicting directions from two or more groups of Holders, each with combined holdings of not less than twenty-five percent (25%) of the principal amount of Outstanding Bonds, then the directions given by the group of Holders which holds the largest percentage of the principal amount of the Bonds shall be controlling and the Trustee shall follow such directions.

Section 7.7 **Power to Appoint Co-Trustees**.

(a) At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Project may at the time be located, the Issuer and the Trustee shall have power to appoint and, upon the request of the Trustee or of the Holders of a majority of the aggregate principal amount of the Bonds then Outstanding, the Issuer shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper (i) to appoint one or more persons approved by the Trustee and the Borrower either to act as co-trustee or co-trustees, jointly with the Trustee, of all or any part of the Project or to act as a separate co-trustee or separate co-trustees of all or any part of the Project and (ii) to vest in such person or persons, in such capacity, such title to the Project or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

(b) Any co-trustee or separate trustee shall be a bank or trust company with trust powers organized under the laws of the United States or any state of the United States or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least $50,000,000.

(c) The Trustee and co-trustees, if any, may by written instrument between or among them, as applicable, designate and assign either the Trustee or any one of the co-trustees or any combination of the foregoing to perform all or any part of the responsibilities and duties of the Trustee under this Indenture.

(d) If the Issuer shall not have joined in such appointment within thirty (30) days after the receipt by it of a written request to do so, or in case an Event of Default shall have occurred and be continuing, the Trustee and the Borrower shall have the power to make such appointment.

(e) The Issuer shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

(f) Each co-trustee or separate trustee appointed pursuant to this Section 7.7, to the extent permitted by law or any applicable contract, shall be subject to the following terms, namely:

(i) This Indenture shall become effective at the time the Bonds shall be authenticated and delivered, and thereupon such co-trustee or separate trustee shall have all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of the custody, control or management of moneys, papers, securities and other personal property.

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees, or separate trustee or separate trustees, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(iii) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(iv) Any co-trustee or separate trustee, to the extent permitted by law, may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(v) The Trustee at any time, by an instrument in writing, with the consent of the Issuer, may accept the resignation of any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the consent of the Issuer. Upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

(vi) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

(vii) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

(g) Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with the security interest in the Security and with such rights, powers, duties, trusts or obligations as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as applicable law makes it necessary for any such co-trustee or separate trustee to act alone), subject to all the terms of this Indenture. A copy of every such acceptance shall be filed with the Trustee.

(h) In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the security interest in the Security and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the same manner as provided for with respect to the appointment of a successor Trustee pursuant to Section 7.4 hereof.

Section 7.8 **Filing of Financing Statements.**

(a) Upon the issuance of the Bonds, the Borrower shall file or record or cause to be filed or recorded all Financing Statements that are required in order fully to protect and preserve the Security Interests and the priority thereof and the rights and powers of the Trustee in connection therewith. Thereafter, the Trustee, at the direction of the Controlling Person, shall file or record or cause to be filed or recorded all Financing Statements that are required in order fully to protect and preserve the Security Interests and the priority thereof and the rights and powers of the Trustee in connection therewith, including without limitation all continuation statements, provided that a copy of the filed original Financing Statement is timely delivered to

the Trustee, for the purpose of continuing without lapse the effectiveness of (i) those Financing Statements which shall have been filed at or prior to the issuance of the Bonds in connection with the security for the Bonds pursuant to the authority of the U.C.C., and (ii) any previously filed continuation statements that shall have been filed as required herein. The Trustee, at the direction of the Controlling Person, shall also file the financing and continuation statements required under Section 3.2 of the Loan Agreement, provided that a copy of the filed original financing statement is timely delivered to the Trustee. The Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Trustee shall have been notified in writing by the Issuer or Controlling Person that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (i) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 7.8 and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Borrower will pay all costs of filing the Financing Statements and all financing and continuation statements required under Section 3.2 of the Loan Agreement.

(b) To the extent not inconsistent with paragraph (a) above, the Borrower agrees (i) to cause all Financing Statements related to this Indenture and all supplements hereto and all continuations thereof to be recorded and filed in such manner and in such places as may from time to time be required by law in order to preserve and protect fully the security of the Owners of the Bonds and the rights of the Trustee hereunder and (ii) to take or cause to be taken any and all other action necessary to perfect the security interest created by this Indenture in accordance with Section 3.B.4 of that certain Construction Loan and Mortgage Servicing Agreement.

ARTICLE VIII
AMENDMENTS, SUPPLEMENTAL INDENTURES

Section 8.1 **Supplemental Indentures.**

(a) The Issuer and the Trustee, with the prior written consent of the Controlling Person, but without the consent of or notice to any Holders, may enter into an indenture or indentures supplemental to this Indenture that do not materially adversely affect the interest of the Holders for one or more of the following purposes:

(i) to grant to or confer upon the Trustee for the benefit of the Holders, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee;

(ii) to grant or pledge to the Trustee for the benefit of Holders, any additional security other than that granted or pledged under this Indenture;

(iii) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States;

(iv) to appoint a successor Trustee or co-trustees in the manner provided in Article VII hereof;

(v) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture that may be defective or inconsistent with any provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not materially adversely affect the interest of the Holders; or

(vi) to make any change herein necessary, in the opinion of Bond Counsel, to maintain the exclusion of the interest on any Outstanding Bonds from gross income of the Holders thereof for federal income tax purposes.

(b) When requested by the Issuer, and if all conditions precedent under this Indenture have been met, and there shall have been delivered to the Trustee an opinion of Bond Counsel to the effect that such supplemental indenture is authorized or permitted by this Indenture and complies with its terms and will not adversely affect the excludability of interest on the Bonds from the gross income of the Holders thereof for federal income tax purposes, the Trustee will join the Issuer in the execution of such supplemental indenture, but shall not be required to join the Issuer in the execution of any such supplemental indenture unless it is reasonably compensated for additional obligations on the Trustee not initially contemplated and the indemnification rights of the Trustee cover any changes in the Trustee's rights and immunities under this Indenture or otherwise. Any additional compensation or the expansion of any indemnity obligation shall be the sole responsibility of the Borrower.

(c) The Trustee shall provide copies of all such supplemental indentures to the Borrower. The Trustee shall cause notice of any supplemental indenture described above to be given by first-class mail, postage prepaid, to the Borrower and the Holders of the Outstanding Bonds then shown on the Register.

Section 8.2 **Amendments to Indenture; Consent of Majority Owner, Holders, and Borrower**.

(a) Exclusive of supplemental indentures covered by Section 8.1 hereof and subject to the terms and provisions contained in this Section 8.2 and not otherwise, anything contained in this Indenture to the contrary notwithstanding, no indenture or indentures supplemental hereto for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture shall be effective without delivery of a Favorable Opinion of Bond

Counsel, the written consent of the Majority Owner and execution and delivery by the Trustee (acting upon the direction of the Majority Owner) and the Issuer; provided, however, subject to the terms of the Subordination Agreement with respect to the Subordinate Bonds, that nothing contained in this Section shall permit, or be construed as permitting, without the prior written consent of the Holders of all Outstanding Bonds, (i) an extension of the maturity of the principal of, or the optional, extraordinary or mandatory redemption date of, or interest on, any Bond, (ii) a reduction in the principal amount of or the rate of interest on, any Bond, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) the creation of a lien on the Security prior to the lien of this Indenture, or (v) a reduction in the aggregate principal amount of the Bonds required for any consent to any supplemental indenture; provided further, however, that without the prior written consent of the Trustee, the Trustee shall not be required to join the Issuer in the execution of any supplemental indenture unless it is reasonably compensated for additional obligations on the Trustee not initially contemplated and the indemnification rights of the Trustee cover any changes in the Trustee's rights and immunities under this Indenture or otherwise. Any additional compensation or the expansion of any indemnity obligation shall be the sole responsibility of the Borrower. The giving of notice to and consent of the Holders to any such proposed supplemental indenture shall be obtained pursuant to Section 8.5 hereof.

(b) Anything herein to the contrary notwithstanding, a supplemental indenture, amendment or other document described under this Article that affects any rights or obligations of the Borrower shall not become effective unless and until the Borrower shall have consented to the execution of such supplemental indenture, amendment or other document.

Section 8.3 **Amendments to the Loan Agreement or the Note Not Requiring Consent of Holders**.

(a) The Issuer shall not cause or permit to exist any amendment, modification, supplement, waiver or consent with respect to the Loan Agreement, the Note or the Mortgage without the prior written consent of the Trustee, the Borrower and the Controlling Person. The Issuer may, with the consent of the Controlling Person, but without the consent of or notice to any other Holders, enter into or permit (and the Trustee shall consent to) any amendment of the Loan Agreement, the Note or the Mortgage acceptable to the Borrower as may be required (i) for the purpose of curing any ambiguity or formal defect or omission that shall not adversely affect the interest of the Holders, (ii) to grant or pledge to the Issuer or Trustee, for the benefit of the Holders any additional security, (iii) to make any change therein necessary, in the opinion of Bond Counsel, to maintain the exclusion of interest on any Outstanding Bonds from gross income of the Holders thereof for federal income tax purposes or (iv) in connection with any other change therein which, in the judgment of the Trustee acting in reliance upon an opinion of Counsel, is not materially prejudicial to the interests of the Trustee and the Holders of the Bonds; provided, however, that without the written consent of the Trustee, the Trustee shall not be required to join in the execution of any such amendment that affects the rights, duties, obligations or immunities of the Trustee or that imposes additional obligations on the Trustee.

(b) The Issuer and the Borrower shall provide copies of any such amendments to the Loan Agreement, the Note or the Mortgage to the Trustee and the Controlling Person.

Section 8.4 **Amendments to the Loan Agreement, the Note or the Mortgage Requiring Consent of Holders.** Except as provided in Section 8.3 hereof, the Issuer shall not enter into, and the Trustee shall not consent to, any other modification or amendment of the Loan Agreement, the Note or the Mortgage, nor shall any such modification or amendment become effective, without delivery of a Favorable Opinion of Bond Counsel and the prior written consent of the Majority Owner, such consent to be obtained in accordance with Section 8.5 hereof. Except as otherwise set forth in the Subordination Agreement with respect to the Subordinate Bonds, no such amendment may, without the consent of the Holders of all the Outstanding Bonds, reduce the amounts or delay the times of payment of Repayments under the Loan Agreement, the Note or the Mortgage. The Issuer and the Borrower shall provide copies of all such amendments to the Loan Agreement, the Note or the Mortgage to the Trustee, the Controlling Person and the Majority Owner.

Section 8.5 **Notice to and Consent of Holders.** If consent of the Controlling Person, the Majority Owner or any other Holder is required under the terms of this Indenture for the amendment of this Indenture, the Loan Agreement, the Note or for any other similar purpose, the Trustee shall cause notice of the proposed execution of the amendment or supplemental indenture to be given by first-class mail, postage prepaid, to the Controlling Person, the Majority Owner or any other applicable Holder then shown on the Register. Such notice shall briefly set forth the nature of the proposed amendment, supplemental indenture or other action and shall state that copies of any such amendment, supplemental indenture or other document are on file at the principal office of the Trustee for inspection by all Holders. If, within forty-five (45) days or such longer period as shall be prescribed by the Trustee following the mailing of such notice, the Controlling Person, the Majority Owner or the Holders of all, as the case may be, of the principal amount of the Bonds Outstanding by instruments provided to the Trustee shall have consented to the amendment, supplemental indenture or other proposed action, then the Trustee may execute such amendment, supplemental indenture or other document or take such proposed action and the consent of the Holders shall thereby be conclusively presumed.

ARTICLE IX
CONTROLLING PERSON; SERVICING

Section 9.1 **Majority Owner to Appoint Controlling Person.** The Majority Owner of the Series 2020A Bonds may engage a Person, collaterally assign some or all of its rights hereunder to a Person, or otherwise provide for a Person, at the Majority Owner's sole cost and expense, to act on behalf of the Majority Owner of the Series 2020A Bonds under the Bond Documents as the "Controlling Person". The Majority Owner may at any time and from time to time terminate or remove and replace any such Controlling Person. The Majority Owner shall give written notice to the Trustee, the Issuer and the Borrower of its appointment, termination, removal or replacement of any Controlling Person, and the parties may rely on any such notice until any

subsequent notice is given. Initially, the Majority Owner has engaged R4 Servicer LLC to act as the "Controlling Person" hereunder and R4 Servicer LLC has accepted such engagement. Subject to any written agreement between the Controlling Person and Majority Owner, the Controlling Person may resign at any time by written notice to the Majority Owner, Trustee, the Issuer and the Borrower. The Majority Owner is under no obligation to appoint a Controlling Person; if at any time a Controlling Person has not been designated by the Majority Owner, all references to the "Controlling Person herein and in the other Bond Documents shall refer to the Majority Owner. Any opinion or certificate provided for herein, in the Loan Agreement or in any other Bond Document that is directed to the Controlling Person shall also be directed to, and may be relied upon by, the Majority Owner. The Majority Owner will have no liability to the Issuer, the Borrower, the Trustee or any other Person for any act or omission of the Controlling Person unless the Controlling Person is the Majority Owner or such act or omission was expressly approved by the Majority Owner in each particular case.

Section 9.2 **Servicing**.

(a) The Majority Owner has appointed the Controlling Person to be the servicer of the Series 2020A Loan, and the Controlling Person has accepted such appointment. Satisfactory arrangements have previously been made for the payment of servicing fees and expenses in connection with the Controlling Person's servicing obligations hereunder, and the Borrower, the Majority Owner and the Trustee have no obligation for such payments. Without limiting the foregoing, the Controlling Person shall have no right or claim to any transfer or assumption fees, late charges, acceleration premium or Default Interest payable under this Indenture or the Bond Documents; provided, however that, to the extent permitted under the Bond Documents, the Controlling Person shall be entitled to collect from the Borrower its normal and customary incidental fees and charges for any requested review, approval or other action, including, without limitation, in connection with any proposed transfer, loan assumption, easement, subordinate financing, release of collateral, condemnation proceeding, non-disturbance agreement or other similar action, unless such review, approval or other action is performed solely by the Majority Owner.

(b) The Controlling Person shall be responsible for the performance of the following servicing duties:

(i) The Controlling Person shall perform the duties expressly given to the Controlling Person under the Bond Documents and this Indenture.

(ii) The Controlling Person shall prepare monthly bills to the Borrower in accordance with the Bond Documents for payments to the Trustee of principal and interest under the Series 2020A Loan, the Trustee's Fee, the Issuer's Fee (but not the Series 2020B Loan), and for deposits into the Tax and Insurance Escrow Fund and the Replacement Reserve Fund. The Controlling Person shall notify the Borrower of the amount payable by the Borrower to the Trustee. Such notification may be delivered by electronic mail or by facsimile. The Controlling

Person shall diligently attempt to collect all of the following at the times they are due and payable under this Indenture and the Bond Documents:

(1) The principal and interest due and payable on the Series 2020A Note;

(2) The Trustee's Fee, Issuer Fee;

(3) Any monthly Replacement Reserve Fund deposit;

(4) Any Monthly Tax and Insurance Amounts;

(5) Any other escrow or reserve deposits required by this Indenture or Bond Documents;

(6) Any assumption or transfer fee required by this Indenture or Bond Documents;

(7) Any acceleration premium; and

(8) Dissemination Agent fees and Rebate Analyst fees.

(c) All payments received under this Indenture or Bond Documents shall be applied in the following order unless otherwise instructed by the Majority Owner or expressly set forth in this Indenture or the Bond Documents:

(i) To the principal and interest due and payable on the Note;

(ii) To the Issuer Fee and the Trustee's Fee, as applicable;

(iii) To the acceleration premium, if applicable;

(iv) To required deposits to the Replacement Reserve Fund;

(v) To required deposits in the Tax and Insurance Escrow Fund;

(vi) To other escrow or reserve deposits required by this Indenture or the other Bond Documents;

(vii) To Default Interest and any late fees; and

(viii) To other amounts due under the Bond Documents.

(d) Any payment received by the Controlling Person from or on behalf of the Borrower under this Indenture or the Bond Documents shall be remitted by the Controlling Person to the Trustee no later than the second (2nd) Business Day after receipt by the Controlling

Person or sooner if so required under this Indenture or Bond Documents. The Controlling Person shall make any remittance to the Trustee by wire transfer in accordance with the instructions received from the Trustee or to any other party entitled to such remittances pursuant this Indenture or the Bond Documents in accordance with the instructions received from the Majority Owner.

(e) The Controlling Person shall review the Tax and Insurance Escrow Fund and the Replacement Reserve Fund on an annual basis and adjust required monthly escrow payments in accordance with terms of Bond Documents. The Controlling Person shall notify the Majority Owner and the Trustee of such adjustment.

(f) Upon request of the Majority Owner, the Controlling Person shall furnish to the Majority Owner, monthly account statements received from the Trustee with respect to the Accounts under this Indenture, including disbursements from the Accounts under this Indenture, loan history schedules, outstanding loan balances and escrow balances.

(g) The Controlling Person shall provide immediate written notice to the Majority Owner of any Event of Default of which it receives notice or has actual knowledge or any event which, with the giving of notice or the passage of time, or both, would constitute any Event of Default of which it receives notice or has actual knowledge.

(h) The Controlling Person shall refer to the Trustee all Borrower requests for a quote of a payoff amount for the Loan, shall request a copy of any such quote from the Trustee, and shall notify the Majority Owner of the Borrower's request. The Controlling Person shall prepare payoff letters and delinquency and default notices when necessary, as required by the Bond Documents or this Indenture or otherwise as directed by the Majority Owner.

(i) The Controlling Person shall use its best efforts to obtain financial statements and other reports from the Borrower at the times and to the extent required under the Bond Documents and deliver the same to the Majority Owner.

(j) The Controlling Person shall obtain, and shall provide to the Majority Owner a copy of the Borrower's certificates of compliance with the Land Use Restriction Agreement or other evidence of such compliance submitted by the Borrower to the Issuer or the Issuer's designee within thirty (30) days after the later of (i) the date it is required to be submitted to the Issuer or the Issuer's designee and (ii) the date it is actually so submitted.

(k) The Controlling Person may perform additional duties with respect to the Loan during construction of the Project or during the period following an Event of Default at the request of the Majority Owner.

Section 9.3 **The Issuer Servicer**. Notwithstanding anything in this Indenture to the contrary and without limiting the Issuer's obligations under this Indenture, the Loan shall be

serviced for compliance and other monitoring duties on behalf of the Issuer by the Issuer Servicer pursuant to the Land Use Restriction Agreement and the Issuer Servicer Documents.

ARTICLE X
MISCELLANEOUS

Section 10.1 **Right of Trustee to Pay Taxes and Other Charges**. If any tax, assessment or governmental or other charge upon any part of the Project is not paid as required, the Trustee may, subject to any indemnity required pursuant to Section 7.1(h) hereof, pay such tax, assessment or governmental or other charge (without prejudice, however, to any rights of the Trustee hereunder arising in consequence of such failure), and any amount at any time so paid under this Section, with interest thereon from the date of payment until paid at the greater of the rate of interest borne by the Bonds or the per annum rate of interest announced from time to time by the bank serving as Trustee as its "prime rate," shall become so much additional Indebtedness secured by this Indenture, shall be given a preference in payment over the Bonds, and shall be paid out of the Security.

Section 10.2 **Limitation of Rights.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Holders, the Controlling Person and the Borrower any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained (this Indenture and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the parties hereto, the Holders, the Controlling Person and the Borrower as herein provided).

Section 10.3 **Severability.** If any provision of this Indenture is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections of this Indenture shall not affect the remaining portions of this Indenture or any part thereof.

Section 10.4 **Notices.** Except as otherwise provided herein, all notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered if given or delivered by hand, overnight delivery service or electronic mail (with confirmed receipt) to the address or e-mail address set forth below and shall be deemed to have been given on the date deposited in the mail, if mailed, by first-class, registered or certified mail, postage prepaid, addressed as set forth below. Where required herein, notice shall be given by telephone, and promptly confirmed in writing, and shall be deemed given when given by telephone to the telephone numbers set forth below. The Issuer, the Borrower, the Trustee, the Majority Owner, the Controlling Person and the Investor Limited Partner may, by written notice given hereunder, designate any different addresses, phone

numbers and e-mail addresses to which subsequent notices, certificates, approvals, consents, requests or other communications shall be sent.

To the Issuer:	Jacksonville Housing Finance Authority 214 N. Hogan Street, 7th Floor Jacksonville, Florida 32202 Attention: Finance Director E-mail: lstagner@coj.net
To the Borrower:	Sydney Trace, Ltd. c/o The Vestcor Companies 3030 Hartley Road, Suite 310 Jacksonville, Florida 32257 Attention: Jason O. Floyd E-mail: jfloyd@vestcor.com
With copy to:	Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 W. Flagler Street Miami, Florida 33130 Attention: Terry Lovell, Esq. E-mail: tlovell@stearnsweaver.com
If to Investor Limited Partner:	Wells Fargo Affordable Housing Community Development Corporation MAC D1053-170 301 S. College Street, 17th Floor Charlotte, North Carolina 28288 Attention: Director of Tax Credit Asset Management
With a copy to:	Cannon Heyman & Weiss, LLP 726 Exchange Street, Suite 500 Buffalo, New York 14210 Attention: Constance Giessert, Esq. Telephone: 716-856-1700 Email: CGiessert@chwattys.com

To the Trustee:	The Bank of New York Mellon Trust Company, N.A. 10161 Centurion Parkway N. Jacksonville, Florida 32256 Attention: Corporate Trust Department Facsimile: (904) 645-1998
To the Controlling Person:	R4 Servicer LLC 155 Federal Street, Suite 1602 Boston, Massachusetts 02110 Attention: Greg Doble E-mail: gdoble@r4cap.com
With a copy to:	Kutak Rock LLP 1760 Market St Suite 1100 Philadelphia, Pennsylvania 19103-4104 Attention: Andrew P. Schmutz, Esquire E-mail: Andrew.schmutz@kutakrock.com
To the Majority Owner:	At the address set forth on the Register maintained by the Trustee or by written notice provided to the Trustee
To the Holders of the Subordinate Bonds:	At the address set forth on the Register maintained by the Trustee or by written notice provided to the Trustee

Section 10.5 **Binding Effect.** This instrument shall inure to the benefit of and shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in this Indenture.

Section 10.6 **Captions.** The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 10.7 **Governing Law; Venue.** This Indenture shall be governed by and interpreted in accordance with the laws of the State, without regard to conflict of laws principles. Venue shall be Duval County, Florida.

Section 10.8 **Limited Liability of Issuer.** Notwithstanding anything to the contrary, any liability for payment of money and any other liability or obligation which the Issuer may incur under the Bonds, this Indenture, the Loan Agreement, the Purchase Agreement, the Series 2020B Purchase Agreement or any other Bond Document shall not constitute a general obligation

of the Issuer but shall constitute limited obligations of the Issuer payable solely from and enforced only against the Security.

Section 10.9 **Execution in Counterparts; Electronic Signatures.** This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. To the fullest extent permitted by applicable law and except for the certificate of authentication on the Bonds (which must be manually signed by an authorized representative of the Trustee) and instruments of transfer of the Bonds, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Indenture.

Section 10.10 **Waiver of Jury Trial.** THE PARTIES HERETO HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING UNDER THIS INDENTURE, ANY OF THE OTHER BOND DOCUMENTS OR OTHERWISE IN CONNECTION THEREWITH.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed in its name and on its behalf by its authorized official, and the Trustee has caused this Indenture to be executed in its name by its duly authorized representative, all as of the day and year first above written.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

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

By: _____
Name: Michele R. Shrum
Title: Vice President

EXHIBIT A
FORM OF SERIES A BOND

JACKSONVILLE HOUSING FINANCE AUTHORITY
Multifamily Housing Revenue Bonds
(Sydney Trace Apartments), Series 2020A

No. R-A1

DATED DATE	MATURITY DATE	INTEREST RATE
June 30, 2020	July 1, 2063	[___]% per annum

REGISTERED OWNER: WESTERN ALLIANCE BUSINESS TRUST

PRINCIPAL AMOUNT: NINETEEN MILLION DOLLARS ($19,000,000)

The Jacksonville Housing Finance Authority (the "Issuer"), a public body corporate and politic duly created, organized and existing under the laws of the State of Florida, for value received, hereby promises to pay (but only out of the revenues and other assets pledged under the Indenture (hereinafter defined)) to the Registered Owner specified above or registered assigns (subject to any right of prior redemption), (A) on each Principal Payment Date and the Maturity Date specified above, the applicable portion of the Principal Amount specified above, and (B) interest thereon, at the Bond Coupon Rate (as defined in the Indenture), payable on the first calendar day of each of each month, commencing the First Interest Payment Date to the person whose name appears on the registration books on the Business Day before such day (a "Record Date") and to pay any other amounts as specified in the Indenture (hereinafter defined).

Principal of, and premium, if any, on this Bond are payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), or its successor.

Interest on this Bond shall be computed on the basis of a 360-day year, for the actual number of days elapsed from and including the immediately preceding Interest Payment Date (without Business Day adjustment) through and including the day prior to current Interest Payment Date (without Business Day adjustment). Interest on this Bond shall be payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of the Trustee or its successor.

If a Bondholder so elects, any payment due to such Bondholder shall be made by wire transfer of federal reserve funds to any account in the United States designated by such Bondholder if such Bondholder, at its expense, (a) so directs by written notice delivered to the Trustee at least ten (10) Business Days before the date upon which such wire transfer or other

arrangement is to be made and (b) otherwise complies with the reasonable requirements of the Trustee.

This Bond is one of an issue of duly authorized Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A issued in the aggregate principal amount of $19,000,000 (the "Bonds"), pursuant to the provisions of the Act as such term is defined in the Indenture.

This is a draw-down Bond. The principal amount of this Bond as of any given date shall be equal to (i) the total amount of principal advanced by the Purchaser, less (ii) any payment of principal on the Bonds received by the Holders thereof. Principal amounts advanced by the Purchaser shall be noted on the recordkeeping system maintained by the Trustee.

The proceeds from the Bonds are to be used for the purpose of making a mortgage loan pursuant to a Loan Agreement, dated as of June 1, 2020 (as amended, modified or supplemented from time to time, the "Loan Agreement"), between the Issuer and the Borrower, to finance the acquisition, construction and equipping of the Project. The Borrower's payment obligations under the Loan Agreement will be evidenced by the Note and secured by the Mortgage.

The Bonds are issued under and are equally and ratably secured by an Indenture of Trust, dated as of June 1, 2020 (as amended, modified or supplemented from time to time, the "Indenture"), between the Issuer and the Trustee. All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Reference is hereby made to the Indenture and to all amendments and supplements thereto for a description of the property pledged and assigned to the Trustee and of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, the terms on which the Bonds are issued and secured, the manner in which interest is computed on this Bond, mandatory and optional redemption rights, acceleration, the rights of the Bondholders and the provisions for defeasance of such rights.

This Bond is subject to optional and mandatory redemption in whole or in part, on the dates, under the terms and conditions and at the redemption prices set forth in the Indenture, all of the provisions of which are, by this reference, incorporated into this Bond. Notice of redemption shall be given in the manner set forth in the Indenture.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE BONDS DO NOT

CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE BONDS. THE ISSUER HAS NO TAXING POWER.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

By its purchase of this Bond, the registered owner hereof agrees to the appointment of the Controlling Person as provided in the Indenture and authorizes the Controlling Person to exercise such rights and remedies afforded to the Controlling Person on behalf of the Bondholder as provided in the Bond Documents.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond may be exchanged, and its transfer may be effected, only by the registered owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture. Upon exchange or registration of such transfer a new registered bond or bonds of the same series, maturity and interest rate and of an Authorized Denomination or Authorized Denominations for the same aggregate principal amount will be issued in exchange therefor.

The Issuer and the Trustee may deem and treat the person in whose name this Bond shall be registered on the bond register, as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

All acts, conditions and things required by the laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

Neither the trustees, officers, agents, employees or representatives of the Issuer nor any person executing the Bonds shall be personally liable hereon or be subject to any personal liability 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 released and 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 be valid or obligatory for any purpose until the Trustee shall have executed the Certificate of Authentication appearing hereon.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond is duly authorized by law; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner as required by law; and that all acts, conditions and things necessary to be done or performed by the Issuer or to have happened precedent to or in the execution and delivery of the Indenture have been done and performed and have happened in regular and due form as required by law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual signature of its Chair as of the Dated Date hereof.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

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CERTIFICATE OF AUTHENTICATION

This is to certify that this Bond is one of the Bonds referred to in the within mentioned Indenture.

Date of Authentication: _____

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

By:_____
Authorized Signatory

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ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power or substitution in the premises.

_____

Date:
Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a signature institution that is a participant in a nationally recognized signature program.

_____

Signature

NOTICE: The signature to this assignment must correspond with the name of the registered owner of the within bond as it appears on the face hereof in every particular, without alteration or enlargement or any change whatever, and the Social Security number or federal employer identification must be supplied.

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EXHIBIT B
FORMS OF SERIES B BONDS

JACKSONVILLE HOUSING FINANCE AUTHORITY
Multifamily Housing Subordinate Revenue Bonds
(Sydney Trace Apartments), Series 2020B-1

No. R-B1

DATED DATE	MATURITY DATE	INTEREST RATE
June 30, 2020	July 1, 2063	5.50% per annum

REGISTERED OWNER: JDR LENDER, LLC

PRINCIPAL AMOUNT: ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS ($1,700,000)

The Jacksonville Housing Finance Authority (the "Issuer"), a public body corporate and politic duly created, organized and existing under the laws of the State of Florida, for value received, hereby promises to pay (but only out of the revenues and other assets pledged under the Indenture (hereinafter defined)) to the Registered Owner specified above or registered assigns (subject to any right of prior redemption), from and to the extent of available Cash Flow as provided in the Partnership Agreement (A) annually and on the Maturity Date specified above, the applicable portion of the Principal Amount specified above, and (B) interest thereon, at the Interest Rate, to the person whose name appears on the registration books on the Business Day before such day (a "Record Date") and to pay any other amounts as specified in the Indenture (hereinafter defined).

Principal of, and premium, if any, on this Bond are payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), or its successor.

Interest on this Bond shall be computed on the basis of a 360-day year, for the actual number of days elapsed from and including the immediately preceding Interest Payment Date (without Business Day adjustment) through and including the day prior to current Interest Payment Date (without Business Day adjustment). Interest on this Bond shall be payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of the Trustee or its successor.

If a Bondholder so elects, any payment due to such Bondholder shall be made by wire transfer of federal reserve funds to any account in the United States designated by such Bondholder if such Bondholder, at its expense, (a) so directs by written notice delivered to the

Trustee at least ten (10) Business Days before the date upon which such wire transfer or other arrangement is to be made and (b) otherwise complies with the reasonable requirements of the Trustee.

This Bond is one of an issue of duly authorized Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B issued in the aggregate principal amount of $2,500,000 (the "Bonds"), pursuant to the provisions of the Act as such term is defined in the Indenture. This Bond is subordinate in all respects to those certain Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A issued in the aggregate principal amount of $19,000,000 as set forth in the Indenture.

This is a draw-down Bond. The principal amount of this Bond as of any given date shall be equal to (i) the total amount of principal advanced by the Purchaser, less (ii) any payment of principal on the Bonds received by the Holders thereof. Principal amounts advanced by the Purchaser shall be noted on the recordkeeping system maintained by the Trustee.

The proceeds from the Bonds are to be used for the purpose of making a subordinate mortgage loan pursuant to a Loan Agreement, dated as of June 1, 2020 (as amended, modified or supplemented from time to time, the "Loan Agreement"), between the Issuer and the Borrower, to finance the acquisition, construction and equipping of the Project. The Borrower's payment obligations under the Loan Agreement will be evidenced by the Subordinate Note and secured by the Subordinate Mortgage relating to the Subordinate Bonds.

The Bonds are issued under and are equally and ratably secured by an Indenture of Trust, dated as of June 1, 2020 (as amended, modified or supplemented from time to time, the "Indenture"), between the Issuer and the Trustee. All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Reference is hereby made to the Indenture and to all amendments and supplements thereto for a description of the property pledged and assigned to the Trustee and of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, the terms on which the Bonds are issued and secured, the manner in which interest is computed on this Bond, mandatory and optional redemption rights, acceleration, the rights of the Bondholders and the provisions for defeasance of such rights.

This Bond is subject to optional and mandatory redemption in whole or in part, on the dates, under the terms and conditions and at the redemption prices set forth in the Indenture, all of the provisions of which are, by this reference, incorporated into this Bond. Notice of redemption shall be given in the manner set forth in the Indenture.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO

THE PAYMENT THEREOF. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE BONDS. THE ISSUER HAS NO TAXING POWER.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

By its purchase of this Bond, the registered owner hereof agrees to the appointment of the Controlling Person as provided in the Indenture and authorizes the Controlling Person to exercise such rights and remedies afforded to the Controlling Person on behalf of the Bondholder as provided in the Bond Documents.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond may be exchanged, and its transfer may be effected, only by the registered owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture. Upon exchange or registration of such transfer a new registered bond or bonds of the same series, maturity and interest rate and of an Authorized Denomination or Authorized Denominations for the same aggregate principal amount will be issued in exchange therefor.

The Issuer and the Trustee may deem and treat the person in whose name this Bond shall be registered on the bond register, as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

All acts, conditions and things required by the laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

Neither the trustees, officers, agents, employees or representatives of the Issuer nor any person executing the Bonds shall be personally liable hereon or be subject to any personal liability 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 released and 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 be valid or obligatory for any purpose until the Trustee shall have executed the Certificate of Authentication appearing hereon.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond is duly authorized by law; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner as required by law; and that all acts, conditions and things necessary to be done or performed by the Issuer or to have happened precedent to or in the execution and delivery of the Indenture have been done and performed and have happened in regular and due form as required by law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual signature of its Chair as of the Dated Date hereof.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

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CERTIFICATE OF AUTHENTICATION

This is to certify that this Bond is one of the Bonds referred to in the within mentioned Indenture.

Date of Authentication: _____

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

By:_____
Authorized Signatory

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ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power or substitution in the premises.

_____

Date:
Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a signature institution that is a participant in a nationally recognized signature program.

_____

Signature

NOTICE: The signature to this assignment must correspond with the name of the registered owner of the within bond as it appears on the face hereof in every particular, without alteration or enlargement or any change whatever, and the Social Security number or federal employer identification must be supplied.

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JACKSONVILLE HOUSING FINANCE AUTHORITY
Multifamily Housing Subordinate Revenue Bonds
(Sydney Trace Apartments), Series 2020B-2

No. R-B2

DATED DATE	MATURITY DATE	INTEREST RATE
June 30, 2020	July 1, 2063	5.50% per annum

REGISTERED OWNER: CSM LENDER, LLC

PRINCIPAL AMOUNT: EIGHT HUNDRED THOUSAND DOLLARS ($800,000)

The Jacksonville Housing Finance Authority (the "Issuer"), a public body corporate and politic duly created, organized and existing under the laws of the State of Florida, for value received, hereby promises to pay (but only out of the revenues and other assets pledged under the Indenture (hereinafter defined)) to the Registered Owner specified above or registered assigns (subject to any right of prior redemption), from and to the extent of available Cash Flow as provided in the Partnership Agreement (A) annually and on the Maturity Date specified above, the applicable portion of the Principal Amount specified above, and (B) interest thereon, at the Interest Rate, to the person whose name appears on the registration books on the Business Day before such day (a "Record Date") and to pay any other amounts as specified in the Indenture (hereinafter defined).

Principal of, and premium, if any, on this Bond are payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), or its successor.

Interest on this Bond shall be computed on the basis of a 360-day year, for the actual number of days elapsed from and including the immediately preceding Interest Payment Date (without Business Day adjustment) through and including the day prior to current Interest Payment Date (without Business Day adjustment). Interest on this Bond shall be payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of the Trustee or its successor.

If a Bondholder so elects, any payment due to such Bondholder shall be made by wire transfer of federal reserve funds to any account in the United States designated by such Bondholder if such Bondholder, at its expense, (a) so directs by written notice delivered to the Trustee at least ten (10) Business Days before the date upon which such wire transfer or other arrangement is to be made and (b) otherwise complies with the reasonable requirements of the Trustee.

This Bond is one of an issue of duly authorized Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B issued in the aggregate principal amount of $2,500,000 (the "Bonds"), pursuant to the provisions of the Act as such term is defined in the Indenture. This Bond is subordinate in all respects to those certain Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A issued in the aggregate principal amount of $19,000,000 as set forth in the Indenture.

This is a draw-down Bond. The principal amount of this Bond as of any given date shall be equal to (i) the total amount of principal advanced by the Purchaser, less (ii) any payment of principal on the Bonds received by the Holders thereof. Principal amounts advanced by the Purchaser shall be noted on the recordkeeping system maintained by the Trustee.

The proceeds from the Bonds are to be used for the purpose of making a subordinate mortgage loan pursuant to a Loan Agreement, dated as of June 1, 2020 (as amended, modified or supplemented from time to time, the "Loan Agreement"), between the Issuer and the Borrower, to finance the acquisition, construction and equipping of the Project. The Borrower's payment obligations under the Loan Agreement will be evidenced by the Subordinate Note and secured by the Subordinate Mortgage relating to the Subordinate Bonds.

The Bonds are issued under and are equally and ratably secured by an Indenture of Trust, dated as of June 1, 2020 (as amended, modified or supplemented from time to time, the "Indenture"), between the Issuer and the Trustee. All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Reference is hereby made to the Indenture and to all amendments and supplements thereto for a description of the property pledged and assigned to the Trustee and of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, the terms on which the Bonds are issued and secured, the manner in which interest is computed on this Bond, mandatory and optional redemption rights, acceleration, the rights of the Bondholders and the provisions for defeasance of such rights.

This Bond is subject to optional and mandatory redemption in whole or in part, on the dates, under the terms and conditions and at the redemption prices set forth in the Indenture, all of the provisions of which are, by this reference, incorporated into this Bond. Notice of redemption shall be given in the manner set forth in the Indenture.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR

POLITICAL CORPORATION OR SUBDIVISION OF THE STATE. THE BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE SPONSORING POLITICAL SUBDIVISION OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE BONDS. THE ISSUER HAS NO TAXING POWER.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

By its purchase of this Bond, the registered owner hereof agrees to the appointment of the Controlling Person as provided in the Indenture and authorizes the Controlling Person to exercise such rights and remedies afforded to the Controlling Person on behalf of the Bondholder as provided in the Bond Documents.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond may be exchanged, and its transfer may be effected, only by the registered owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture. Upon exchange or registration of such transfer a new registered bond or bonds of the same series, maturity and interest rate and of an Authorized Denomination or Authorized Denominations for the same aggregate principal amount will be issued in exchange therefor.

The Issuer and the Trustee may deem and treat the person in whose name this Bond shall be registered on the bond register, as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

All acts, conditions and things required by the laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

Neither the trustees, officers, agents, employees or representatives of the Issuer nor any person executing the Bonds shall be personally liable hereon or be subject to any personal liability 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 released and 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 be valid or obligatory for any purpose until the Trustee shall have executed the Certificate of Authentication appearing hereon.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond is duly authorized by law; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner as required by law; and that all acts, conditions and things necessary to be done or performed by the Issuer or to have happened precedent to or in the execution and delivery of the Indenture have been done and performed and have happened in regular and due form as required by law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual signature of its as of the Dated Date hereof.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

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CERTIFICATE OF AUTHENTICATION

This is to certify that this Bond is one of the Bonds referred to in the within mentioned Indenture.

Date of Authentication: _____

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

By:_____
Authorized Signatory

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ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power or substitution in the premises.

_____

Date:
Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a signature institution that is a participant in a nationally recognized signature program.

_____

Signature

NOTICE: The signature to this assignment must correspond with the name of the registered owner of the within bond as it appears on the face hereof in every particular, without alteration or enlargement or any change whatever, and the Social Security number or federal employer identification must be supplied.

EXHIBIT C

FORM OF INVESTOR LETTER
[PURCHASER]

June __, 2020

Jacksonville Housing Finance Authority
Jacksonville, Florida

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

RBC Capital Markets, LLC (the "Underwriter")
St. Petersburg, Florida

Re: $19,000,000 Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A (the "Bonds")

The undersigned, as purchaser (the "Purchaser") of the above-referenced Bonds issued pursuant to the Indenture of Trust dated as of June 1, 2020 (the "Indenture"), between the JACKSONVILLE HOUSING FINANCE AUTHORITY (the "Issuer") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the "Trustee"), hereby represents that:

The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

2. The Purchaser is a "qualified institutional buyer" (a "Qualified Institutional Buyer") under Rule 144A of the Securities Act of 1933, as amended (the "Securities Act"), or an "accredited investor," as defined in Regulation D under the Securities Act, and, as such, is an Approved Buyer, as defined in the Indenture, and therefore has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Purchaser for its own account for investment purposes and not with a present view to or for resale thereof. The Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible. Nothing in the prior sentences, however, shall limit the Purchaser's right to sell and transfer the Bonds at any time subject to the terms of the Indenture.

4. Any disposition by the Purchaser at this time of all or any part of the Bonds shall be only to an institution or entity that is an Approved Buyer or that Purchaser reasonably believes is an Approved Buyer (or otherwise in accordance with the terms of paragraph 10 of this letter); provided, however, the Purchaser reserves the right to deposit such Bonds into a trust, custodial or securitization arrangement in which all of the beneficial ownership interests would be owned by one or more other Approved Buyers; it being understood and agreed that, under such circumstances, each such beneficial owner, in connection with its acquisition of an interest in such arrangement, would be required to represent to the relevant trustee or custodian that it was acquiring such interest for its own account and for investment purposes, and not with a present view to or for resale.

5. The Purchaser understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

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

7. The Purchaser acknowledges that to its knowledge it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Bonds and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Bonds.

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

9. The Purchaser acknowledges that the Issuer, its Counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the Borrower and

the Project contained in any disclosure document related to the purchase of the Bonds.

10. The Purchaser acknowledges that it has the right to sell and transfer the Bonds in Authorized Denominations: (i) to an Affiliate of the Purchaser; (ii) to an institution or entity it reasonably believes is a Qualified Institutional Buyer; (iii) to an Approved Buyer other than a Qualified Institutional Buyer in a transaction that is in compliance with, or exempt from, the registration requirements of the Securities Act and other applicable securities laws and subject to the delivery to the Trustee of a purchaser's letter from the transferee to the same effect as this Purchaser's Letter, with no revisions except as may be approved in writing by the Issuer; or (iv) by deposit into a trust, custodial or securitization arrangement as described in paragraph 4 of this letter.

11. In entering into this transaction the Purchaser has not relied upon any acknowledgements, waivers, certifications, representations or opinions made by the Issuer, the Underwriter, and their respective Counsel and advisors other than representations and statements set forth in the documents and opinions delivered in connection with the issuance of the Bonds, nor has it looked to, nor expected, the Issuer or the Underwriter to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of the funds pledged to secure repayment of the Bonds.

[Remainder of page intentionally left blank]

12. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Indenture.

WESTERN ALLIANCE BUSINESS TRUST,
as Purchaser

By: _____
Name: John Radwanski
Its: Treasurer/Senior Vice President

EXHIBIT D

FORM OF INVESTOR LETTER SUBORDINATE BONDS
[PURCHASER]

June __, 2020

Jacksonville Housing Finance Authority
Jacksonville, Florida

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

RBC Capital Markets, LLC (the "Underwriter")
St. Petersburg, Florida

Re: $2,500,000 Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B (the "Bonds")

The undersigned, as purchaser (the "Purchaser") of the above-referenced Bonds issued pursuant to the Indenture of Trust dated as of June 1, 2020 (the "Indenture"), between the JACKSONVILLE HOUSING FINANCE AUTHORITY (the "Issuer") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the "Trustee"), hereby represents that:

The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

2. Intentionally omitted.

3. The Bonds are being acquired by the Purchaser for its own account and not with a present view to or for resale thereof. The Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible. Nothing in the prior sentences, however, shall limit the Purchaser's right to sell and transfer the Bonds at any time subject to the terms of the Indenture.

4. Any disposition by the Purchaser at this time of all or any part of the Bonds shall be only to an institution or entity that is an Approved Buyer or that Purchaser reasonably believes is an Approved Buyer (or otherwise in accordance with the terms of paragraph 10 of this letter); provided, however, the Purchaser reserves the right to deposit such Bonds into a trust, custodial or securitization arrangement in which all of the beneficial ownership interests would be owned

by one or more other Approved Buyers; it being understood and agreed that, under such circumstances, each such beneficial owner, in connection with its acquisition of an interest in such arrangement, would be required to represent to the relevant trustee or custodian that it was acquiring such interest for its own account and for investment purposes, and not with a present view to or for resale.

5. The Purchaser understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

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

7. The Purchaser acknowledges that to its knowledge it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Bonds and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Bonds.

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

9. The Purchaser acknowledges that the Issuer, its Counsel and its advisors bear no responsibility for the accuracy or completeness of information with respect to the Borrower and the Project contained in any disclosure document related to the purchase of the Bonds.

10. The Purchaser acknowledges that it has the right to sell and transfer the Bonds in Authorized Denominations: (i) to an Affiliate of the Purchaser; (ii) to an institution or entity it reasonably believes is a Qualified Institutional Buyer; (iii) to an Approved Buyer other than a

Qualified Institutional Buyer in a transaction that is in compliance with, or exempt from, the registration requirements of the Securities Act and other applicable securities laws and subject to the delivery to the Trustee of a purchaser's letter from the transferee to the same effect as this Purchaser's Letter, with no revisions except as may be approved in writing by the Issuer; or (iv) by deposit into a trust, custodial or securitization arrangement as described in paragraph 4 of this letter.

11. In entering into this transaction the Purchaser has not relied upon any acknowledgements, waivers, certifications, representations or opinions made by the Issuer, the Underwriter, and their respective Counsel and advisors other than representations and statements set forth in the documents and opinions delivered in connection with the issuance of the Bonds, nor has it looked to, nor expected, the Issuer or the Underwriter to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of the funds pledged to secure repayment of the Bonds.

[Remainder of page intentionally left blank]

12. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Indenture.

JDR LENDER, LLC, as Purchaser
By: _____
Name: _____
Its:_____

CSM LENDER, LLC, as Purchaser
By: _____
Name: _____
Its:_____

EXHIBIT B

FORM OF LOAN AGREEMENT

BMO DRAFT
6/8/2020

LOAN AGREEMENT

by and between

SYDNEY TRACE, LTD.

and

JACKSONVILLE HOUSING FINANCE AUTHORITY

Dated as of June 1, 2020

Relating to:

$19,000,000
Jacksonville Housing Finance Authority
Multifamily Housing Revenue Bonds
(Sydney Trace Apartments), Series 2020A

and

$2,500,000
Jacksonville Housing Finance Authority
Multifamily Housing Subordinate Revenue Bonds
(Sydney Trace Apartments), Series 2020B

The amounts payable to the Jacksonville Housing Finance Authority (the "Issuer") and other rights of the Issuer (except for Reserved Rights), under this Loan Agreement have been pledged and assigned to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") under the Indenture of Trust between the Issuer and the Trustee dated as of June 1, 2020.

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LOAN AGREEMENT

This LOAN AGREEMENT (as amended, modified or supplemented from time to time, this "Agreement") made as of June 1, 2020, by and between the **JACKSONVILLE HOUSING FINANCE AUTHORITY**, a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (together with its successors and assigns, the "Issuer"), and **SYDNEY TRACE, LTD.,** a Florida limited partnership duly organized and validly existing under the laws of the State of Florida (together with its permitted successors and assigns, the "Borrower"),

WITNESSETH:

WHEREAS, the Issuer is authorized under the Act (as defined in the hereinafter defined Indenture) to enter into loan agreements with respect to one or more projects authorized under the Act for such payments and upon such terms and conditions as the Issuer may deem advisable in accordance with the provisions of the Act; and

WHEREAS, the Issuer has determined that the public purposes set forth in the Act will be furthered by the issuance, sale and delivery of the Issuer's Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A, in the original aggregate principal amount of $19,000,000 (the "Series 2020A Bonds"), its Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B-1 in the original aggregate principal amount of $1,700,000, and its Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B-2 in the original aggregate principal amount of $800,000 (collectively, the "Subordinate Bonds" and collectively, the "Bonds"), pursuant to an Indenture of Trust dated as of June 1, 2020 (as amended, modified or supplemented from time to time, the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A. as trustee (together with any successor trustee under the Indenture and their respective successors and assigns, the "Trustee"), to provide funds to finance the costs of the construction and equipping of the Project (as hereunder defined); and

WHEREAS, the Issuer will lend the proceeds of the Bonds to the Borrower, who will use the proceeds of such loans to fund all or a portion of the costs of the acquisition and construction of a multifamily residential housing facility located at 8575 Merchants Way, Jacksonville, Duval County, Florida 32222, consisting of a total of 192 units to be commonly known as Sydney Trace Apartments (the "Project").

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND THE UNDERTAKINGS HEREIN SET FORTH AND OTHER GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY AND RECEIPT OF WHICH ARE HEREBY ACKNOWLEDGED, AND INTENDING TO BE LEGALLY BOUND, THE BORROWER AND THE ISSUER HEREBY AGREE AS FOLLOWS:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. In this Agreement (except as otherwise expressly provided for or unless the context otherwise requires) any capitalized terms used, but not defined herein, shall have the meanings ascribed to them in the Indenture.

Section 1.2 Rules of Construction; Time of Day. In this Agreement, unless otherwise indicated, (i) defined terms may be used in the singular or the plural and the use of any gender includes all genders, (ii) the words "hereof", "herein", "hereto", "hereby" and "hereunder" refer to this entire Agreement, and (iii) all references to particular Articles or Sections are references to the Articles or Sections of this Agreement, (iv) the terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants", (v) the term "including" shall mean "including, but not limited to," and (vi) the terms "best knowledge" or "knowledge" shall mean the actual knowledge of any Authorized Person of the Borrower after due inquiry. References to any time of the day in this Agreement shall refer to Eastern standard time or Eastern daylight saving time, as in effect in New York, New York, on such day.

ARTICLE 2
LOAN AND PROVISIONS FOR REPAYMENT

Section 2.1 Basic Loan and Repayment Terms.

(a) The Issuer agrees, upon the terms and conditions contained in this Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. The Loan shall be made by depositing the proceeds from the initial sale of the Bonds in accordance with Article IV of the Indenture. Such proceeds shall be disbursed to or on behalf of the Borrower as provided for in this Agreement and the Indenture. The Borrower's obligation to repay the Loan shall be evidenced by the Series 2020A Note and the Subordinate Note (collectively, the "Note"), the forms of which are attached hereto as Exhibit A.

(b) The Borrower hereby agrees to pay the Note and repay the Loan made pursuant to this Agreement by paying or causing to be paid to the Trustee in immediately available funds for the account of the Issuer for deposit into the Bond Fund or the Redemption Fund, as applicable, two Business Days before the dates, and in the amounts, set forth on the Debt Service Schedule hereto, and two Business Days before any other date that any payment of interest, premium, if any, or principal is required to be made in respect of the Bonds pursuant to the Indenture, whether at maturity, upon acceleration or by sinking fund redemption or mandatory redemption, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, a sum which will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or upon mandatory redemption or acceleration or otherwise), premium, if any, and interest on the Bonds, as provided in the Indenture.

(c) It is understood and agreed that the Note and all payments payable by the Borrower under this Section 2.1 are assigned by the Issuer to the Trustee for the benefit of the Bondholders. The Borrower assents to such assignment. The Issuer hereby directs the Borrower, and the Borrower hereby agrees to pay to the Trustee, at the address specified in or in accordance with Section 10.1 hereof all Repayments payable to the Issuer pursuant to the Note and this subsection.

(d) The Borrower shall have, and is hereby granted, the option to prepay the unpaid principal amount of the Series 2020A Note and the Subordinate Note, together with interest thereon to the date of redemption of the Bonds, but only pursuant to the provisions of Section 2.3(b) hereof and Section 3.4(a) and (b) of the Indenture with respect to voluntary prepayment of the Loan and optional redemption of the Bonds.

Section 2.2 Fees.

(a) *Origination and Construction Fees*. On the date of execution and delivery of this Agreement, the Borrower shall pay, or cause to be paid, to R4 Capital Funding LLC an origination fee (the "Origination Fee") equal to $142,500, and to R4 Servicer LLC, a construction monitoring fee (the "Monitoring Fee") of $47,500, together with the reasonable, out-of-pocket fees and expenses of its counsel.

(b) *Engineering Consultant Fees*. The Borrower shall pay directly, or cause to be paid pursuant to a Requisition, to the Controlling Person (as directed by the Controlling Person) at least two Business Days before each Interest Payment Date, commencing on the First Interest Payment Date and continuing through Final Completion of the Work in respect of the Project, an amount equal to the costs of the Engineering Consultant incurred by the Controlling Person in the prior month in an amount not to exceed $1,500 per month (plus travel and reasonable and necessary expenses). If the Borrower fails to requisition such costs from the Trustee, the Controlling Person may direct the Trustee in writing to disburse such amounts as part of any Advance.

(c) *Ongoing Fees*. The Borrower shall pay the ongoing Issuer Fee to the Trustee in the amount of 20 basis points (0.20%) of the outstanding principal amount of the Loan (calculated on the Business Day prior to any principal reduction of the [Series 2020A] Note) payable in semiannual installments in arrears on each [_____] 1 and [_____] 1, commencing [_____] 1, 2020, so long as any portion of the Loan is outstanding.

(d) *Trustee and Issuer Servicer Fees*. The Borrower shall pay all Trustee's Fees and all fees and expenses of the Issuer Servicer.

(e) *Special Servicing Fees.* The Borrower shall pay any and all special servicing fees or costs in accordance with Section 6.33 hereof and in the Bond Documents.

Section 2.3 Termination; Voluntary Prepayment and Redemption.

(a) Notwithstanding anything to the contrary contained in this Agreement or the other Bond Documents, the Controlling Person's and the Majority Owner's and each Holder's rights, interests and remedies hereunder and under the other Bond Documents shall not terminate or expire or be deemed to have been discharged or released until the earlier to occur of (i) the payment in full of the Bonds, or (ii) defeasance, pursuant to Article V of the Indenture, of all of the Bonds. No such termination, expiration or release shall affect the survival of the indemnification provisions of this Agreement, which provisions shall survive any such termination, expiration or release.

(b) The Series 2020A Note and the Subordinate Note may be prepaid by the Borrower, and the Bonds shall be optionally redeemed pursuant to Sections 3.4(a) and (b) of the Indenture, on any Interest Payment Date on or after the First Optional Call Date, upon the payment of the principal amount of the Bonds plus interest accrued thereon to, but not including, the date of redemption, without premium or penalty.

(c) Acceleration of the obligations of the Borrower hereunder upon an Event of Default prior to the First Optional Call Date, shall constitute an evasion of the prepayment provisions of this Agreement and any tender of payment of an amount necessary to satisfy the entire Indebtedness created hereunder shall include an acceleration premium, equal to the amount of interest which would have accrued on the amount of Bonds scheduled to be Outstanding from the date of acceleration to, but not including, the First Optional Call Date.

(d) The Borrower shall be required to prepay the Loan at the times and in the amounts necessary to provide funds for the payment of the mandatory redemption of the Bonds pursuant to Section 3.4(c) of the Indenture. In addition, on each Interest Payment Date, the Borrower shall pay to the Trustee for deposit into the Redemption Fund the amount set forth for such purpose on the Debt Service Schedule, which amount shall be applied on each Principal Payment Date to the mandatory sinking fund redemption of the Series 2020A Bonds pursuant to Section 3.4(d) of the Indenture.

(e) Notwithstanding the foregoing, the Borrower shall have the right at any time to defease the Bonds in accordance with the provisions of Article V of the Indenture, without premium.

Section 2.4 Obligations Absolute. The obligations of the Borrower under this Agreement shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including without limitation the following circumstances: (i) any lack of validity or enforceability of the Bond Documents or any other agreement or document relating thereto; (ii) any amendment or waiver of or any consent to or departure from the Bond Documents or any document relating thereto; or (iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the Issuer or the Trustee (or any persons or entities for whom the Trustee

may be acting) or any other person or entity, whether in connection with this Agreement, the transactions described herein or any unrelated transaction. The Borrower understands and agrees that no payment by it under any other agreement (whether voluntary or otherwise) shall constitute a defense to its obligations hereunder, except to the extent that the Loan evidenced hereby has been indefeasibly paid in full, whether owing under this Agreement or under the other Bond Documents.

Section 2.5 Indemnification. The Borrower covenants to defend, indemnify and hold harmless the Issuer, the Trustee, the Controlling Person, the Majority Owner, and each of their respective Affiliates and each of their and their Affiliates' respective directors, officers, employees, representatives and agents (collectively, the "Indemnified Parties"), except as limited below, from and against any and all claims, damages, losses, liabilities, costs or expenses (including reasonable, out-of-pocket attorneys' fees for counsel of each of the Indemnified Parties' choice) whatsoever which the Indemnified Parties may incur (or which may be claimed against any of the Indemnified Parties by any person or entity whatsoever) by reason of or in connection with:

(a) the Bonds, the Indenture, the Loan Agreement, the Land Use Restriction Agreement or Tax Certificate, or the execution or amendment hereof or thereof or in connection with the transactions contemplated hereby or thereby, including the issuance, sale or resale, defeasance or redemption of the Bonds;

(b) any breach by the Borrower of any representation, warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or the other Bond Documents, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default or any Determination of Taxability;

(c) the involvement of any of the Indemnified Parties in any legal suit, investigation, proceeding, inquiry or action as a consequence, direct or indirect, of the Controlling Person or the Majority Owner's actions taken pursuant to this Agreement or any of the other Bond Documents or any other event or transaction contemplated by any of the foregoing;

(d) any untrue statement of the Borrower or alleged untrue statement contained or incorporated by reference in any offering or reoffering materials prepared in respect of the Bonds, or any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements in light of the circumstances in which they are or were made not misleading;

(e) the acceptance or administration of the Bond Documents or the Security Interests thereunder or the performance of duties under the Bond Documents or any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof, including without limitation any lease thereof or assignment of its interest in this Agreement;

(f) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Advances or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition or construction of, the Improvements or any part thereof;

(g) any Lien (other than a Permitted Encumbrance) or charge upon payments by the Borrower to the Issuer and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Trustee in respect of any portion of the Project;

(h) any violation or alleged violation of any applicable law or regulation (other than by the indemnitee) including, without limitation, any Environmental Law or any inspection, review or testing with respect to, or the release of any toxic substance from, the Project or any part thereof;

(i) the enforcement of, or any action taken by the Issuer or any Indemnified Party, related to remedies under, this Agreement, the Indenture and the other Bond Documents;

(j) any action, suit, claim, proceeding, audit, inquiry, examination, or investigation of a judicial, legislative, administrative or regulatory nature concerning or related to interest payable on the Bonds not being excludable from gross income for purposes of federal income taxation or exempt from state income taxation;

(k) any action, suit, claim or demand contesting or affecting the title of the Project;

(l) the investigation of, preparation for or defense of any litigation, proceeding or investigation in connection with the Project or the transactions to be consummated in connection therewith of any nature whatsoever, commenced or threatened against the Borrower, the Project or any Indemnified Party; and

(m) any brokerage commissions or finders' fees claimed by any broker or other party in connection with the Bonds or the Project.

The indemnification shall include the reasonable costs and expenses of defending itself or investigating any claim of liability and other reasonable, out-of-pocket expenses and attorneys' fees incurred by the Indemnified Parties, provided the Borrower shall not be required to indemnify any of the Indemnified Parties for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of any Indemnified Party. The obligations of the Borrower under this Section shall survive the termination of this Agreement and the Indenture. Notwithstanding any other provision of this Agreement or the Indenture to the contrary, the Borrower agrees (i) not to assert any claim or institute any action or suit against the Trustee or its employees arising from or in connection with any investment of funds made by the Trustee in good faith as directed by the

Borrower, the Controlling Person or the Majority Owner and (ii) to indemnify and hold the Trustee and its employees harmless against any liability, losses, damages, costs, expenses, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any such investment direction of the Borrower. Nothing in this Section is intended to limit the Borrower's obligations contained in Section 2.1 and 2.2 hereof. Amounts payable to the Issuer hereunder shall be due and payable five (5) Business Days after demand and will accrue interest at the Default Rate, commencing with the expiration of the five (5) Business Day period. When the Issuer incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the reasonable, out-of-pocket fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally. The obligations of Borrower to the Indemnified Parties under this Section shall not be subject to the recourse limitations of Section 10.13 hereof.

Section 2.6 Amounts Remaining on Deposit Upon Payment of the Bonds. After payment in full of the principal of, premium, if any, and interest on the Bonds (or defeasance of the Bonds) and upon payment of amounts payable to the United States pursuant to any rebate requirement and the payment of any other amounts owed hereunder or under the Indenture, all amounts on deposit with the Trustee pursuant to the Indenture, this Agreement or any other Bond Document shall be paid by the Trustee to the Borrower.

ARTICLE 3
SECURITY

Section 3.1 Mortgage and Other Bond Documents. To further secure the Borrower's obligations under this Agreement, the Borrower shall, at its sole expense, execute and deliver, or cause to be executed and delivered, to the Trustee (and where required, duly record) the Mortgage and each of the other Bond Documents.

Section 3.2 Financing Statements. All financing statements and continuation statements as are necessary or advisable to perfect and maintain perfection of the Issuer's and/or the Trustee's security interests under this Agreement, the Indenture, the Mortgage and the other Bond Documents shall be filed in accordance with Section 3.B.4 of the Construction Loan and Mortgage Servicing Agreement or, if not so filed, shall be filed by the Trustee at the direction of the Controlling Person, provided that a copy of the filed original financing statement is timely delivered to the Trustee. The Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Trustee shall have been notified in writing by the Issuer or Controlling Person that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (i) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 3.2 and (ii) filing any

continuation statements in the same filing offices as the initial filings were made. The Borrower hereby authorizes the filing of such financing statements and continuation statements without signature of the Borrower and will pay upon demand the costs of filing the foregoing financing or continuation statements and the Financing Statements required under Section 7.8 of the Indenture in such public offices as the Controlling Person may designate.

ARTICLE 4
REPRESENTATIONS OF ISSUER

Section 4.1 Representation by the Issuer. The Issuer represents and warrants to the Borrower, the Trustee and the Holders from time to time of the Bonds as follows:

(a) The Issuer is a public body corporate and politic duly created, organized and existing under the laws of the State and is authorized by the Act to execute and to enter into this Agreement and to undertake the transactions contemplated herein and to carry out its obligations hereunder.

(b) The Issuer has all requisite power, authority and legal right to execute and deliver the Bond Documents to which it is a party and all other instruments and documents to be executed and delivered by the Issuer pursuant thereto, to perform and observe the provisions thereof and to carry out the transactions contemplated by the Bond Documents. All action on the part of the Issuer which is required for the execution, delivery, performance and observance by the Issuer of the Bond Documents has been duly authorized and effectively taken, and such execution, delivery, performance and observation by the Issuer do not contravene applicable law or any contractual restriction binding on or affecting the Issuer.

(c) The Issuer has duly approved the issuance of the Bonds and the loan of the proceeds thereof to the Borrower for the acquisition and construction of the Project; no other authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required as a condition to the performance by the Issuer of its obligations under the Bond Documents.

(d) This Agreement is, and each other Bond Document to which the Issuer is a party when delivered will be, legal, valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(e) There is no default of the Issuer in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of the Bond Documents or the ability of the Issuer to perform its obligations thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There are no obligations of the Issuer other than the Bonds that have been, are being or will be (i) sold at substantially the same time, (ii) sold pursuant to the same plan of financing, and (iii) reasonably expected to be paid from substantially the same source of funds.

(g) There is no action, suit, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the Issuer, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture or this Agreement or (ii) the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(h) In connection with the authorization, issuance and sale of the Bonds, the Issuer has complied in all material respects with all provisions of the laws of the State, including the Act.

(i) The Issuer has not assigned or pledged and will not assign or pledge its interest in this Agreement for any purpose other than to secure the Bonds under the Indenture. The Bonds constitute the only bonds or other obligations of the Issuer in any manner payable from the revenues to be derived from this Agreement, and except for the Bonds, no bonds or other obligations have been or will be issued on the basis of this Agreement.

(j) The Issuer is not in default under any of the provisions of the laws of the State, which default would affect the issuance, validity or enforceability of the Bonds or the transactions contemplated by this Agreement or the Indenture.

(k) The Issuer covenants and agrees that it will take or cause to be taken all required actions to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds. All of the amounts received upon the sale of the Bonds shall be allocated to, and shall be used, for the purpose of financing the aggregate basis of land and building costs within the meaning of Section 42(h)(4)(B) of the Code. To the extent within the reasonable control of the Issuer, and provided that the Issuer shall be under no duty to enforce compliance, the amounts received upon the sale of the Bonds and interest and other investment earnings on those amounts shall be allocated and used for financing Project Costs of each building and related land in the Project so that the aggregate basis of each such building and related land, within the meaning of Section 42(h)(4) of the Code, shall be financed fifty percent (50%) or more from those amounts.

(l) No member of the Issuer, nor any other official or employee of the Issuer, has any interest (financial, employment or other) in the Borrower, in the Project or in the transactions contemplated hereby, by the other Bond Documents or by the Indenture.

(m) The Issuer used no broker in connection with the execution hereof and the transactions contemplated hereby.

Section 4.2 No Liability of Issuer; No Charge Against Issuer's Credit. Any obligation of the Issuer created by, arising out of, or entered into in contemplation of this Agreement, including the payment of the principal of, premium if any, and interest on the Bonds, shall not impose or constitute a debt or pecuniary liability upon the Issuer, the State or any political subdivision thereof or constitute a charge upon the general credit or taxing powers of any of the foregoing. Any such obligation shall be payable solely out of the revenues and any other moneys derived hereunder and under the Indenture, except (as provided in the Indenture and in this Agreement) to the extent it shall be paid out of moneys attributable to the proceeds of the Bonds or the income from the temporary investment thereof. No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement of the Issuer hereunder against any past, present or future trustee, officer, member, employee or agent of the Issuer, whether directly or indirectly, and all such liability of any such individual as such is expressly waived and released as a condition of and in consideration for the execution of this Agreement, the making of the loan of the proceeds of the Bonds to the Borrower, and the issuance of the Bonds.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants to and for the benefit of the Issuer, the Trustee, the Controlling Person and the Holders from time to time of the Bonds as follows:

Section 5.1 Existence. The Borrower (a) is a Florida limited partnership, duly organized, validly existing and in good standing under the Legal Requirements of the state of its organization and is duly qualified to do business in the State, (b) has furnished to the Issuer, the Trustee and the Controlling Person true and complete copies of its Partnership Agreement and certificate of limited partnership and (c) owns and will own no other assets other than the Project. The Borrower and the General Partner have been, are and will be engaged solely in the business of acquiring, constructing, equipping, financing, owning, managing and operating the Project and activities incident thereto. The General Partner of the Borrower (x) is Sydney Trace GP, LLC, a Florida limited liability company, duly organized, validly existing and in good standing under the laws of the State, (y) has furnished to the Issuer, the Trustee and the Controlling Person true and complete copies of its articles of organization and operating agreement and (z) has and will have no other assets other than its partnership interests in the Borrower.

Section 5.2 Power, Authorization and No Conflicts. The Borrower has all requisite power and authority and the legal right to own and operate its properties and to conduct its business and operations as they are currently being conducted and as proposed to be conducted by it. The execution, delivery and performance by the Borrower of this Agreement, the other Bond Documents and the Subordinate Debt Documents to which the Borrower is a party (i) are within the Borrower's powers, (ii) have been duly authorized by all necessary partnership and legal action by or on behalf of the Borrower, and (iii) do not contravene the Partnership Agreement, operating agreement, articles of organization or certificate of limited partnership of the Borrower or the General Partner, as applicable, or any Legal Requirement applicable to the

Borrower or the General Partner or any Material Contract or restriction binding on or affecting the Borrower, the General Partner or any of their respective assets, or result in the creation of any mortgage, pledge, lien or encumbrance upon any of its assets other than as provided by the terms thereof.

Section 5.3 Governmental Authorizations and Other Approvals. The Borrower and the General Partner have all necessary Governmental Actions and qualifications and have complied with all applicable Legal Requirements necessary to conduct their business as it is presently conducted and to own, operate and construct the Project in accordance with the provisions of the Bond Documents. Except as set forth on Schedule 6 hereto, the Borrower has obtained all Governmental Actions from such Governmental Authorities which are a necessary precondition to renovate, own and operate the Project, and all such Governmental Actions were duly issued, are in full force and effect and are not subject to any pending judicial or administrative proceedings, the period for judicial or administrative appeal or review having expired and no petition for administrative or judicial appeal or review having been filed. The Project (upon completion of construction of the Project as contemplated in the Plans and Specifications) will comply with all Governmental Actions and Legal Requirements, including all zoning restrictions (including without limitation, use density, setbacks, parking and other similar requirements) or the Borrower has a valid variance for or exemption or is grandfathered from such requirements. All Governmental Actions obtained by the Borrower have been validly issued and are in full force and effect. With respect to any Government Actions not yet obtained, the Borrower knows of no reason such Governmental Actions will not be timely obtained in the ordinary course of business and as needed in connection with the construction or operation of the Project. No such Governmental Action will terminate, or become void or voidable or terminable, upon any sale, transfer or other disposition of the Project, including any transfer pursuant to foreclosure sale under the Mortgage.

Section 5.4 Validity and Binding Effect. This Agreement, the other Bond Documents, and the Subordinate Debt Documents to which the Borrower is a party are the legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms, subject to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar Legal Requirement affecting creditors' rights generally.

Section 5.5 No Litigation. Except as disclosed on Schedule 1 hereto, there is no pending action or proceeding, including eminent domain proceedings, before any Governmental Authority or arbitrator against or involving the Borrower, the General Partner or to the Borrower's knowledge after due inquiry, the Project and, to the best knowledge of the Borrower and the General Partner, there is no threatened action or proceeding, including eminent domain proceedings, affecting the Borrower or the General Partner before any Governmental Authority or arbitrator which, in any case, might have a Material Adverse Effect or affect the validity or enforceability of this Agreement, the Bonds or the Bond Documents, the operation or ownership of the Project, or the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

Section 5.6 No Violations. The Borrower and the General Partner are in compliance with, and not in breach of or default under (a) any applicable Governmental Actions or Legal Requirements with respect to the Project of any Governmental Authority having jurisdiction or (b) the Bond Documents, the Subordinate Debt Documents or any other credit agreement, indenture, mortgage, agreement or other instrument to which it is a party or otherwise subject in all material respects. No event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument. The Borrower is not in violation, nor is there any notice or other record of any violation, of any Legal Requirements, restrictive covenants or other restrictions applicable to any of the Project.

Section 5.7 Compliance. The ownership of the Project, the construction of the Project, and the use and operation of the Project as contemplated hereby do and shall, in all material respects, comply with, and are lawful and permitted uses under, the Tax Certificate and the Land Use Restriction Agreement, all applicable building, fire, safety, zoning, subdivision, sewer, Environmental Laws, health, insurance and other Legal Requirements and plan approval conditions of any Governmental Authority. The Borrower has obtained all Governmental Actions from such Governmental Authorities which are a necessary precondition to construct, own and operate the Project and all such Governmental Actions were duly issued, are in full force and effect and are not subject to any pending judicial or administrative proceedings, the period for judicial or administrative appeal or review having expired and no petition for administrative or judicial appeal or review having been filed. The Project are located wholly within the boundaries of the Issuer's jurisdiction. The Project will satisfy all requirements of the Act and the Code with respect to multifamily rental housing and/or qualified residential rental facilities.

Section 5.8 Title to Properties; Liens and Encumbrances. The Borrower has good and indefeasible title in fee simple to the Project, free and clear of all liens or encumbrances except for the Permitted Encumbrances. Upon Substantial Completion all such real property, fixtures and equipment necessary to the conduct of the business of the Borrower and the operation of the Project are and will be in reasonable working order and are suitable for the purposes for which they are and will be used. There exist no liens, encumbrances or other charges against the Project (including without limitation statutory and other liens of mechanics, workers, contractors, subcontractors, suppliers, taxing authorities and others), except Permitted Encumbrances.

Section 5.9 Utilities and Access. All utility services necessary for the operation of the Project in the manner contemplated hereby, including water supply, storm and sanitary sewer facilities, gas, electricity and telephone facilities are or will be available within the boundaries of the Project at Substantial Completion, and all roads necessary for the full utilization of the Project in the manner contemplated hereby either have been completed or rights-of-way therefor have been acquired by the appropriate governmental authority or others or have been dedicated to public use and accepted by such Governmental Authority.

Section 5.10 Financial Information.

(a) All of the financial information furnished by the Borrower, the Guarantors or the General Partner to the Controlling Person or the Majority Owner with respect to the Borrower, the Guarantors, and the General Partner in connection with the Series 2020A Bonds and this Agreement and to the Issuer Servicer with respect to the Subordinate Bonds (i) is complete and correct in all material respects as of the date hereof and (ii) accurately presents the financial condition of such party as of the date hereof. None of the Borrower, the Guarantors or the General Partner has any liability or contingent liability not disclosed to the Controlling Person or the Majority Owner in writing.

(b) Since its formation, each of the Borrower, and the General Partner has conducted its operations in the ordinary course, and no material adverse change has occurred in the business, operations, assets or financial condition of the Borrower, the Guarantor, or the General Partner.

Section 5.11 [Reserved].

Section 5.12 Environmental Representations. Except as set forth on the Environmental Audit delivered to the Controlling Person (a) the Borrower has no knowledge of any activity at the Project, or any storage, treatment or disposal of any Hazardous Substances connected with any activity at the Project, which has been conducted, or is being conducted, in violation of any Environmental Law; (b) the Borrower has no knowledge of any of the following which could give rise to material liabilities, material costs for remediation or a material adverse change in the business, operations, assets, condition (financial or otherwise) or prospects of the Borrower: (i) Contamination present at the Project, (ii) polychlorinated biphenyls present at the Project, (iii) asbestos or materials containing asbestos present at the Project, (iv) urea formaldehyde foam insulation present at the Project or (v) lead-based paint at the Project; (c) no portion of the Project constitutes an Environmentally Sensitive Area; (d) the Borrower has no knowledge of any investigation of the Project for the presence of radon; (e) no tanks presently or formerly used for the storage of any liquid or gas above or below ground are present at any of the Project; (f) no condition, activity or conduct exists on or in connection with the Project which constitutes a violation of Environmental Laws; (g) no notice has been issued by any Governmental Authority to the Borrower or the General Partner identifying the Borrower or the General Partner as a potentially responsible party under any Environmental Laws; (h) there exists no investigation, action, proceeding or claim by any Governmental Authority or by any third party which could result in any liability, penalty, sanctions or judgment under any Environmental Laws with respect to the Project; and (i) the Borrower is not required to obtain any permit or approval from any Governmental Authority or need notify any Governmental Authority pursuant to any Environmental Law with regard to the construction of the Project.

Section 5.13 Outstanding Obligations and Material Contracts. Attached hereto as Schedule 2 is (i) a complete list of all Obligations of the Borrower and the General Partner as of the date of execution and delivery hereof, together with a description of the instruments

evidencing, governing or securing such obligations (provided that no description need be provided of the Obligations hereunder) and (ii) a complete list of all other Material Contracts. There exists no default under any such instrument. Except for the obligations listed on Schedule 2, neither the Borrower nor the General Partner has incurred any Obligations, secured or unsecured, direct or contingent. Each of the Borrower and the General Partner has complied with all provisions of such Material Contracts in all material respects, to the extent such contract is applicable to such party, and there exists no default or event which, with the giving of notice or the passage of time, or both, would constitute a default, under any such Material Contract.

Section 5.14 Solvency. Each of the Borrower, the Guarantors and the General Partner is and, after giving effect to this Agreement and all other agreements of the Borrower, the Guarantor and the General Partner being entered into on the date of execution and delivery of this Agreement, will be solvent (which for this purpose shall mean that each is able to pay its current debts as they come due).

Section 5.15 Full Disclosure. This Agreement, the exhibits hereto and the other documents, certificates, opinions, schedules and statements furnished to the Controlling Person or the Majority Owner by or on behalf of the Borrower, the Guarantors, or the General Partner in connection with the transactions contemplated hereby or by the Bond Documents, do not contain any untrue statement of a material fact with respect to the Borrower, the Guarantors or the General Partner or the Project and do not omit to state a material fact with respect to the Borrower, the Guarantors or the General Partner or the Project necessary in order to make the statements contained therein not misleading in light of the circumstances under which they were made. There is no fact known to the Borrower, the Guarantors or the General Partner which materially adversely affects the business, operations, properties, assets or financial condition of the Borrower, the Guarantors or the General Partner which has not been set forth in this Agreement or in the other documents, certificates, opinions, schedules and statements furnished to the Controlling Person and the Majority Owner on behalf of any such party before the date of execution and delivery of this Agreement in connection with the transactions contemplated hereby.

Section 5.16 Bond Documents. Each of the Borrower, the Guarantors and the General Partner has provided the Controlling Person and the Majority Owner with respect to the Series 2020A Bonds, and to the Issuer and/or the Issuer Servicer with respect to the Subordinate Bonds, with true, correct and complete copies of: (i) all documents executed by the Borrower, the Guarantors or the General Partner in connection, including all amendments thereto and compliance reports filed thereunder; (ii) all management and service contracts entered into by the Borrower in connection with the Project, including all amendments thereto; (iii) all correspondence, if any, relating to the Bonds from the Trustee, the Issuer, the Securities and Exchange Commission, the Internal Revenue Service or any state or local securities regulatory body or taxing authority or any securities rating agency; and (iv) all documentation, if any, relating to governmental grants, subsidies or loans or any other loans, lines of credit or subordinate financing (including, without limitation, the Subordinate Debt) relating to the Borrower or the Project, whether or not secured by the Project. Each of the representations and

warranties on the Borrower's part made in the Bond Documents to which the Borrower is a party remain true and correct in all material respects and no Default exists under any covenants on the Borrower's part to perform under the Bond Documents to which the Borrower is a party.

Section 5.17 Illegal Activity. No portion of any of the Project has been or will be acquired, constructed, fixtured, equipped or furnished with proceeds of any illegal activity conducted by the Borrower.

Section 5.18 Executive Order 13224. Neither the Borrower, the General Partner nor any Person holding any legal or beneficial interest whatsoever in any of those entities is included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in Executive Order 13224 — Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended. It shall constitute an Event of Default hereunder if the foregoing representation and warranty shall ever become false.

Section 5.19 No Broker. The Borrower has used no broker in connection with the execution hereof and the transactions contemplated hereby.

Section 5.20 Construction Contract; Architect's Agreement. The Construction Contract and the Architect's Agreement are each in full force and effect, and the parties thereto are in material compliance with their respective obligations thereunder. The work to be performed by the Contractor under the Construction Contract is the Work called for by the Plans and Specifications, and all Work required to complete the Improvements in accordance with the Plans and Specifications is provided for under the Construction Contract.

Section 5.21 Development Budget The Development Budget attached hereto as Schedule 4 accurately reflects: (i) all anticipated costs of implementing and completing the Work within the Plans and Specifications and (ii) anticipated uses by source allocations for the purpose of complying with Section 142(a) of the Code.

Section 5.22 Plans and Specifications. The Borrower has furnished the Controlling Person, the Majority Owner and the Issuer with true and complete sets of the Plans and Specifications. The Plans and Specifications so furnished to the Controlling Person, the Majority Owner and the Issuer Servicer comply in all material respects with all Legal Requirements, all Governmental Actions, and all restrictions, covenants and easements affecting the Project and have been approved by the Investor Limited Partner and such Governmental Authority as is required for renovation of the Project.

Section 5.23 Survey. The survey for the Project delivered to the Controlling Person, the Majority Owner and the Issuer does not fail to reflect any material matter of survey affecting the Project or the title thereto.

Section 5.24 Flood Plain. No part of the Project is located in an area designated by the Federal Emergency Management Agency as an area having special flood hazard, or, to the extent any part of the Project is an area identified as an area having special flood hazard, flood insurance in an amount equal to 100% of the appraised insurable value of the Project has been obtained by the Borrower.

Section 5.25 [Reserved].

Section 5.26 Requisition. Each Requisition submitted to the Controlling Person and the Issuer Servicer (a) shall constitute an affirmation that the representations and warranties of the Borrower contained in this Agreement and in the other Bond Documents remain true and correct as of the date thereof unless otherwise noted in writing and (b) unless the Controlling Person and the Issuer Servicer are notified to the contrary in writing prior to the requested date of the Advance under such Requisition, shall constitute an affirmation that the same remain true and correct on the date of such Advance.

ARTICLE 6
GENERAL COVENANTS

So long as any amount is due and owing hereunder, the Borrower covenants and agrees, except to the extent the Controlling Person and/or the Issuer or the Issuer Servicer with respect to the Subordinate Bonds shall otherwise consent in writing to perform and comply with each of the following covenants:

Section 6.1 Conduct of Business; Maintenance of Existence; Mergers. The Borrower and the General Partner shall (i) engage solely in the business of financing, constructing, owning and operating the Project and activities incident thereto, (ii) preserve and maintain in full force and effect (x) its existence as a limited partnership and limited liability company, as applicable, under the Legal Requirements of the state of its organization and (y) its rights and privileges and its qualification to do business in the State, (iii) not dissolve or otherwise dispose of all or substantially all of its assets, except for Permitted Transfers, (iv) not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, (v) not amend any provision of its certificate of limited partnership, Partnership Agreement, articles of organization, or operating agreement relating to its purpose, management or operation without the prior written consent of the Controlling Person (other than amendments solely with respect to Permitted Transfers) and (vi) promptly and diligently enforce its rights under the Partnership Agreement and use all reasonable efforts to cause Investor Limited Partner to make its capital contributions as and when required under the Partnership Agreement.

Section 6.2 Compliance with Legal Requirements; Payment of Impositions. The Borrower shall (a) comply with all Legal Requirements applicable to the Borrower or the Project, (b) pay all Impositions and insurance premiums when due and make the applicable deposits required by Section 8.2 of this Agreement for such purposes, provided that the Borrower shall be permitted to contest in good faith any Imposition, and (c) make commercially reasonably efforts

to direct that copies of all regular Impositions and insurance premiums shall be sent directly by the Governmental Authority or insurer, as applicable, to the Controlling Person.

Section 6.3 Maintenance of Governmental Authorizations. The Borrower shall (a)(i) timely obtain any Governmental Actions required for the construction of the Project not obtained prior to the Issue Date and (ii) provide copies thereof to the Controlling Person and the Trustee upon receipt, (b) maintain in full force and effect all of its Governmental Actions and qualifications necessary for the conduct of its business as it is presently being conducted and the ownership, construction and operation of the Project as they are presently being operated and as contemplated by the terms of the Bond Documents and (c) promptly furnish copies of all reports and correspondence relating to a loss or proposed revocation of any such qualification to the Controlling Person.

Section 6.4 Maintenance of Insurance.

(a) At all times throughout the term hereof, the Borrower shall, at its sole cost and expense, maintain or cause to be maintained insurance against such risks and for such amounts as required by the Controlling Person for facilities of the type and size of the Project and shall pay, as the same become due and payable, all premiums with respect thereto. The initial insurance requirements shall include, but not necessarily be limited to, the requirements set forth on Schedule 12 hereto.

(b) All insurance required by this Section 6.4 shall be produced and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State and selected by the entity required to procure the same. 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 property and casualty insurance policies required by Section 6.4(a) hereof shall contain a standard non-contributory mortgagee clause showing the interest of the Trustee as first mortgagee and shall provide for payment to the Trustee of the net proceeds of insurance resulting from any claim for loss or damage thereunder. All policies of insurance required by Section 6.4(a) hereof shall provide for at least thirty (30) days' prior written notice of the restriction, cancellation or modification thereof to the Trustee, with a copy to the Controlling Person. The policy evidencing liability insurance required by Section 6.4(a) hereof shall name the Issuer, the Controlling Person and the Trustee as additional named insureds. The Borrower acknowledges that a security interest in the policies of property and casualty insurance required by Section 6.4(a) and the net proceeds thereof is being granted to the Trustee pursuant to the Mortgage. Upon request of the Trustee, the Borrower will assign and deliver (which assignment shall be deemed to be automatic and to have occurred upon the occurrence of an Event of Default hereunder) to the Trustee the policies of property and casualty insurance required under Section 6.4(a) so and in such manner and form that the Trustee shall at all times, upon such request and until the payment in full of the Bonds, have and hold said policies and the net proceeds thereof as collateral and further security under the Mortgage for

application as provided in the Mortgage. The policies under Section 6.4(a) hereof shall contain appropriate waivers of subrogation.

(c) Copies of the policy or certificate (or binder) of insurance required by Section 6.4(a) hereof shall be delivered to the Trustee, with a copy to the Controlling Person on or before the Issue Date. The Borrower shall deliver to the Issuer and the Trustee before the first (1st) Business Day of each calendar year thereafter a certificate dated not earlier than thirty (30) days prior to such 1st Business Day reciting that there is in full force and effect insurance of the types and in the amounts required by this Section 6.4. Prior to the expiration of each such policy, the Borrower shall furnish the Trustee, with a copy to the Controlling Person, with evidence that such policy has been renewed or replaced or is no longer required by this Agreement. The Borrower shall provide such further information with respect to the insurance coverage required by this Agreement as the Controlling Person may, from time to time, reasonably require.

(d) The net proceeds of the property and casualty insurance carried pursuant to the provisions of Section 6.4(a) hereof shall be applied as provided in the Mortgage, and the net proceeds of the liability insurance required by Section 6.4(a) hereof shall be applied, with the prior written consent of the Controlling Person, toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.5 Compliance with Other Contracts and Bond Documents. The Borrower will comply with all of its covenants and agreements under the Bond Documents to which it is a party, as the same may hereafter be amended or supplemented from time to time, and each of such covenants is incorporated herein by reference as if fully set forth herein. The Borrower acknowledges that the Indenture imposes certain obligations upon the Borrower and the Borrower agrees to discharge such obligations as if they were fully set forth herein (notwithstanding that the Borrower is not a party to the Indenture). The Borrower shall comply in all respects with all of its covenants and agreements under the Subordinate Debt Documents. The Borrower shall comply in all materials respects with, or cause to be complied with, all requirements and conditions of all Material Contracts and insurance policies which relate to the Borrower or the Project.

Section 6.6 Maintenance of Project. The Borrower will, at its sole expense and as one of the Expenses (including use of the funds on deposit in the Accounts, in accordance with the terms of the Indenture and the Replacement Reserve Agreement), in all material respects (i) maintain and preserve the Project in good working order and repair; (ii) not permit, commit or suffer any waste or abandonment of the Project; (iii) not use (and use reasonable efforts to not permit tenants to use) the Project for any unlawful purpose and use reasonable efforts to not permit any nuisance to exist thereon; (iv) promptly make such repairs or replacements (structural or nonstructural, foreseen or unforeseen) as are required for the proper operation, repair and maintenance of the Project in an economical and efficient manner and consistent with customary and prudent practices, standards and procedures applicable to properties of like size and type; (v) perform all repairs or replacements in a good and workmanlike manner, and in compliance with all applicable Governmental Actions and Legal Requirements; (vi) keep and maintain

abutting grounds, sidewalks, roads, parking and landscape areas which may be owned by the Borrower in good and neat order and repair; (vii) not take (or fail to take) any action, which if taken (or not so taken) would increase in any way the risk of fire or other hazard occurring to or affecting the Project; and (viii) not sell, lease (other than pursuant to residential leases), cause a Sale of or otherwise dispose of any part of the Project, except as otherwise permitted hereunder and under the other Bond Documents and except for Permitted Encumbrances.

Section 6.7 Inspection Rights.

(a) The Borrower will, from time to time (with reasonable advance notice and during normal business hours), permit the Controlling Person, the Trustee, the Issuer, and the agents or representatives of the Controlling Person, the Trustee and the Issuer, to examine and copy and make abstracts from the records and books of account of, and visit the properties of, the Borrower, and to discuss the affairs, finances and accounts of the Borrower with the General Partner and the Accountant. Upon reasonable prior notice, and subject to the rights of tenants, the Borrower will permit the Engineering Consultant to inspect, or cause to be inspected, the Project at any reasonable time or times as the Controlling Person may direct. The Borrower shall pay or reimburse the Controlling Person, the Issuer and the Trustee on demand for fees, costs and expenses incurred in connection with such inspections. Any information provided hereunder shall not give rise to a waiver of any privilege that may be asserted by the Borrower or the General Partner.

(b) After the Engineering Consultant shall have inspected or caused to have been inspected the Project, the Engineering Consultant shall send written notice to the Borrower and the Controlling Person notifying each of the nature and extent of capital needs of the Project, if any, which are, in the Engineering Consultant's professional judgment, necessary to maintain and preserve the Project in accordance with the standards set forth in Section 6.6 hereof and which are not addressed in the Annual Budget for the Project. After considering the Engineering Consultant's recommendation, the Controlling Person shall notify the Borrower of the work which the Engineering Consultant recommends be performed in order to comply with the requirements of Section 6.6 hereof and the time period over which, in its professional judgment, such work should be commenced and completed.

(c) The Borrower shall promptly commence and diligently complete the work recommended by the Engineering Consultant within the time period set forth in the report. If the Borrower fails to complete the work within such time period, the Controlling Person, at the Controlling Person's discretion, may, with notice to the Borrower, complete such work for and on the Borrower's behalf and may do any act or thing the Controlling Person deems necessary or appropriate to that end. The reasonable expenses incurred by the Controlling Person in completing such work shall bear interest at the Default Rate, shall be borne by the Borrower and reimbursed to the Controlling Person immediately upon demand. All work performed by the Borrower shall be performed in a good and workmanlike manner in all material respects, shall be free and clear of any mechanics or materialman's liens and encumbrances and shall be subject to the requirements of Section 6.6 hereof.

Section 6.8 Keeping of Books. The Borrower will keep proper books of record and account, in which full and correct entries shall be made of financial transactions and the assets and operations of the Borrower in accordance with GAAP, and have a complete audit of such books of record and account made by the Accountant for each Fiscal Year.

Section 6.9 Reporting Requirements. The Borrower will furnish or cause to be furnished to the Controlling Person the following in form satisfactory to the Controlling Person and in such number of copies as the Controlling Person may reasonably require:

(a) Quarterly Reports. As soon as available and in any event within forty-five (45) days after the close of each fiscal quarter of each Fiscal Year of the Borrower:

(1) unaudited financial statements for the Borrower and the Project, including a balance sheet and related statement of income as of the end of such fiscal quarter and for such fiscal quarter and the current Fiscal Year to the end of such fiscal quarter, which shall be internally prepared and presented on a consistent basis; and

(2) a certificate signed by an Authorized Person stating that, except as disclosed in such certificate, (i) during such fiscal quarter the Borrower has observed and performed all of its covenants and agreements set forth in this Agreement and the other Bond Documents (including the rules qualifying the interest payable on the Bonds for federal tax exemption pursuant to Section 142(d) of the Code and the regulations issued thereunder), except as disclosed in such certificate, (ii) if the Project have received a tax credit allocation, during such fiscal quarter the Project have complied with the requirements of Section 42 of the Code and the regulations issued thereunder, and (iii) no Event of Default has occurred or exists;

(b) Annual Reports. As soon as available and in any event within one hundred twenty (120) days after the close of each Fiscal Year of the Borrower:

(1) audited financial statements for the Borrower, on a consolidated basis, including a balance sheet and related statements of income and changes in financial position as of the end of such Fiscal Year and for such Fiscal Year, which shall be prepared and reported on without qualification by the Accountant in accordance with GAAP, and shall fairly present the financial condition of the Borrower and the Project as of the end of such Fiscal Year; and

(2) a certificate signed by an Authorized Person stating that (i) during such Fiscal Year the Borrower has observed and performed all of its covenants and agreements set forth in this Agreement and the other Bond Documents, except as disclosed in such certificate, and (ii) no Default or Event of Default has occurred or exists, except as disclosed in such certificate; and

(3) an occupancy report stating as of the last day of the month prior to the date of delivery thereof, with respect to each lease of all or any part of the Project, the tenant's name, the date thereof, the premises demised, the term, the rent, the security deposits, any advance rent payments in excess of one month and any defaults by the tenant or the Borrower in respect thereof (including, without limitation, the amounts of arrearages); and

(4) notwithstanding the foregoing, if the Issue Date occurred between November 15, the Borrower may elect, by written notice to Controlling Person, to include the period from the Issue Date through the end of such Fiscal Year in the subsequent Fiscal Year audited financial statements in lieu of providing audited annual statements for the Fiscal Year in which the Issue Date occurred.

(c) As soon as possible and in any event within twenty-five (25) days after the end of each calendar month, operating statements of the Project certified by an Authorized Person and containing itemized information regarding all items of expense and income as well as occupancy reports, a rent roll and, if required by the Controlling Person, other reports such as reports on concessions, security deposits and advance rents, all in such detail as may be required by the Controlling Person;

(d) Occupancy Reports. Weekly during any period with occupancy of less than 80% and monthly for other periods, an occupancy report for the Project, certified by an Authorized Person;

(e) Annual Audit Reports. Upon receipt thereof by the Borrower, copies of any letter or report with respect to the management, operations or properties of the Borrower submitted to the Borrower by the Accountant in connection with any annual or interim audit of the Borrower's accounts, and a copy of any written response of the Borrower to any such letter or report;

(f) As soon as possible and in any event within fifteen (15) days after receipt of notice thereof, notice of any pending or threatened litigation, investigation or other proceeding involving the Borrower, the General Partner, the Guarantor or the Project; (i) which could have a Material Adverse Effect on the operations or financial condition of the Borrower, the General Partner, the Guarantor, the Issuer Guarantors or the Project; (ii) wherein the potential damages, in the reasonable judgment of the Borrower based upon the advice of counsel experienced in such matters, are not fully covered by the insurance policies maintained by the Borrower (except for the deductible amounts applicable to such policies); or (iii) which challenges the exclusion from gross income of interest on the Bonds for purposes of federal income taxation;

(g) As soon as possible, notice of any material adverse change in the operations, financial condition or prospects of the Borrower, the General Partner, the Guarantor or the Project;

(h) Trustee or Issuer Reports. Upon delivery thereof by the Borrower, copies of any reports, certifications, financial information, compliance documents, rebate information, audits and all other items submitted by or on behalf of the Borrower to the Trustee or the Issuer under the Bond Documents;

(i) Completion, Use of Proceeds Certificates. Not later than the Completion Date, the certificate of completion and the use of proceeds certificate set forth as Schedules 8 and 9 hereto;

(j) LURA Reports. As and when required under the Land Use Restriction Agreement, the monthly compliance certificates, the annual copies of IRS Forms 8703 and other reports and notices required to be delivered under the Land Use Restriction Agreement;

(k) Upon receipt thereof by the Borrower, notice of the cancellation or expiration (without renewal or replacement) of any insurance required to be maintained by this Agreement;

(l) Stabilization Certificate. Not later than the Stabilization Date, a stabilization certificate in the form set forth on Schedule 10 hereto;

(m) Event of Default Statement. As soon as possible and in any event within fifteen (15) days after the occurrence of an Event of Default, a statement of the General Partner setting forth the details of such Event of Default and the action which the Borrower proposes to take with respect thereto;

(n) Contemporaneously with the delivery to the Trustee copies of any notices, reports or other information provided to the Trustee under the Bond Documents; and

(o) Copies of IRS Forms 8609 as issued and received by the Borrower; and

(p) Upon receipt thereof, copies of all real estate tax bills and insurance bills;

(q) Promptly following filing thereof, all tax returns of the Borrower and, if requested and the General Partner; and

(r) Such other information respecting the operations and properties, financial or otherwise, of the Borrower as the Controlling Person may from time to time reasonably request.

Section 6.10 Tax-Exempt Status.

(a) The Borrower covenants, represents and agrees (i) that it will not take or omit to take or permit any action that, if taken or omitted, respectively, would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and, if it should take or permit any such action, the Borrower will take all lawful actions that it can take

to rescind such action promptly upon having knowledge thereof and (ii) that the Borrower will take such action or actions, including amendment of this Agreement, the Mortgage and the Land Use Restriction Agreement, as may be necessary, in the Opinion of Bond Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the U.S. Treasury or the IRS applicable to the Bonds or affecting the Project.

(b) The Borrower will not make or permit any use, and will not direct the Trustee to make any investment or use of the proceeds of any of the Bonds, which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as the same may be applicable to the Bonds at the time of such action, investment or use and agrees to take and cause the Issuer and Trustee to take all actions required to comply with the provisions of Section 148 of the Code. The representations contained in the Tax Certificate (which is incorporated herein by reference) are true and correct, and the Borrower and the Issuer will observe the applicable covenants therein as if set forth herein.

(c) The Borrower further covenants and agrees that it will comply with and will take all action reasonably required to insure that the Trustee complies with all applicable requirements of Section 148 of the Code and the rules and regulations thereunder relating to the Bonds and the interest thereon, including the employment of a Rebate Analyst for the calculation of any rebatable amount (the "Rebate Amount") to the U.S. Treasury. The Borrower agrees that it will cause a qualified rebate analyst reasonably acceptable to the Controlling Person (the "Rebate Analyst") to calculate the Rebate Amount not later than forty-five (45) days after the fifth (5th) anniversary of the Issue Date and each five (5) years thereafter and agrees that the Borrower will pay all costs associated therewith. Within fifteen (15) days of the date of each such calculation, the Borrower shall promptly (i) deliver a report or letter from the Rebate Analyst setting forth the Rebate Amount, if any, then due and the methods used to calculate such amount (each, a "Rebate Report") to the Issuer, the Controlling Person and the Trustee, (ii) deliver the Rebate Amount to the Trustee, and (iii) deliver to the Trustee any forms required by the IRS to be submitted with the Rebate Amount, if any, and the addresses to which such forms must be sent.

(d) Neither the Borrower nor any related person shall, pursuant to any arrangement, formal or informal, purchase any of the Bonds, unless the Borrower or such related person delivers a Favorable Opinion of Bond Counsel to the Trustee, the Controlling Person and the Issuer.

(e) 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, in each case, which will in any way adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(f) The Borrower will not make any changes in the Project that would, at the time made, cause the average reasonably expected economic life of the Project, determined pursuant to Section 147(b) of the Code, to be less than the average reasonably expected economic

life of the Project set forth in such certificates or letters of representation of the Borrower, unless the Borrower files with the Trustee and the Controlling Person a Favorable Opinion of Bond Counsel.

(g) No portion of the proceeds of the Bonds will be used to acquire existing property or any interest therein unless such acquisition meets the rehabilitation requirements of Section 147(d) of the Code.

(h) The Project will be owned, managed and operated as a "qualified residential rental property" as such phrase is utilized in Section 142(d) of the Code. To that end, the Borrower hereby represents and covenants and agrees that it will comply with the terms, conditions and provisions of the Tax Certificate and the Land Use Restriction Agreement.

(i) The Borrower will permit any duly authorized representative of the Trustee, the U.S. Treasury or the IRS and the Controlling Person to inspect the books and records of the Borrower pertaining to the incomes of qualifying tenants residing in the Project upon reasonable notice (given at least 5 days in advance) and at reasonable times during business hours on Business Days.

(j) The Borrower will promptly notify the Trustee and the Controlling Person if at any time the dwelling units in the Project are not available for occupancy as required by the Land Use Restriction Agreement, and, upon request, the Borrower will provide the Trustee and the Controlling Person a copy of the compliance certificates required to be filed by the Borrower under and at the times provided by the Land Use Restriction Agreement.

Section 6.11 Single Purpose Entities.

(a) Single Purpose Status. The Borrower and the General Partner shall (i) not engage in any business or activity, other than the ownership, construction, renovation, operation and maintenance of the Project and activities incidental thereto; and (ii) not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Project and such personal property as may be necessary for the operation of the Project and shall conduct and operate its business as presently conducted and operated.

(b) Specific Activities. The Borrower and the General Partner shall (i) not maintain their assets in a way difficult to segregate and identify; (ii) ensure that business transactions between the Borrower and any Affiliate of the Borrower or any Affiliate of the General Partner shall be entered into upon terms and conditions that are substantially similar to those that would be available on an arms-length basis with a third Person other than the General Partner or any respective Affiliate thereof; (iii) not incur or contract to incur any obligations, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than, in the case of the Borrower, the Obligations evidenced by this Agreement, the other Bond Documents and the Subordinate Debt Documents, or unsecured loans or guaranty payments made by the partners of the Borrower or Guarantors pursuant to the Partnership Agreement, or unsecured trade payables or the Developer Fee; (iv) not make any loans or advances to any third

Person (including any Affiliate of the Borrower or the General Partner), except as otherwise permitted under this Agreement or the Bond Documents; (v) do or cause to be done all things necessary to preserve its existence; (vi) not amend, modify or otherwise change its partnership certificate, Partnership Agreement, articles of organization or operating agreement without obtaining the prior written consent of the Controlling Person, not to be unreasonably withheld, conditioned or delayed (and which Controlling Person will endeavor to accept or reject within ten (10) Business Days of request), provided that no consent shall be required for changes or amendments to the Partnership Agreement to the extent such change or amendment is solely required to effect a Permitted Transfer, and provided that any changes with respect to installments of capital contributions which constitute Required Equity Funds or the timing thereof or that otherwise, except for a change or amendment solely required to effect a Permitted Transfer, materially and adversely affect the rights and interests of the Holders, also require Majority Owner consent, which consent shall not be unreasonably withheld, conditioned or delayed; (vii) conduct and operate its business as presently conducted and operated; (viii) maintain its books and records and bank accounts separate from those of its Affiliates; (ix) be, and at all times shall hold itself out to the public as, a legal entity separate and distinct from any other Person (including any Affiliate); (x) file its own tax returns; (xi) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and in any event not less than that required under State law in order to remain a separate legal entity, provided that the foregoing shall not obligate any partner of the Borrower to make capital contributions to Borrower in excess of the amount required under the Partnership Agreement; (xii) not seek or consent to the dissolution or winding up, in whole or in part, of the Borrower or the General Partner; (xiii) not (A) consent to the dissolution or liquidation in whole or in part of the Borrower, (B) permit the General Partner to dissolve or (C) consent to the dissolution or liquidation of the General Partner; (xiv) not commingle the funds and other assets of the Borrower with those of the General Partner, any Affiliate thereof or any other Person; and (xv) not enter into any transaction with an Affiliate without the prior written consent of the Controlling Person or as permitted pursuant under the Loan Documents.

Section 6.12 Negative Pledge; No Sale.

(a) Negative Pledge. The Borrower will not create, incur, assume or permit to exist any mortgage, pledge, security interest, encumbrance or other Lien upon the Project or any property, tangible or intangible, now owned or hereafter acquired (including without limitation property leased to or being acquired by the Borrower under capital leases or installment sale agreements) by the Borrower (the sale with recourse of receivables or any "sale and lease back" of any fixed assets being deemed to be the giving of a Lien thereon for money borrowed), other than Permitted Encumbrances.

(b) No Sale. Other than Permitted Transfers and the making of residential leases, the Borrower shall not sell, assign, transfer, convey or otherwise dispose of the Project, or any part thereof, or permit or consent to a Sale without in each instance (i) obtaining the express prior written consent of the Controlling Person, which consent may be withheld or granted (and

is subject to the payment of such fees and the satisfaction of other conditions as set forth in Section 1.12 of the Mortgage) in the Controlling Person's sole and absolute discretion and (ii) complying with the applicable requirements of the Land Use Restriction Agreement.

Section 6.13 Payment of Indebtedness and Obligations; Accounts Payable; Restrictions on Indebtedness.

(a) Payment of Obligations. The Borrower will pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all of the Borrower's Indebtedness under the Bond Documents, the Subordinate Debt Documents, and all of its other Obligations, whether now existing or hereafter arising, and comply with all covenants and agreements set forth in agreements evidencing Obligations of the Borrower.

(b) Accounts Payable. The Borrower shall pay or cause to be paid the Expenses, and capital expenditures and its other accounts payable with respect to and costs of operation and maintenance of the Project within thirty (30) days of receipt of an invoice therefor, or when the same shall otherwise be due and payable. The Borrower shall make no distribution of funds to its partners unless no Default or Event of Default exists, such distribution is in accordance with the provisions of the Partnership Agreement, and all current accounts payable that are not being contested in good faith shall have been paid and funds shall have been set aside for the payment of accounts payable becoming due within thirty (30) days of said distribution.

(c) Restrictions on Indebtedness and Obligations. Other than the Subordinate Debt, without obtaining the prior written consent of the Controlling Person, the Borrower will not create, incur, assume, guarantee or be or remain liable for any indebtedness or Obligations other than (i) Indebtedness under the Bond Documents; (ii) Indebtedness in respect of the Subordinate Debt Documents; (iii) current liabilities of the Borrower relating to the Project incurred in the ordinary course of business but not incurred through the borrowing of money or obtaining of credit; and (iv) any unsecured loans or guaranteed payments from partners or their Affiliates or the Guarantor pursuant to the Partnership Agreement.

Section 6.14 Environmental Covenants.

(a) *General.* The Borrower will cause all activities at the Project during the term of this Agreement to be conducted in full compliance with all applicable Environmental Laws. The Borrower will obtain all Governmental Actions and will make all notifications, as required by Environmental Laws, and will, at all times, comply with the terms and conditions of any such Governmental Actions or notifications. During the term of this Agreement, if requested by the Controlling Person, the Borrower will provide to the Controlling Person copies of (i) applications or other materials submitted to any Governmental Authority in compliance with Environmental Laws, (ii) any notifications submitted to any Person pursuant to Environmental Laws, (iii) any Governmental Action granted pursuant to Environmental Laws, (iv) any record or manifest required to be maintained pursuant to Environmental Laws, and (v) any correspondence, notice of violation, summons, order, complaint or other document received by the Borrower, its lessees, sub-lessees or assigns, pertaining to compliance with any Environmental Laws.

(b) *Hazardous Substances*. The Borrower will, at all times during the term of this Agreement, cause Hazardous Substances used at the Project to be handled, used, stored and disposed in accordance with all Environmental Laws and in a manner which will not cause an undue risk of Contamination.

(c) *Radon*. The Borrower will cause all construction of new structures at the Project during the term of this Agreement to use design features which safeguard against or mitigate the accumulation of radon or radon products in concentrations exceeding the Environmental Protection Agency's recommended threshold of 4.0pCi/L.

(d) *Storage Tanks*. The Borrower shall not install or permit to be installed any temporary or permanent tanks for storage of any liquid or gas above or below ground, except after obtaining written permission from the Controlling Person to do so and in compliance in all material respects with Environmental Laws.

(e) *Mold Program*. The Borrower shall implement a moisture management and control program (the "Moisture Management Program") for the Improvements at the Project to prevent the occurrence of mold, dangerous fungi, bacterial or microbial matter contamination or pathogenic organisms that reproduces through the release of spores or the splitting of cells (collectively, "Mold"), at, on or under the Project, which Moisture Management Program shall include, at a minimum: (a) periodic inspections of the Improvements at the Project for Mold, (b) removing or cleaning up any Mold and in a manner consistent with best industry practices and utilizing an experienced remediation contractor acceptable to and approved by the Controlling Person, and (c) in the event that the Mold identified at the Improvements at the Project cannot be removed or cleaned from any impacted building materials (e.g., porous materials such as carpeting, certain types of ceiling materials) and/or equipment, removing all such impacted building materials and/or equipment from the Project, all in accordance with the procedures set forth in the United States Environmental Protection Agency's ("EPA") guide entitled "Mold Remediation in Schools and Commercial Buildings," EPA No. 402-K-01-001, dated March 2001,

and in a manner consistent with best industry practices and utilizing an experienced remediation contractor acceptable to and approved by the Controlling Person. The Borrower shall include as part of every new residential lease a Mold/Mildew Addendum in the form attached hereto as Exhibit C. The Borrower further covenants and agrees that, in connection with any mold remediation undertaken by or on behalf of the Borrower hereunder, the source (e.g., leaking pipe, water damage, water infiltration, etc.) of any Mold at the Improvements at the Project shall be promptly identified and corrected to prevent the occurrence or re-occurrence of any Mold.

(f) *Default, Violation*. Upon the occurrence and continuation of an Event of Default, or if the Controlling Person has evidence that there has occurred and is continuing a violation of Environmental Law or that there exists a condition that could give rise to any Governmental Action, the Controlling Person may, at its discretion, commission an investigation at the Borrower's expense of (i) compliance at the Project with Environmental Laws, (ii) the presence of Hazardous Substances or Contamination at the Project, (iii) the presence at the Project of materials which are described in clause (b) of Section 5.12, (iv) the presence at the Project of Environmentally Sensitive Areas, (v) the presence at the Project of radon products, (vi) the presence at the Project of tanks of the type described in paragraph (e) of Section 5.12 or in paragraph (d) of Section 6.14 above, or (vii) the presence of substantial Mold at the Project. In connection with any investigation pursuant to this paragraph, the Borrower, and its lessees, sub-lessees and assigns, will comply with any reasonable request for information made by the Controlling Person or its agents in connection with any such investigation. Any response to any such request for information will be full and complete. The Borrower will assist the Controlling Person and its agents to obtain any records pertaining to the Project or to the Borrower and the lessees, sub-lessees or assigns of the Borrower in connection with an investigation pursuant to this paragraph. The Borrower will permit the Controlling Person and its agents access during business hours to all areas of the Project subject to tenants' rights with 24 hours' notice, during business hours and in reasonable manners in connection with any investigation pursuant to this paragraph. No investigation commissioned pursuant to this paragraph shall relieve the Borrower from any responsibility for its representations and warranties under Section 5.12 hereof or under the Environmental Indemnity.

(g) *Contamination*. In the event of any Contamination affecting the Project, whether or not the same originates or emanates from the Project or any contiguous real estate, or if the Borrower otherwise shall fail to comply with any of the requirements of Environmental Laws, the Controlling Person may, at its election, but without the obligation so to do, give such notices, cause such work to be performed at the Project (after reasonable notice and opportunity to cure by the Borrower and the Investor Limited Partner), and take any and all other actions as the Controlling Person shall deem reasonably necessary or advisable in order to remedy said Contamination or cure said failure of compliance, and any amounts paid as a result thereof, together with interest thereon at the Default Rate from the date of payment by the Controlling Person, shall be immediately due and payable by the Borrower and until paid shall be added to and become a part of the Indebtedness created hereunder and shall have the benefit of the Lien hereby created as a part thereof prior to any right, title or interest in or claim upon the Project attaching or accruing subsequent to the Lien of the Mortgage on the Project.

Section 6.15 Controlling Person. The Borrower acknowledges and agrees that (i) the Majority Owner has the sole and exclusive right to arrange for servicing of the Loan and to appoint another person or entity to serve as its representative hereunder, under the other Bond Documents and under the Indenture, (ii) the Majority Owner has appointed R4 Capital Funding LLC to serve in the capacity of Controlling Person hereunder, under the other Bond Documents and under the Indenture and (iii) the Majority Owner retains the sole and exclusive right to appoint, remove or replace the Controlling Person, without the consent or approval of the Borrower. The Borrower shall comply with the directions of the Controlling Person made on behalf of the Majority Owner in accordance with this Loan Agreement.

Section 6.16 Tax Returns. The General Partner will timely file all tax returns for itself and for the Borrower, pay or cause to be paid when due all taxes imposed on their operations, assets, income or properties and, upon request, provide to the Controlling Person copies of such returns and receipts for payment of such taxes.

Section 6.17 Leases. The Borrower hereby represents that there are no leases or agreements to lease all or any part of the Project now in effect except for leases to residential tenants in compliance with the Land Use Restriction Agreement. Except for leases to residential tenants in compliance with the Land Use Restriction Agreement and leases for services associated with residential rental properties (such as laundry and cable lease), the Borrower shall not enter into or become liable under, any leases or agreements to lease all or any part of the Project without the prior written approval thereof and of the prospective tenant by the Controlling Person (such approval not to be unreasonably withheld). Each lease of residential units in the Project to a residential tenant shall be on a form of lease approved by the Controlling Person and shall be in compliance with the requirements of the Land Use Restriction Agreement.

Section 6.18 Further Assurances. The Borrower will promptly and duly execute, acknowledge and deliver from time to time such further instruments and take such further actions as may be reasonably required by the Issuer, the Trustee or the Controlling Person to carry out the purposes and provisions of this Agreement and the other Bond Documents, to confirm the priority and/or perfection of any lien, pledge, assignment or security interest created or intended to be created by this Agreement and to assure the Controlling Person and the Majority Owner of the subrogation and security rights in favor of the Trustee for the benefit of the Holders of the Bonds contemplated by this Agreement, by the other Bond Documents and by the Indenture, provided, however such instruments or notes shall not contain a change in material economic terms of the Loan or expand the rights and responsibilities of the parties hereunder. The Borrower shall obtain any approvals required under the Subordinate Debt Documents in connection with any of the foregoing.

Section 6.19 Management Agreement. The Borrower has entered into a property management agreement in a form approved by the Controlling Person with the Managing Agent (together with any extension and replacements thereof and as the same may be amended, modified or supplemented from time to time the "Management Agreement"). Under the Management Agreement, the Managing Agent shall provide certain management services and

shall be entitled to receive as compensation for those services an amount not in excess of the Underwritten Management Fee. Any amounts due the Managing Agent in excess of the Underwritten Management Fee shall be subordinated to the payment by the Borrower of all principal of, premium, if any, and interest due on the Bonds, all Third Party Costs and all required deposits into the Accounts. The Borrower shall not replace the Managing Agent for the Project without the Controlling Person's prior written approval (such approval not to be unreasonably withheld), and the Management Agreement shall not be terminated or modified without the Controlling Person's prior written approval (such approval not to be unreasonably withheld). In the event the Managing Agent resigns or is removed, the Borrower shall promptly seek a replacement Managing Agent and submit the name of such replacement Managing Agent and its proposed form of Management Agreement to the Controlling Person for approval (such approval not to be unreasonably withheld); if the Borrower has not done so within thirty (30) days of becoming aware of such resignation or removal, the Controlling Person may (but shall not be required to) engage a new Managing Agent on terms satisfactory to the Controlling Person in its sole discretion and at the expense of the Borrower. The sole and exclusive compensation (exclusive of reimbursement for expenses pursuant to the applicable Management Agreement) paid to manage the Project under the Management Agreement shall be as described in this Section 6.19. The Borrower shall have no employees whatsoever. The Managing Agent shall execute a consent to the Assignment of the Management Agreement pursuant to which the Managing Agent shall confirm the subordination provisions described above and agree that the Management Agreement shall be terminable by the Controlling Person, with or without cause, on thirty (30) days' notice following and during the existence of an Event of Default.

Section 6.20 Determination of Taxability. (a) Neither the Borrower nor the General Partner shall admit in writing to the Issuer or the Trustee or to any Governmental Authority that interest on the Series 2020A Bonds has become includable in gross income for purposes of federal income taxation without first providing reasonable advance notice to the Controlling Person and the Majority Owner with respect to the Series 2020A Bonds and permitting the Controlling Person or the Majority Owner with respect to the Series 2020A Bonds, at its sole discretion and at its expense, to contest such conclusion. Promptly after the Borrower first becomes aware of any Determination of Taxability or an event that could trigger a Determination of Taxability, the Borrower shall give written notice thereof to the Issuer, the Trustee, the Controlling Person and the Majority Owner.

(b) Neither the Borrower nor the General Partner shall admit in writing to the Issuer or the Trustee or to any Governmental Authority that interest on the Subordinate Bonds has become includable in gross income for purposes of federal income taxation without first providing reasonable advance notice to the Series 2020B Purchaser with respect to the Subordinate Bonds and permitting the Series 2020B Purchaser with respect to the Subordinate Bonds, at its sole discretion and at its expense, to contest such conclusion. Promptly after the Borrower first becomes aware of any Determination of Taxability or an event that could trigger a Determination of Taxability, the Borrower shall give written notice thereof to the Issuer, the Trustee and the Series 2020B Purchaser.

Section 6.21 List of Bondholders. Upon the written request of the Controlling Person, the Borrower shall exercise any right it may have under the Indenture to request a list of Bondholders and shall deliver such list to the Controlling Person. Any costs associated with obtaining the list of Bondholders at the Controlling Person's request shall be paid by the Controlling Person.

Section 6.22 Use of Proceeds. The Borrower agrees that the proceeds of the Bonds will be allocated exclusively to pay Project Costs and that, for the greatest possible number of buildings, the Bond proceeds will be allocated on a pro rata basis to each building in the Project and the land on which such building is located, so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code.

Section 6.23 Compliance With Anti-Terrorism Regulations. Neither the Borrower, the General Partner nor any Person holding any legal or beneficial interest whatsoever in the Borrower shall at any time before the Maturity Date be described in, covered by or specially designated pursuant to or be affiliated with any Person described in, covered by or specially designated pursuant to Executive Order 13224 —Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended, or any similar list issued by OFAC or any other department or agency of the United States. Notwithstanding the foregoing, the Borrower and the General Partner hereby each confirm that if it becomes aware or receives any notice of any violation of the foregoing covenant and agreement (an "OFAC Violation"), the Borrower or the General Partner, as applicable, will immediately (i) give notice to the Controlling Person of such OFAC Violation and (ii) comply with all Legal Requirements applicable to such OFAC Violation, including, without limitation, Executive Order 13224; the International Emergency Economic Powers Act, 50 U.S.C. Sections 1701-06; the Iraqi Sanctions Act, Pub. L. 101-5 13, 104 Stat. 2047-55; the United Nations Participation Act, 22 U.S.C. Section 287c; the Antiterrorism and Effective Death Penalty Act, (enacting 8 U.S.C. Section 219, 18 U.S.C. Section 2332d, and 18 U.S.C. Section 2339b); the International Security and Development Cooperation Act, 22 U.S.C. Section 2349 aa-9; the Terrorism Sanctions Regulations, 31 C.F.R. Part 595; the Terrorism List Governments Sanctions Regulations, 31 C.F.R. Part 596; and the Foreign Terrorist Organizations Sanctions Regulations, 31 C.F.R. Part 597 (collectively, the "Anti-Terrorism Regulations"), and the Borrower and the General Partner hereby authorize and consent to the Controlling Person's taking any and all reasonable steps the Controlling Person deems necessary, in its sole discretion, to comply with all Legal Requirements applicable to any such OFAC Violation, including the requirements of the Anti-Terrorism Regulations. Notwithstanding anything to the contrary in this Section, the Borrower shall not be deemed to be in violation of the covenants and agreements set forth in the first sentence of this Section if the Borrower timely complies with all requirements imposed by the foregoing sentence and all requirements of the Anti-Terrorism Regulations and all other applicable Legal Requirements relating to such OFAC Violation.

Section 6.24 Delivery of Capital and Operating Budgets.

(a) On or before December 1 of each Fiscal Year, the Borrower shall submit to the Controlling Person for approval a proposed capital and operating budget with respect to the Project to be effective for the next following Fiscal Year (the "Proposed Budget"). The Controlling Person shall have the right to approve or disapprove any Proposed Budget, which approval shall not be unreasonably withheld or delayed. Third party costs not within the Borrower's control and costs associated with remediation of emergency conditions shall be permitted variances to the Annual Budget. If any Proposed Budget is not disapproved by the Controlling Person within thirty (30) days following submission by the Borrower, such budget shall be deemed approved. If any budget is disapproved, the Borrower shall thereafter consult with the Controlling Person in an effort to achieve a mutually acceptable Annual Budget for an additional thirty (30) days. To the extent the proposed operating budget is disapproved, the operating budget for the previous Fiscal Year shall remain in effect increased by five percent (5%) over the previous Fiscal Year (except for costs of utilities, Impositions and insurance and other third-party costs or cost associated with remediation of emergency conditions which shall be permitted variances to the Proposed Budget) until the parties resolve their differences. In addition to, and not in limitation of the foregoing, each Annual Budget may be revised from time to time with approval of Controlling Person to reflect changes to Expenses and proposed Capital Expenditures set forth in the then-current Annual Budget.

(b) Without limiting the generality that each Proposed Budget must be approved by the Controlling Person, each Proposed Budget:

(i) shall be prepared on the basis of sound accounting practices consistently applied;

(ii) shall reflect all amounts projected to be deposited in the Replacement Reserve Fund and the projected revenues and Expenses of the Project;

(iii) shall reflect all projected Capital Expenditures which are reasonably expected to be made in connection with the Project during the Fiscal Year covered by such Proposed Budget; and

(iv) shall be in such form as is reasonably acceptable to the Controlling Person and containing such other information as reasonably may be requested by the Controlling Person.

Section 6.25 Borrower's Approval of Indenture. The Borrower (a) understands that the Issuer will, pursuant to the Indenture and as security for the payment of the principal of, acceleration premium, if any, and the interest on the Bonds, assign and pledge to the Trustee, and create a security interest in favor of the Trustee in certain of its rights, title and interest in and to this Agreement (including all payments hereunder), reserving, however, the Reserved Rights (b) hereby agrees and consents to such assignment and pledge, (c) acknowledges that it has received a copy of the Indenture for its examination and review, (d) by its execution of this Agreement,

acknowledges that it has approved, has agreed to and is bound by the applicable provisions of the Indenture, and (e) agrees that the Trustee shall be entitled to enforce and to benefit from the terms and conditions of this Agreement that relate to it notwithstanding the fact that it, is not a signatory hereto.

Section 6.26 Conditions Precedent; Payment of Certain Fees, Deposits and Expenses. On the date of execution and delivery hereof, (a) the Controlling Person shall have received, in immediately available funds, an amount equal to the sum of the fees set forth in Section 2.2(a) and Section 2.2(d) hereof and the fees of the Engineering Consultant set forth in Section 2.2(b) hereof incurred as of the date of the execution and delivery hereof and (b) the Trustee shall have received the deposits required to be made in the Accounts on such date pursuant to Article 8 hereto.

Section 6.27 Additional Conditions Precedent. The rights of the Borrower to draw the initial advance of funds from the Project Fund under this Agreement shall be subject to the conditions precedent set forth in Section 9.12 hereof and on Schedule 7 hereto.

Section 6.28 Construction of Improvements. The Borrower (a) shall cause construction of the Project in a good and workmanlike manner, substantially in accordance with the Plans and Specifications and in compliance in all material respects with all applicable Governmental Actions and Legal Requirements, (b) shall provide, or cause to be provided at the Borrower's expense, all manner of materials, labor, implements and cartage of every description for the due completion of construction of the Project, (c) shall take all necessary steps to assure that commencement of construction of the Project shall begin within thirty (30) days following the Issue Date, shall proceed continuously and diligently and in a commercially reasonable manner, and shall be completed free of Liens (except for Permitted Encumbrances) in a timely manner substantially in accordance with the Plans and Specifications and in all instances in compliance with all applicable Governmental Actions and Legal Requirements, on or before the Completion Date, subject to delays caused by a Force Majeure.

Section 6.29 Evidence of Payment of Costs. If requested by the Controlling Person, the Borrower shall furnish, before each Advance agreed to be made and on completion of construction, all receipted bills, certificates, affidavits, conditional releases of lien and other documents which may be reasonably required by the Controlling Person as evidence of full payment for all labor and materials incident to the construction of the Project for each requested Advance with copies of unconditional releases of lien from each prior Advance and will promptly secure the release of the Project from all Liens by payment thereof or transfer to bond or other security.

Section 6.30 Correction of Deficiencies in Improvements. The Borrower agrees that it will correct or cause to be corrected any work performed and replace any materials that do not comply with the Plans and Specifications in any material respect. In the event of any dispute between the Borrower and the Controlling Person with respect to the interpretation and meaning

of the Plans and Specifications, the same shall be determined by an independent engineer selected by the Borrower from the list of engineers approved by the Controlling Person.

Section 6.31 Loan Rebalancing. If, for any reason, the Controlling Person shall, in the reasonable exercise of the Controlling Person's judgment, determine that the combined total of (i) the remaining proceeds of the Loan, (ii) the capital contributions from Borrower's partners, (iii) any other source of funds shown in the Development Budget attached hereto and (iv) any other sums deposited by the Borrower with the Trustee are insufficient to pay through completion of the Project all of the following sums: (x) all remaining costs of construction, rehabilitating, marketing, ownership, maintenance and leasing of the Project; and (y) all remaining interest and all other remaining sums which may accrue or be payable under the Bond Documents, then the Controlling Person may require the Borrower to deposit with the Trustee for deposit into the Project Fund, within ten (10) days after written request by the Controlling Person, the projected deficiency, and such deposit shall be first disbursed in the same manner as the Loan is to be disbursed as provided herein before any further disbursements of the proceeds of the Loan shall be made. Notwithstanding the foregoing, if, at any time, the Controlling Person determines, in the Controlling Person's reasonable discretion, that it is unlikely that Borrower will receive all or a portion of the sources of funds shown on the Development Budget (other than Loan proceeds), the Controlling Person may exclude such amount from its determination of whether the Loan is "in balance" as provided above.

Section 6.32 Use of Loan Proceeds. All labor and materials contracted for and in connection with the construction of the Project shall be used and employed solely for the Improvements and in said construction and only in accordance with the Plans and Specifications. Moneys disbursed from Accounts held under the Indenture to or for the account of the Borrower under this Agreement shall constitute a trust fund in the hands of the Borrower or other payee and shall be used solely by such payee for the payment of the Qualified Project Costs and for no other purpose unless another use is specifically provided for in this Agreement or consented to in writing by the Controlling Person. Nothing in this paragraph shall be deemed to impose a trust on the undisbursed portion of the Loan or any other amounts held under the Indenture or to impose any duty on the Controlling Person with respect thereto.

Section 6.33 Special Servicing Costs. The Controlling Person, as servicer of the Series 2020A Bonds, may charge the Borrower additional servicing fees and costs for special servicing requests made by the Borrower. The Borrower shall pay as and when due all such special servicing fees or costs.

Section 6.34 Developer Fee. Borrower will not pay any Developer Fee unless permitted under Section 2 of the Developer Fee Pledge.

Section 6.35 Payment and Performance Bonds. Borrower shall furnish to Controlling Person and the Issuer Servicer, and shall maintain in effect through Final Completion such Payment and Performance Bonds with respect to the Contractor, or, if the Contractor does not obtain such Payment and Performance Bond, such Payment and Performance Bonds shall be

obtained with respect to each contractor that enters into a Major Contract; provided, however, that if Payment and Performance Bonds have been provided by any contractor under a Major Contract in accordance with the terms hereof, any subcontractor of such contractor shall not be required to post any Payment and Performance Bonds in respect of such subcontract. Borrower shall take such action and require such performance as Controlling Person deems reasonably necessary under the Payment and Performance Bonds. In the event that any payments under any Payment and Performance Bonds are issued jointly to Borrower and Trustee or Borrower and Controlling Person, Borrower shall endorse any such jointly issued payments to the order of Trustee or Controlling Person, as determined by Controlling Person in its discretion, promptly upon Controlling Person's demand. Notwithstanding the foregoing, provided no Default or Event of Default exists, the Borrower may request that Controlling Person consent in writing to the release of the Payment and Performance Bonds following achievement of Substantial Completion.

Section 6.36 No Amendments. The Borrower shall not amend, modify or otherwise change the Subordinate Debt Documents without the prior written consent of the Controlling Person.

Section 6.37 [Reserved]

Section 6.38 Substitution of Guarantor. The Borrower and the Guarantors shall, within sixty (60) days of the death or dissolution of an individual Guarantor, provide a substitute guarantor (the "Substitute Guarantor") who shall assume and perform the obligations of a Guarantor under the Bond Documents if the remaining Guarantors shall not then satisfy the Minimum Net Worth Requirement set forth below. The Substitute Guarantor shall: (i) be a person or entity reasonably acceptable to Controlling Person; (ii) be a person or entity for which no OFAC Violation (as set forth in Section 6.23 hereof) shall have occurred; (iii) together with the other remaining Guarantors, satisfy the Minimum Net Worth Requirement set forth below immediately following the substitution; (iv) satisfy the Controlling Person's credit underwriting standards at the time of substitution; and (v) execute and deliver instruments of assumption in form and substance acceptable to the Controlling Person. For purposes of the forgoing, Guarantors must have an aggregate minimum net worth of $8,000,000 with liquid assets (unencumbered cash, cash equivalents and liquid securities) of at least $1,000,000 (collectively, "Minimum Net Worth Requirement"). The Substitute Guarantor and each remaining Guarantor must provide the Controlling Person with a written certification, under penalty of perjury as true and complete, of the net worth and liquid assets of such Guarantor, derived in accordance with customarily acceptable accounting practices together with such other evidence as the Controlling Person may request.

ARTICLE 7
DEFAULTS AND REMEDIES

Section 7.1 Defaults. Each of the following shall constitute an event of default hereunder ("Event of Default"):

(a) Payment. (i) Failure by the Borrower to pay any amount when due on the Note or the Loan; and (ii) other than (i) above, failure by the Borrower to pay any amount required to be paid by the Borrower under this Agreement, the Note or any of the other Bond Documents when the same shall become due and payable within ten (10) days of demand for payment;

(b) Certain Covenants. Failure by the Borrower to perform or comply with any of the terms or conditions contained in Section 6.1, 6.11 or 6.12 hereof;

(c) All Other Terms. Failure by the Borrower to perform or comply with any of the terms or conditions contained in this Agreement and any of the other Bond Documents to which the Borrower is a party, other than as described in paragraphs (a) and (b) above, and continuation of such failure for thirty (30) days after written notice from the Trustee or the Controlling Person to the Borrower (with a copy to the Investor Limited Partner) or such longer period to which the Controlling Person may agree in the case of a Default not curable by the exercise of due diligence within such thirty (30) day period, if the Borrower, the General Partner or the Investor Limited Partner shall have commenced a cure of such Default within such thirty (30) day period and shall be diligently pursuing such cure;

(d) Accuracy of Representations. Any of the representations or warranties of the Borrower set forth in this Agreement, any of the other Bond Documents or any other document furnished to the Issuer, the Trustee the Controlling Person or the Majority Owner pursuant to the terms hereof proves to have been false or misleading in any material respect when made;

(e) Validity, Enforceability. (i) Any provision of this Agreement or any of the other Bond Documents to which the Borrower, the General Partner or any Guarantor, including the Issuer Guarantors, is a party for any reason ceases to be valid and binding on the Borrower, the General Partner or such Guarantor, as applicable, is declared to be null and void or is violative of any applicable Legal Requirement relating to a maximum amount of interest permitted to be contracted for, charged or received, (ii) the validity or enforceability of any such provision is contested by the Borrower, the General Partner or any Guarantor or any Governmental Authority or (iii) the Borrower, the General Partner or any Guarantor denies that it has any or further liability or obligation under this Agreement or any of the Bond Documents to which the Borrower, the General Partner or any Guarantor is a party;

(f) Cross-Default. The occurrence of an Event of Default as defined in the Indenture or the other Bond Documents or the Subordinate Debt Documents or an act or event (or failure to act or non-occurrence of an act) which, with the passage of time, the giving of notice or both, would constitute an Event of Default under the Indenture, the other Bond Documents or the Subordinate Debt Documents;

(g) Bankruptcy. The Borrower, any Guarantor or the General Partner (i) applies for or consents to the appointment of a receiver, trustee, liquidator or custodian or the like of the Borrower, any Guarantor or the General Partner, as applicable, or of property of any

such party, (ii) admits in writing the inability of the Borrower, any Guarantor or the General Partner to pay its debts generally as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) is adjudicated bankrupt or insolvent, (v) commences a voluntary case under the Bankruptcy Code, files a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law, files an answer admitting the material allegations of a petition filed against the Borrower, any Guarantor or the General Partner in any bankruptcy, reorganization or insolvency proceeding or takes any action for the purpose of effecting any of the foregoing, or (vi) has instituted against it, without the application, approval or consent of the Borrower, any Guarantor or the General Partner, as applicable, a proceeding in any court of competent jurisdiction, under any Legal Requirements relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking in respect of the Borrower, any Guarantor or the General Partner an order for relief, an adjudication in bankruptcy, reorganization, dissolution, winding up or liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of the Borrower, any Guarantor or the General Partner or of all or any substantial part of the assets of such party or other like relief in respect thereof under any Legal Requirements relating to bankruptcy or insolvency law and, if such proceeding is being contested by the Borrower, such Guarantor or the General Partner, as applicable, in good faith, the same (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed and undischarged for a period of sixty (60) days;

(h) Insurance. The Borrower fails to maintain in full force and effect any insurance required pursuant to this Agreement;

(i) Casualty. The Project suffer a loss by fire or other casualty, such loss is not fully insured and any deficiency in the amount of insurance proceeds paid with respect to such loss is not posted with the Trustee within sixty (60) days of the determination of such deficiency;

(j) Completion, Stabilization. The Project fail to achieve (i) Substantial Completion on or before the Substantial Completion Date, (ii) Final Completion on or before the Completion Date or (iii) Stabilization on or before the Stabilization Date, in each case subject to delays caused by Force Majeure;

(k) Litigation. Any litigation or administrative proceeding ensues, and is not dismissed within ninety (90) days, involving the Borrower, the General Partner, any Guarantor or any instrument, contract or document delivered by the Borrower to the Controlling Person or the Trustee in compliance with this Agreement, and the adverse result of such litigation or proceeding would have, in the Controlling Person's reasonable opinion, a Materially Adverse Effect on the Borrower's, the General Partner's or any Guarantor's ability to pay its Obligations and comply with the covenants under this Agreement or any of the other Bond Documents;

(l) Judgments. Any one or more judgments or orders are entered against the Borrower or the General Partner or one or more judgments or orders in excess of $50,000 against any Guarantor , and (1) continue unsatisfied and unstayed for ninety (90) days or (2) a judgment

lien on any property of the Borrower or the General Partner or in excess of $50,000 with respect to any Guarantor is recorded in respect thereof and is not stayed pending appeal by a bond or other arrangement given or obtained by the Borrower, any Guarantor or the General Partner on terms which do not violate any of the Borrower's covenants under this Agreement;

(m) Cross-Acceleration. Failure by the Borrower or the Guarantor (1) to make any payment or payments in respect of any Obligation or Indebtedness (unless a bona fide dispute exists as to whether such payment is due), when such payment or payments are due and payable (after the lapse of any applicable grace period), (2) to perform any other obligation or covenant under any such obligation or obligations regarding the Obligations or Indebtedness (subject to any grace or cure periods) or (3) to pay or perform any obligation or covenant under any Material Contract, any of which (x) results in the acceleration of such Obligation or Indebtedness or enables the holder or holders of such Obligation or Indebtedness or any person acting on behalf of such holder or holders to accelerate the maturity of such obligation or (y) would have, in the Controlling Person's reasonable opinion, a Material Adverse Effect on either the Borrower's or the Guarantor's ability to pay its obligations and comply with the covenants under this Agreement or any of the other Bond Documents;

(n) Construction of the Improvements shall have been discontinued for thirty (30) consecutive working days for any reason whatsoever, except due to Force Majeure or for such other reason as the Controlling Person shall deem reasonable;

(o) If at any time the Borrower shall have been unable for a period of sixty (60) days to meet the requirements for an Advance under this Agreement, regardless of whether the Borrower has requested an Advance that has not been funded other than due to Force Majeure;

(p) Contractor Default. The Contractor shall have defaulted under the Construction Contract, which default the Controlling Person, in its reasonable opinion, shall deem to be substantial, and the Borrower, upon ten (10) Business Days written notice from the Controlling Person, shall have failed to commence to exercise any right or remedy to which it shall be entitled; and

(q) Completion Date. The Improvements have not been completed in substantial accordance with the Plans and Specifications by the Completion Date, except to the extent that the failure to so complete by the Completion Date is caused by Force Majeure.

(r) Other Agreements. An event of default or termination event pertaining to the Borrower as defined in and pursuant to the Subordinate Debt Documents occurs and any applicable notice and or cure period has expired;

(s) The death or dissolution of any individual Guarantor to the extent that the remaining Guarantors do not then meet the Minimum Net Worth Requirement and a substitute Guarantor is not provided as set forth in Section 6.38 hereof.

(t) Partnership Agreement. An event of default under the Partnership Agreement which adversely effects the timing or payment of Required Equity Funds; and

Section 7.2 Remedies. If an Event of Default has occurred and is continuing uncured, then the Trustee, acting solely at the direction of the Controlling Person, shall:

(a) Declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable;

(b) Declare the Borrower's obligations hereunder, under the Note and under the other Bond Documents to be, whereupon the same shall become, immediately due and payable, provided, no such declaration shall be required, and acceleration shall be automatic, upon occurrence of an Event of Default pursuant to Section 7.1(g) hereof;

(c) Enter upon the Project and take possession thereof, together with the Improvements in the course of construction or completed, and all of the Borrower's materials, supplies, tools, equipment and construction facilities and appliances located thereon, and proceed either in the name of the Trustee or in the name of the Borrower as the attorney-in-fact of the Borrower (which authority is coupled with an interest and is irrevocable by the Borrower), as the Controlling Person shall elect, to complete the construction of the Improvements at the cost and expense of the Borrower; provided, that if the Controlling Person elects to complete or cause the construction of the Improvements to be so completed, it may do so according to the terms of the Plans and Specifications and as the Controlling Person shall deem expedient or necessary, and the Trustee may enforce or cancel all contracts entered into as aforesaid or make other contracts which in the Controlling Person's reasonable opinion may seem advisable, and the Borrower shall be liable, under this Agreement and under the Note or any other note given by it pursuant to the provisions hereof, to pay the Trustee upon demand any amount or amounts expended by the Trustee or its representatives for such performance, together with any costs, charges or expenses incident thereto or otherwise incurred or expended by the Trustee or its representatives on behalf of the Borrower in connection with the Improvements, and the amounts so expended shall bear interest at the Default Rate, and shall be considered part of the indebtedness evidenced by the Note and secured by the Mortgage;

(d) If such Event of Default occurred pursuant to Section 7.1(p) hereof, and the Contractor has no surety, then the Controlling Person shall proceed to negotiate or invite bidding to procure, within an additional thirty (30) days, a successor Contractor to complete the Improvements under a performance bond and labor and material payment bond approved by the Controlling Person in the full amount of the new contract price; if the Contractor has a surety, but the surety refuses or fails to commence completion of the Improvements within thirty (30) days after notice from the Borrower to do so, the Controlling Person shall proceed, within fifteen (15) days, to negotiate or invite bidding as herein provided or to take action against the entity;

(e) (1) Enter upon or take possession of the Project and call upon or employ suppliers, agents, managers, maintenance personnel, security guards, architects, engineers and

inspectors to complete, manage or operate the Project or to protect the Project from injury; (2) pay out reasonable additional sums (which sums shall be immediately due and payable by the Borrower to the Trustee) and use any property of the Borrower associated with the Project, or any property of the Borrower in which the Trustee has or obtains an interest for application to or as a reserve for payment of any or all of the following with respect to the protection, management, operation or maintenance of the Project or the protection of the Trustee's interest therein, and in such connection deliver or disburse the same to such entities in such amounts and with such preferences and priorities as the Controlling Person in its sole discretion shall determine, either with or without vouchers or orders executed by the Borrower: (A) all sums due from the Borrower to the Trustee; (B) premiums and costs of title and any other insurance; (C) leasing fees and brokerage or sales commissions; (D) fees, costs and expenses of the Trustee and its counsel in connection with the enforcement and performance of this Agreement, the other Bond Documents and the other documents contemplated hereby; (E) any taxes (including federal, state and local taxes) or other governmental charges; (F) any sums required to indemnify and hold the Trustee harmless from any act or omission of the Trustee (except such as are grossly negligent or due to its willful misconduct) under Section 2.5 hereof or the other Bond Documents; (G) architectural and engineering costs or any sums due to contractors, subcontractors, mechanics or materialmen for work or services actually furnished on or for the Project; (H) claims of any Governmental Authority for any required withholding of taxes on wages payable or paid by the Borrower; and (I) other costs and expenses which are required to complete, manage or operate the Project or to protect the Project from injury or maintain the Trustee's security position before the rights of all others; (3) place additional encumbrances upon the Project; and (4) employ leasing and sales agents and negotiate and execute leases, sales contracts and financing undertakings in connection with all or any part of the Project;

(f) Subject to all Legal Requirements, require the Borrower to transfer all security deposits to the Trustee;

(g) Withhold funding of any Advances pursuant to Article IX of this Agreement; and

(h) Exercise, or cause to be exercised, any and all such remedies as it may have under this Agreement or the other Bond Documents or at law or in equity.

Section 7.3 No Waivers; Consents. No waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the Trustee at the direction of the Controlling Person (or by the Issuer if the same relates to Reserved Rights), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 7.4 No Waiver; Remedies Cumulative. No failure on the part of the Issuer, the Trustee, the Controlling Person or any Bondholder to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, and no single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right.

The remedies herein provided are cumulative and not exclusive of any remedies available under any other document or at law or in equity.

Section 7.5 Set-Off. Upon the occurrence and during the continuation of an Event of Default hereunder, the Trustee is hereby authorized at any time and from time to time without notice to the Borrower or the General Partner (any such notice being expressly waived by the Borrower and the General Partner), to the fullest extent permitted by applicable Legal Requirements, to set off and to apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys at any time held (including any amounts in the Accounts except for the Rebate Fund and the Tax and Insurance Escrow Fund) and other indebtedness at any time owing by the Issuer to or for the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, the Bond Documents or any other agreement or instrument delivered by the Borrower to the Issuer in connection therewith, whether or not the Issuer shall have made any demand hereunder or thereunder and although such obligations may be contingent or unmatured. The rights of the Trustee under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Trustee may have.

Section 7.6 Issuer and Borrower to Give Notice of Default. The Issuer and the Borrower severally covenant that they will, at the expense of the Borrower, promptly give to the Trustee, the Controlling Person and the Investor Limited Partner and to each other written notice of the occurrence of any Event of Default under this Agreement, and any act, event or circumstance which, with the passage of time, or notice, or both, would constitute such an Event of Default of which they shall have actual knowledge or written notice, but the Issuer shall not be liable for failing to give such notice.

Section 7.7 Cure by Investor Limited Partner . Notwithstanding anything to the contrary contained herein, the Issuer hereby agrees that any timely cure of any Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower; provided, however, that the Investor Limited Partner shall not have any obligation or duty to take any action to cure any default or to cause any default to be cured. In addition to the foregoing, upon the occurrence of an Event of Default under Sections 7.1 (g), (k), (l) and (m) arising with respect to the Guarantor, the Investor Limited Partner shall have thirty (30) days to provide a substitute guarantor reasonably acceptable to the Controlling Person and the Issuer or the Issuer Servicer with respect to the Issuer Guaranties, and satisfying the conditions of Section 6.37 hereof so long as Borrower is not otherwise in default hereunder and such cure period will not materially impair Trustee's ability to exercise remedies against the Guarantor.

Section 7.8 Default Rate; Acceleration Premium. In the event there shall have occurred an acceleration of the Obligations following an Event of Default on or before the First Optional Call Date, any tender of payment of an amount necessary to satisfy the Indebtedness created hereunder shall include the acceleration premium set forth in Section 2.3(c) hereof. In addition, in the event that principal or interest payable hereunder is not paid when due, there shall be

payable on the amount not timely paid, interest at the Default Rate until the unpaid amount, together with interest thereon, shall have been paid in full.

Section 7.9 Reserved Rights; Regulatory Agreement Defaults.

(a) Notwithstanding anything to the contrary contained herein, the Issuer may enforce its Reserved Rights under the Bond Documents and exercise the permitted remedies with respect thereto against the Borrower, subject to the provisions of subparagraph (c) below.

(b) If there shall have occurred and be then continuing an event of default under the Land Use Restriction Agreement which would, in the reasonable judgment of the Issuer or the Trustee, jeopardize the exclusion from gross income of interest on the Bonds (a "Regulatory Agreement Default") and such Regulatory Agreement Default remains uncured or unwaived for a period of sixty (60) days after the Borrower, the Controlling Person and the Majority Owner receive written notice from the Trustee or the Issuer stating that a Regulatory Agreement Default has occurred and specifying the nature of such default, then, if authorized by the Bond Documents, the Issuer and the Trustee may, without the consent of the Controlling Person or the Majority Owner, exercise the remedy of pursuing specific performance of the Bond Documents on account of such Regulatory Agreement Default, unless:

(i) The Issuer and the Trustee, prior to the end of such sixty (60) day period, are provided with an Opinion of Bond Counsel to the effect that the failure to cure such default will not have an adverse effect on the exclusion from gross income for federal income tax purposes of interest on the Bonds (which Opinion of Bond Counsel may be requested and obtained by the Controlling Person or the Majority Owner);

(ii) The Controlling Person, the Majority Owner or the Borrower institutes action to cure such Regulatory Agreement Default within such sixty (60) day period and diligently pursues such action thereafter until such Regulatory Agreement Default is cured; or

(iii) (A) Such Regulatory Agreement Default is not reasonably curable by the Controlling Person or the Majority Owner without the Trustee's first securing possession of the Project and/or operational control of the Borrower and (B) the Controlling Person or the Majority Owner (subject to extension during any stay on account of the bankruptcy of the Borrower) (x) instructs the Trustee, subject to the terms of the Indenture, to institute, within such sixty (60) day period, proceedings or other action for the purposes of obtaining such possession or control pursuant to the Bond Documents, (y) thereafter instructs the Trustee, pursuant to the terms of the Indenture, to pursue diligently such proceedings until such possession or control is obtained; and (z) diligently pursues action to cure such Regulatory Agreement Default after the Trustee or other designee of the Controlling Person or the Majority Owner obtains possession or control of the

Project until such Regulatory Agreement Default is cured; provided, however, that any extension of the period within which a Regulatory Agreement Default must be cured shall only be effective if and to the extent that, in the Opinion of Bond Counsel provided to the Trustee, such extension will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds; provided, further, that the Trustee, upon five (5) Business Days' prior written notice to the Controlling Person and the Majority Owner following any such Regulatory Agreement Default, may reduce the 60-day period provided above to such shorter period of time as is specified in such notice (but in no event less than fifteen (15) Business Days), but only if the Trustee, the Controlling Person and the Majority Owner shall have been provided with an Opinion of Bond Counsel to the effect that such reduction of such period is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(c) In the event of a Default in respect of Reserved Rights or a Regulatory Agreement Default which remains uncured after written notice thereof to the Borrower, the Controlling Person and the Majority Owner, nothing in this Section 7.9 shall restrict or in any way limit the right of the Issuer or the Trustee to take any action for specific performance available under the Land Use Restriction Agreement or at law or in equity in order to enforce the terms of the Land Use Restriction Agreement or to enforce Reserved Rights hereunder, so long as neither the Issuer nor the Trustee takes any action (i) to declare the outstanding balance of the Bonds or the Loan to be due on account of such Default or Regulatory Agreement Default, (ii) to have a receiver appointed in respect of the Project, (iii) to foreclose any Liens upon or the security interests in or to enforce any other similar remedy against any of the property described in the Mortgage, or (iv) to enforce any other similar remedy which would cause such Liens or security interests to be discharged or materially impaired thereby.

ARTICLE 8
DEPOSITS TO FUNDS

Section 8.1 Deposits to and Disbursements from the Replacement Reserve Fund. Pursuant to the Replacement Reserve Agreement, the Borrower shall pay or cause to be paid to the Trustee, for deposit into the Replacement Reserve Fund established by the Indenture, the amounts described in the Replacement Reserve Agreement. The sums contained in the Replacement Reserve Fund from time to time shall be maintained, disbursed and applied as provided in the Replacement Reserve Agreement and pursuant to Section 4.6(d) of the Indenture.

Section 8.2 Deposits to Tax and Insurance Escrow Fund.

(a) On the Issue Date, the Borrower shall pay, or cause to be paid, to the Trustee, to be deposited in the Tax and Insurance Escrow Fund, the amount specified in Section 4.1 of the Indenture, if any.

(b) Thereafter, unless otherwise directed by the Controlling Person, two Business Days before each Interest Payment Date commencing the First Interest Payment Date, and continuing each month thereafter, the Borrower shall pay, or cause to be paid, to the Trustee an amount equal to the Monthly Tax and Insurance Amount for the Project to be deposited in the Tax and Insurance Escrow Fund.

Section 8.3 Deposits to Redemption Fund. Two Business Days before each Principal Payment Date, commencing on the First Principal Payment Date and continuing thereafter until the date on which the Bonds are no longer Outstanding or have been defeased, the Borrower shall pay to the Trustee the monthly amount shown on the Debt Service Schedule for deposit into the Redemption Fund pursuant to Section 4.6(a) of the Indenture. Following any partial redemption of Bonds (other than pursuant to Section 3.4(c) of the Indenture), the Controlling Person shall adjust the monthly amount due pursuant to this provision to account for any partial redemption of the Bonds in the manner set forth in Section 3.4(e) of the Indenture and shall provide the Borrower and the Trustee with the revised Debt Service Schedule. The Borrower shall also pay to the Trustee for deposit in the Redemption Fund all amounts required to redeem the Bonds pursuant to Section 3.4(b)(vi) of the Indenture on or before the Interest Payment Date specified in the notice of the Controlling Person as provided in Section 3.4(b)(vi) of the Indenture. The Borrower shall also pay to the Trustee for deposit in the Redemption Fund all amounts required to redeem Bonds pursuant to Section 3.4 of the Indenture, as provided therein.

Section 8.4 Establishment of Operating Reserve Fund. The Borrower, upon achievement of Stabilization, shall pay or cause to be paid to the Trustee, to be deposited in the Operating Reserve Fund, the sum of $[_____] pursuant to Section 4.6(e) of the Indenture. Following any disbursement, payment or transfer of moneys from the Operating Reserve Fund, the Borrower shall replenish the Operating Reserve Fund from "Cash Flow" as set forth in Section [___] of the Borrower's Partnership Agreement.

Section 8.5 Investment. Funds in the Accounts shall be invested in Permitted Investments upon the written direction of the Borrower with the consent of the Controlling Person, as set forth in Section 4.8 of the Indenture. Earnings on the Accounts shall be held or disbursed as set forth in Article IV of the Indenture. The Trustee shall have the right to invest or withdraw any deposited funds or to direct the liquidation of any investments held in order to pay the amounts required under this Agreement and the other Bond Documents. The Trustee shall not be liable for any loss sustained as a result of any liquidation of any collateral prior to its maturity. Any income or gain realized on such investments shall be credited to and become part of the respective Account and reinvested and applied as provided in the Indenture. Provided that no Default or Event of Default exists, the Borrower from time to time may request the

Controlling Person to consent to the disbursement to or upon the order of the Borrower of the investment income previously credited to the Accounts, which consent by the Controlling Person shall not be unreasonably withheld or delayed.

Section 8.6 Security Interest in Accounts. The Borrower hereby assigns and pledges to the Issuer, and grants the Issuer a security interest in, as additional collateral security for the Borrower's obligations to the Issuer hereunder (and the Borrower acknowledges and agrees that the Issuer shall have a continuing security interest in) all of the Borrower's right, title and interest, if any, in all Accounts, all cash, cash equivalents, instruments, investments and other securities at any time held in the Accounts, all proceeds of the foregoing, and all of the Borrower's rights associated with such Accounts, if any. The Issuer hereby directs the Trustee to hold all moneys in the Accounts from time to time as assignee of the Issuer.

Section 8.7 Reports. The Trustee shall provide to the Borrower detailed monthly reports on or before the tenth (10th) day of the month following the month to which such report relates showing receipts, disbursements, balances and investments of each Account. Within ten (10) days of a written request of the Borrower to such effect, the Trustee shall deliver to the Borrower an accounting of receipts, disbursements and balances in one or more of the Accounts as necessary and appropriate to assist the Borrower in complying with its covenants to calculate and pay any rebate amount or yield reduction payments due and owing to the United States with respect to the Bonds.

Section 8.8 No Liability of Trustee. In performing any of its duties hereunder, the Trustee shall not incur any liability to anyone for any damages, losses or expenses, except for its gross negligence, bad faith or willful misconduct; and the Trustee shall not incur any liability with respect to any action taken or omitted in good faith in the performance of its duties and responsibilities under this Agreement.

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

ARTICLE 9
CONSTRUCTION AND FUNDING OF ADVANCES

Section 9.1 Construction of Project; Final Completion. The Borrower shall commence performance of the Work in respect of the Improvements no later than thirty (30) days following the Issue Date, and shall achieve Substantial Completion by the Substantial Completion Date and Final Completion of such Work in accordance with the Plans and Specifications on or before the

Completion Date; provided, however, that at the request of the Borrower and with the prior written approval of the Controlling Person delivered to the Trustee, the Substantial Completion Date or the Completion Date may be extended one or more times for such periods as the Controlling Person may approve in its reasonable discretion and upon delivery of such other information and funds as the Controlling Person may require in its reasonable discretion; provided, further, that the Substantial Completion Date and/or the Completion Date may be extended to accommodate any delays cause by Force Majeure.

Section 9.2 Making The Advances.

(a) At such time as the Borrower desires to obtain an Advance from the Project Fund, an Authorized Person shall complete, execute and deliver a Requisition to each of the Controlling Person and the Issuer Servicer for approval; no Requisition shall be delivered to the Trustee until it has been approved by the Controlling Person and the Issuer Servicer, and each Advance by the Trustee of the amounts in the Project Fund shall be subject to the prior approval of the Requisition by the Controlling Person and the Issuer Servicer not to be unreasonably withheld, conditioned or delayed. The Controlling Person shall endeavor to approve or object to any Requisition within ten (10) Business Days of its submission and the submission of all additional information required in connection with such Requisition and shall endeavor to provide specific information concerning the nature of any objection it may have.

(b) Each Requisition shall be submitted to the Controlling Person and the Issuer Servicer at least fifteen (15) Business Days prior to the date of the requested Advance, and no more frequently than once each month (excluding the month in which the initial Advance is requested). The Borrower shall open and maintain a checking account with a financial institution reasonably satisfactory to the Controlling Person. Except as otherwise provided for herein, the Controlling Person shall direct the Trustee to deposit the proceeds of each Requisition into such account.

Section 9.3 Advances to Contractors; to Others. At its option during the existence of any Event of Default or Default, the Controlling Person may direct the Trustee to make any or all advances: (a) for costs incurred under any construction contract directly to a contractor, subcontractor or vendor, (b) through the Title Company or (c) to any Person to whom the Controlling Person in good faith determines payment is due.

Section 9.4 Requisition. Each Requisition shall be in the form set forth on Exhibit B hereto, shall be signed on behalf of the Borrower by an Authorized Person, shall be subject to approval by the Controlling Person and the Issuer Servicer, not to be unreasonably withheld, conditioned or delayed prior to payment and shall state with respect to each disbursement to be made: (a) the number of the Requisition; (b) the amount to be disbursed; (c) that each obligation therein for which such disbursement is being requested has been properly incurred and has not been the basis for any previous disbursement; and (d) that such disbursement, when added to all previous disbursements, will result in not less than ninety-five percent (95%) of all disbursements having been used to pay or reimburse the Borrower for Qualified Project Costs. Upon the

approval of a requisition by the Controlling Person as provided herein and the Issuer Servicer as provided in the Construction Loan and Mortgage Servicing Agreement, the Borrower shall submit the approved Requisition to the Trustee without attachments.

Section 9.5 Project Costs. The Development Budget reflects the purposes and the amounts for which funds to be advanced by the Trustee from the Project Fund are to be used. Subject to Section 9.7 hereof, the Controlling Person shall not be required to approve any Requisition requiring disbursement of funds from the Project Fund for any item of Work in an amount exceeding the amount specified for any item in the Development Budget. Subject to Section 9.7 hereof, in no event shall the Controlling Person approve any Advance in an amount exceeding (a) the total cost (as determined by the Controlling Person) of the labor, materials, fixtures, machinery and equipment completed, approved and incorporated into the Project prior to the date of such Requisition, less (b) Retainage (if required) less (c) the total amount of any Advances previously made by the Trustee from the Project Fund for such costs.

Section 9.6 Retainage. The Controlling Person shall approve disbursement of Retainage upon completion of the Work or category of Work by the contractor or subcontractor under the contract for which the Retainage was held, not to be unreasonably withheld, conditioned or delayed. No disbursement of Retainage shall be approved unless all Work done at the date the Requisition for such Retainage is submitted is done in a good and workmanlike manner and without defects, as confirmed by a report of the Engineering Consultant pursuant to Section 9.13(g).

Section 9.7 Contingency Reserve. The amount allocated to "contingency" in the Development Budget is not intended to be disbursed without, and will only be disbursed upon, the prior approval of the Controlling Person, not to be unreasonably withheld. The disbursement of a portion of the contingency reserve shall in no way prejudice the Controlling Person from directing the Trustee to withhold disbursement of any further portion of the contingency reserve.

Section 9.8 Stored Materials. The Controlling Person shall approve Requisitions for funds for materials, furnishings, fixtures, machinery or equipment not yet incorporated into the Improvements, provided that any such disbursement shall be subject to and shall be contingent upon the Controlling Person's receiving satisfactory evidence that:

(a) such materials are components in a form ready for incorporation into the Improvements and shall be so incorporated within a period of thirty (30) days; and

(b) such materials are stored at the Project, or at such other site as the Controlling Person shall approve, and are insured and protected against theft and damage.

Section 9.9 Cost Overruns and Savings.

(a) If the Borrower becomes aware of any change in the costs of the Work which will increase or decrease the projection of the costs reflected on the Development Budget by $50,000 or more, the Borrower shall immediately notify the Controlling Person in writing and

promptly submit to the Controlling Person for its approval a revised Development Budget. If the Controlling Person otherwise becomes aware of any such change in costs of the Work, the Controlling Person shall have the right to prepare and to authorize disbursements on the basis of a revised Development Budget.

(b) If the revised Development Budget indicates an increase in costs of the Work for the Project (in excess of the aggregate contingency amount and savings), no further Requisitions for the Work at the Project need be approved by the Controlling Person unless and until the Borrower has deposited with the Trustee any required funds necessary to cause the amount remaining on deposit in the Project Fund and any Required Equity Funds yet to be deposited with the Trustee to be sufficient to complete fully the construction of the Improvements in accordance with the Plans and Specifications to the extent applicable, and to pay all other Projected costs in connection with the Work.

(c) If the revised schedule indicates a decrease in costs of the Work for the Project, no savings may be reallocated by the Borrower unless and until the Borrower has furnished the Controlling Person and the Engineering Consultant with evidence reasonably satisfactory to them that the labor performed and materials supplied in connection with such line item of costs have been satisfactorily completed and paid for in full, or will be able to be completed for the decreased amount. At such time, such savings may be reallocated by the Borrower, with the consent of the Controlling Person, to not to be unreasonably withheld other line items.

(d) The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Project Costs will be sufficient to pay all of the Project Costs. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Project Costs as required herein, then the Borrower shall not be entitled to any reimbursement therefor from the Issuer, nor shall the Borrower be entitled to any diminution of the amounts payable under this Agreement or under the Note.

Section 9.10 Right to Retain the Engineering Consultant.

(a) The Controlling Person shall have the right to retain at the Borrower's cost and expense the Engineering Consultant to perform various services on behalf of the Controlling Person, including, without limitation, to make periodic inspections for the purpose of assuring that construction of the Improvements as of the date of any such inspection is in accordance with the Plans and Specifications, to advise the Controlling Person of the anticipated cost of and time for completion of construction of the Improvements and to review all construction contracts and subcontracts.

(b) The reasonable fees of the Engineering Consultant during the performance of the construction shall be paid by the Borrower in accordance with Section 2.2(b) hereof.

(c) Neither the Controlling Person, Majority Owner nor the Engineering Consultant shall have any liability to the Borrower on account of (i) the services performed by the Engineering Consultant, (ii) any neglect or failure on the part of the Engineering Consultant to properly perform its services or (iii) any approval by the Engineering Consultant of construction of the Improvements. Neither the Controlling Person nor the Engineering Consultant assumes any obligation to the Borrower, the General Partner or any other Person concerning the quality of the Work performed or the absence of defects from the Improvements.

Section 9.11 Inspections. The Borrower agrees to provide and cause to be provided to the Controlling Person and its authorized agents, at all times, facilities commonly made available by responsible general contractors for the inspection of the Improvements and to afford full and free access to the Controlling Person and its authorized agents to all plans, drawings and records with respect to the construction of the Improvements. The Borrower further agrees to promptly send to the Controlling Person a copy of all construction inspection reports made by the Borrower's Architect or engineer.

Section 9.12 Initial Advance. The right of the Borrower to draw the initial Advance on the Issue Date shall be subject to the satisfaction of the following conditions precedent:

(a) Scheduled Items. The Borrower shall have delivered the items listed on Part A of Schedule 7 hereto;

(b) Approvals. The Borrower shall have delivered evidence as to the obtaining of all approvals, permits and licenses which are then required to commence the construction of the Improvements at the Project, together with copies of all such approvals, permits and licenses or evidence that no such permits or licenses are required;

(c) Architect, Contractor Contracts. The Borrower shall have delivered copies of the Borrower's contracts with Architect and the Contractor, duly executed by the parties thereto, and to the extent applicable, a list of all subcontractors and materialmen who have been or, to the extent identified by the Borrower, will be, supplying labor or materials for the construction of the Project;

(d) Plans and Specifications. The Borrower shall have delivered to the Controlling Person two (2) complete sets of the Plans and Specifications, together with evidence of their approval by all Governmental Authorities having jurisdiction;

(e) Payment and Performance Bonds. The Borrower shall have delivered the Payment and Performance Bonds;

(f) Engineering Consultant Report. The Controlling Person and the Issuer Servicer shall have received a report or written confirmation from the Engineering Consultant that (a) the Engineering Consultant has reviewed the Plans and Specifications set forth on Schedule 5, (b) the Construction Contract satisfactorily provides for the construction of the Project, and (c) in the opinion of the Engineering Consultant construction of the Project can be

completed on or before the Completion Date for an amount not greater than the amount allocated for such purpose on the Development Budget;

(g) Evidence of Access, Availability of Utilities, Project Approvals. The Borrower shall have delivered to the Controlling Person evidence as to:

(i) the methods of access to and egress from the Project, and nearby or adjoining public ways, meeting the reasonable requirements of the Project and the status of completion of any Improvements to such methods of access;

(ii) the availability of water supply and storm and sanitary sewer facilities meeting the reasonable requirements of the Project;

(iii) the availability of all other required utilities, in location and capacity sufficient to meet the reasonable needs of the Project; and

(iv) the obtaining of all Governmental Actions which are required, necessary or desirable for the construction of the Improvements and the access thereto, together with copies of all such Governmental Actions as listed on Schedule 6;

(h) Require Equity Funds. The first installment of the Required Equity Funds shall have been delivered to the Trustee and the other deposits required under Section 4.1(c) of the Indenture shall have been made; and

(i) Bonds Closing Statement, Requisition, Engineering Consultant Approval. The Controlling Person and the Trustee shall have executed a closing statement for the Bonds in form and substance satisfactory to the Controlling Person and, if any portion of the initial Advance shall be for hard costs of construction and a completed Requisition as described in Section 9.13(d)(i) hereof.

Section 9.13 Subsequent Advances. The right of the Borrower to draw any subsequent advances of funds from the Project Fund shall be subject to the satisfaction of the following conditions:

(a) Scheduled Items. The Borrower shall have delivered the items listed on Part B of Schedule 7 hereto;

(b) Restoration Representation. If the Improvements shall have been materially injured or damaged by fire, explosion, accident, flood or other casualty, the Borrower represents that such Improvements are able to be and are diligently being restored in accordance with the terms of the Mortgage;

(c) Default. There shall not be a continuing Event of Default or a Default which will not be cured by such Advance;

(d) Requisition, Title Date-Down, Engineering Consultant Approval. The Controlling Person and the Trustee shall have received:

(i) a completed Requisition in the form set forth on Exhibit B hereto, accompanied by the certificates, applications, invoices and other materials required thereby;

(ii) a "date down" endorsement to the Title Policy indicating no change in the state of title not approved by the Controlling Person or in Controlling Person's reasonable discretion other evidence that no mechanic's or materialman's lien has been filed prior to the date of the Requisition; and

(iii) approval of the portion of the Requisition applicable to the Work for such Advance by the Engineering Consultant, accompanied by a certificate or report from the Engineering Consultant to the effect that in its opinion, based on site observations and submissions by the Contractor, the Work for which the Advance is requested to the date thereof was performed in a good and workmanlike manner and stating that the remaining non-disbursed portion of the Bond proceeds and other available funds and funds projected to be deposited in the Project Fund established under the Indenture is adequate to complete construction of the Improvements in accordance with the Plans and Specifications.

(e) Waivers of Liens Imposed by Law. Notwithstanding anything to the contrary set forth in this Agreement, no sums shall be disbursed until the Borrower has delivered (i) a waiver or full, conditional or partial release of liens on the Project from all contractors, subcontractors, materialmen or others who may be entitled to such a lien as permitted by law for the work supplied or materials provided and for which payment is requested and (ii) with respect to all contractors, subcontractors, material men or others entitled to a lien on the Project for work done or materials provided and paid from any prior Advance funded by reliance on conditional lien waivers, an unconditional waiver or release of lien with respect to such work;

(f) Mechanics' Liens. The Controlling Person may withhold or refuse to approve any Requisition hereunder if any mechanic's lien on the Project is filed or notice of intention to record or file such a lien has been filed or given and has not been released or bonded over to the reasonable satisfaction of the Controlling Person;

(g) Retainage. In addition to the conditions set forth in this Section 9.13, the Controlling Person's obligation to approve any Requisition for Retainage shall be subject to receipt by the Controlling Person from the Engineering Consultant of a certification of completion, as described in Section 9.6, as to the Work performed under any contract or subcontract for which the Retainage will be disbursed;

(h) Foundations Survey and Endorsement. If the Plans and Specifications provide for construction of the foundations, including expansion or modification of existing foundations, then within thirty (30) days after the completion of construction of the foundations

of the Improvements, the Borrower shall deliver a survey certified by a registered engineer or surveyor showing that the foundations are located within the perimeter of the Land and any set back lines and at the location shown on the Plans and Specifications together with, if requested by Controlling Person, a foundation endorsement to the Title Policy in form and substance acceptable to Controlling Person;

(i) Required Equity Funds. All installments of Required Equity Funds then due and payable shall have been deposited with the Trustee;

(j) If at any time during the renovation of the Project, the Controlling Person shall in its reasonable discretion determine that the remaining undisbursed portion of the Project Fund, any other sums previously deposited by Borrower with the Trustee, and any Required Equity Funds yet to be deposited with the Trustee (other than Required Equity Funds which have not been deposited due to a default by the Borrower under the applicable provisions of the Partnership Agreement), is or will be insufficient to complete fully the renovation of the Improvements in accordance with the Scope of Work, and to pay all other projected costs in connection with the Work, the Borrower will, within seven (7) days after written notice of such determination from the Controlling Person deposit with the Trustee (for deposit into the Equity Account of the Project Fund) such sums of money in cash as the Controlling Person may reasonably require, in an amount sufficient to remedy the condition described in such notice, and sufficient to pay any liens for labor and materials alleged to be due and payable at the time in connection with the Improvements (to the extent not already bonded over or reserved for), and, at the Controlling Person's option, the Controlling Person shall not be obligated to authorize any further advances of the amounts held in the Project Fund by Trustee until the provisions of this Section 9.13(i) have been fully complied with;

(k) No Material Change Order shall have been made without the written approval of the Controlling Person not to be unreasonably withheld, conditioned or delayed;

(l) Within five (5) days after receiving notice from the Controlling Person (or the Engineering Consultant), the Borrower will commence or cause to be commenced the removal of all materials, whether worked or unworked, and all portions of the construction which the Controlling Person (or the Engineering Consultant) may condemn as failing in a substantial way to conform with the Plans and Specifications, and will prosecute diligently or cause to be prosecuted diligently such removal. The Borrower further agrees to make good all portions of the construction and other materials damaged by such removal.

Section 9.14 Construction Information and Verification. From time to time, within ten (10) Business Days after the written request of Controlling Person, the Borrower shall deliver to the Controlling Person any and all of the following information and documents, to the extent applicable to the construction of the Project, that the Controlling Person may reasonably request, all in forms acceptable to the Controlling Person, as applicable:

(a) Current Plans and Specifications for the Improvements certified by the Architect as being complete and accurate and a line item cost breakdown for the proposed construction of the Improvements;

(b) A current, complete and correct list showing the name, address, telephone number and license information of each contractor engaged in connection with the construction of the Improvements and the total dollar amount of each contract (including any changes) and the scope of work involved, together with the amounts paid through the date of the list and all other information reasonably requested by the Controlling Person;

(c) True and correct copies of the most current versions of all executed contracts with each party identified in the list described in clause (b) above, including any changes;

(d) True and correct copies of all grading, foundation, building and all other construction permits, licenses and authorizations from all applicable Governmental Authorities or third parties necessary for the construction of the Improvements and the operation of, and access to, the Project;

(e) Copies of (i) owner/architect/contractor project meeting minutes; (ii) requests for information (RFI), submittal logs, proposed change orders (PCO) and change order logs; (iii) independent test results, (iv) quality inspection reports; and (v) anticipated cost reports, buy-out logs and Major Contracts;

(f) A construction schedule showing the progress of construction and the projected sequencing and completion times for uncompleted Work, all as of the date of the schedule; and

(g) Any update to any item described above which Borrower may have previously delivered to the Controlling Person.

(h) The Borrower expressly authorizes the Controlling Person to contact the Architect, the Contractor or any contractor, subcontractor, material supplier, surety or any Governmental Authority to verify any information disclosed in accordance with this Section 9.14. The Controlling Person shall give advance notice to the Borrower of any such intended contacts, provided that neither the Controlling Person nor the Trustee shall incur any liability to the Borrower by reason of the failure to give such notice, and the Borrower's obligations under the Borrower Loan Documents shall not be affected in any manner by any failure to give such notice. The Construction Contract shall require the Contractor to disclose such information to the Trustee and the Controlling Person. Any defaulting architect, contractor, subcontractor, material supplier or surety shall be promptly replaced, and the Borrower shall promptly deliver all required information and documents to the Controlling Person and the Trustee regarding each replacement architect, contractor, subcontractor, material supplier and surety. The Controlling Person may disapprove any architect, contractor, surety or other party whom the Controlling

Person in its reasonable judgment may deem financially or otherwise unqualified; however, the absence of any such disapproval shall not constitute a representation of qualification.

Section 9.15 Effect of Approval. Approval of any Requisition by the Controlling Person shall not constitute an approval or acceptance of the Work or materials, nor shall such approval give rise to any liability or responsibility relating to: (i) the quality of the Work, the quantity of the Work, the rate of progress in completion of the Work, or the sufficiency of materials or labor being supplied in connection therewith and (ii) any errors, omissions, inconsistencies or other defects of any nature in the Plans and Specifications. Any inspection of the Work that the Controlling Person may choose to make, whether through any consulting engineer or architect, agent or employee or officer, during the progress of the Work shall be solely for the Controlling Person's information, and under no circumstances will such inspection be deemed to have been made for the purpose of supervising or superintending the Work or for the information or protection of any right or interest of any person or entity other than the Controlling Person and the Majority Owner.

ARTICLE 10
MISCELLANEOUS

Section 10.1 Notices. All notices and other communications provided for hereunder shall be in writing and sent by electronic mail (with confirmed receipt) and by reputable overnight mail service or private delivery service addressed as follows:

To the Borrower: Sydney Trace, Ltd.
c/o The Vestcor Company, LLC
3030 Hartley Road, Suite 310
Jacksonville, Florida 32257
Attention: Jason O. Floyd
E-mail: jfloyd@vestcor.com

With copy to:	Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 W. Flagler Street Miami, Florida 33130 Attention: Terry Lovell, Esq. E-mail: tlovell@stearnsweaver.com
If to the Investor Limited Partner:	Wells Fargo Affordable Housing Community Development Corporation MAC D1053-170 301 S. College Street, 17th Floor Charlotte, North Carolina 28288 Attention: Director of Tax Credit Asset Management
With a copy to:	Cannon Heyman & Weiss, LLP 726 Exchange Street, Suite 500 Buffalo, New York 14210 Attention: Constance Giessert, Esq. Telephone: (716) 856-1700 Email: CGiessert@chwattys.com
If to the Issuer:	Jacksonville Housing Finance Authority 214 N. Hogan Street, 7th Floor Jacksonville, Florida 32202 Attention: Finance Director Email: lstagner@coj.net
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 10161 Centurion Parkway N. Jacksonville, Florida 32256 Attention: Corporate Trust Department Facsimile: (904) 645-1998
If to the Controlling Person:	R4 Servicer LLC 155 Federal Street, Suite 1602 Boston, Massachusetts 02110 Attention: Greg Doble E-mail: gdoble@r4cap.com

With a copy to:	Kutak Rock LLP 1760 Market St Suite 1100 Philadelphia, Pennsylvania 19103-4104 Attention: Andrew P. Schmutz, Esquire E-mail: Andrew.schmutz@kutakrock.com
If to the Majority Owner:	At the address set forth on the Register maintained by the Trustee or by written notice provided to the Trustee

The above parties may change the address to which notices to it are to be sent by written notice given to the other persons listed in this Section. All notices shall, when sent as aforesaid, be effective when received.

Section 10.2 Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns, including, without limitation, the Trustee. The Controlling Person and the Majority Owner are express third party beneficiaries of this Agreement and the rights of the Trustee (as assignee of the Issuer) hereunder, with full rights of enforcement thereof. The Borrower may not assign its interests in or its rights, duties or obligations under this Agreement without the prior written consent of the Controlling Person. The Borrower and the Issuer intend that no person other than the parties hereto, the Majority Owner, the Controlling Person, and their respective successors and assigns as permitted hereunder, shall have any claim or interest under this Agreement or right of action hereon or hereunder.

Section 10.3 Survival of Covenants. All covenants made by the Borrower herein and in any document delivered pursuant hereto shall survive the issuance, sale and delivery of the Bonds, the delivery of this Agreement and the payment of any amounts under the Bond Documents.

Section 10.4 Counterparts; Electronic Signature. The execution hereof by each party hereto shall constitute a contract between them for the uses and purposes herein set forth, and this Agreement may be executed in any number of counterparts, with each executed counterpart constituting an original and all counterparts together constituting one agreement. To the fullest extent permitted by applicable law, facsimile or electronically transmitted signatures shall be treated as original signatures for all purposes hereunder.

Section 10.5 Costs, Expenses and Taxes. The Borrower agrees to pay on the Issue Date and thereafter within thirty (30) days after demand, all reasonable costs and expenses of the Issuer, the Trustee, the Controlling Person and the Majority Owner in connection with the preparation, execution, delivery and administration of this Agreement, the other Bond Documents and any other documents that may be delivered in connection with this Agreement or the other Bond Documents or any amendments or supplements thereto, including, without limitation, the reasonable fees and expenses of the Engineering Consultant as provided under

Section 2.2(b), the reasonable cost of an annual appraisal (but only upon the occurrence and during the continuation of an Event of Default) of the Project by an appraiser selected by the Controlling Person, the reasonable fees and expenses of counsel for the Majority Owner and the Controlling Person with respect thereto and with respect to advising the Majority Owner and the Controlling Person as to their respective rights and responsibilities under this Agreement, the other Bond Documents and such other documents, and all costs and expenses, if any, (including, without limitation, reasonable, out-of-pocket counsel fees and expenses of the Controlling Person and the Majority Owner) in connection with the enforcement of this Agreement, the other Bond Documents and such other documents.

Section 10.6 Severability; Interest Limitation. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction, then it shall be ineffective as to such jurisdiction only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision as to such jurisdiction to the extent it is not prohibited or unenforceable nor invalidate such provision in any other jurisdiction nor invalidate the other provisions hereof, all of which shall be liberally construed in favor of the Issuer in order to effect the provisions of this Agreement. Notwithstanding anything to the contrary herein contained, the total liability of the Borrower for payment of interest pursuant hereto shall not exceed the maximum amount, if any, of such interest permitted by applicable Legal Requirements to be contracted for, charged or received, and if any payments by the Borrower to the Trustee include interest in excess of such a maximum amount, the Trustee shall apply such excess to the reduction of the unpaid principal amount due pursuant hereto, or, if none is due, such excess shall be refunded to the Borrower; provided that, to the extent permitted by applicable Legal Requirements, in the event the interest is not collected, is applied to principal or is refunded pursuant to this sentence, and interest thereafter payable pursuant hereto shall be less than such maximum amount, then such interest thereafter so payable shall be increased up to such maximum amount to the extent necessary to recover the amount of interest, if any, theretofore uncollected, applied to principal or refunded pursuant to this sentence. Any such application or refund shall not cure or waive any Event of Default. In determining whether or not any interest payable under this Agreement exceeds the highest rate permitted by applicable Legal Requirements, any non-principal payment (except payments specifically stated in this Agreement to be "interest") shall be deemed, to the extent permitted by applicable Legal Requirements, to be an expense, fee, premium or penalty rather than interest.

Section 10.7 Conflicts. Insofar as possible the provisions of this Agreement shall be deemed complementary to the terms of the other Bond Documents, but in the event of conflict the terms hereof shall control to the extent such are enforceable under applicable Legal Requirements.

Section 10.8 Complete Agreement. Taken together with the other Bond Documents and the other instruments and documents delivered in compliance herewith, this Agreement is a complete memorandum of the agreement of the Borrower, the General Partner, the Guarantors, the Controlling Person, the Trustee, the Issuer and the Holders from time to time, with respect to the subject matter hereof.

Section 10.9 Consent to Jurisdiction; Venue; Waiver of Jury Trial. The parties hereby irrevocably (i) agree that any suit, action or other legal proceeding arising out of or relating to this Agreement or the other Bond Documents may be brought in any federal court located in the State and consent to the jurisdiction of such court in any such suit, action or proceeding; (ii) agree that any suit, action or other legal proceeding relating to the Bond Documents shall be brought solely in a federal or state court located in the State and (iii) waive any objection which it may have to the laying of venue of any such suit, action or proceeding in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. The parties hereby irrevocably consent to the service of any and all process in any such suit, action or proceeding by mailing of copies of such process to such party at its address provided under or pursuant to Section 10.1 hereof. The parties agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable legal requirements. All mailings under this Section shall be by certified or registered mail, return receipt requested. Nothing in this Section shall affect the right of the Controlling Person and the Majority Owner to serve legal process in any other manner permitted by applicable Legal Requirements. **THE PARTIES HERETO HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING UNDER THIS AGREEMENT, ANY OF THE OTHER BOND DOCUMENTS OR OTHERWISE IN CONNECTION HEREWITH.**

Section 10.10 Governing Law; Venue. This Agreement shall be governed by, and construed in accordance with, the Legal Requirements of the State without reference to its principles of conflicts of law. Venue shall be in Duval County, Florida.

Section 10.11 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 10.12 Sale of Series 2020A Bonds and Secondary Market Transaction.

(a) At the Controlling Person or Majority Owner's reasonable request (to the extent not already required to be provided by the Borrower under this Agreement), the Borrower shall use reasonable efforts to satisfy the market standards to which the Controlling Person or Majority Owner customarily adheres or which may be reasonably required in the marketplace or by the Controlling Person or Majority Owner in connection with obtaining a rating or one or more sales or assignments of all or a portion of the Series 2020A Bonds or participations therein or securitizations of single or multi-class securities (the "Securities") secured by or evidencing ownership interests in all or a portion of the Series 2020A Bonds (each such sale, assignment and/or securitization, a "Secondary Market Transaction"); provided that neither the Borrower nor the Issuer shall incur any third party or other out-of-pocket costs and expenses in connection with a Secondary Market Transaction, including the costs associated with the delivery of any Provided Information (as defined below) or any opinion required in connection therewith, and all such costs including, without limitation, any costs associated with receiving a rating on the Series 2020A Bonds, shall be paid by the Controlling Person or the Majority Owner and shall not

materially modify the Borrower's rights or the obligations. Without limiting the generality of the foregoing, the Borrower and the Issuer shall, so long as the Series 2020A Bonds are still outstanding:

(i) (1) provide financial and other information with respect to the Series 2020A Bonds and with respect to the Project, the Borrower, the General Partner, the Managing Agent or the Contractor, (2) provide financial statements, audited, if available, relating to the Project with customary disclaimers for any forward looking statements or lack of audit and (3) at the expense of the Controlling Person or Majority Owner, perform or permit or cause to be performed or permitted such site inspection, appraisals, surveys, market studies, environmental reviews and reports (Phase I's and, if appropriate, Phase II's), engineering reports, termite and other insect infestation reports and other due diligence investigations of the Project, the Borrower, General Partner, Guarantors, Managing Agent, Contractor and other third parties in connection with the Bonds, as may be reasonably requested from time to time by the Controlling Person or Majority Owner or the Rating Agencies or as may be necessary or appropriate in connection with a Secondary Market Transaction or Exchange Act requirements (the items provided to the Controlling Person or Majority Owner pursuant to this paragraph (i) and the other information provided pursuant to this Agreement and the other Bond Documents used in connection with a Secondary Market Transaction being called the "Provided Information"), together, if customary, with appropriate verification of and/or consents to the Provided Information through letters of auditors or opinions of counsel of independent attorneys acceptable to the Controlling Person or Majority Owner and the Rating Agencies;

(ii) make such representations and warranties as of the Issue Date of any Secondary Market Transaction with respect to the Project, the Borrower, General Partner, Guarantors, Managing Agent, Contractor or other third parties and the Bond Documents reasonably acceptable to the Controlling Person or Majority Owner, consistent with the facts covered by such representations and warranties as they exist on the date thereof, including a "bringdown" of the representations and warranties contained in the Bond Documents as of the date thereof and a representation that no Default or Event of Default has occurred and is continuing; and

(iii) execute such amendments to the Bond Documents to accommodate such Secondary Market Transaction so long as such amendment does not affect the material economic terms of the Bond Documents and is not otherwise adverse to such party in its reasonable discretion.

(b) The Borrower understands that certain of the Provided Information and the required records may be included in disclosure documents in connection with a Secondary Market Transaction, including a prospectus or private placement memorandum (each, a

"Secondary Market Disclosure Document"), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies and service providers or other parties relating to the Secondary Market Transaction. In the event that the Secondary Market Disclosure Document is required to be revised, the Borrower shall cooperate, subject to Section 10.12(c) hereof, with the Controlling Person and Majority Owner in updating the Provided Information or required records for inclusion or summary in the Secondary Market Disclosure Document or for other use reasonably required in connection with a Secondary Market Transaction by providing all current information pertaining to the Borrower and the Project necessary to keep the Secondary Market Disclosure Document accurate and complete in all material respects with respect to such matters. The Borrower hereby consents to any and all such disclosures of such information.

(c) In connection with a Secondary Market Disclosure Document, the Borrower, General Partner or Guarantors shall provide, or in the case of a Borrower-engaged third party such as the Managing Agent, cause it to provide, information reasonably requested by the Controlling Person or the Majority Owner pertaining to the Borrower, General Partner or Guarantors, the Project or such third party (and portions of any other sections reasonably requested by the Controlling Person or the Majority Owner pertaining to the Borrower, General Partner or Guarantors, the Project or the third party). The Borrower shall, if requested by the Controlling Person or the Majority Owner, certify in writing that the Borrower has carefully examined those portions of such Secondary Market Disclosure Document, pertaining to the Borrower, General Partner or Guarantor, the Project or the third party, and such portions (and portions of any other sections reasonably requested and pertaining to the Borrower, the Project or the third party) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; provided that the Borrower shall not be required to make any representations or warranties regarding any Provided Information obtained from a third party except with respect to information it provided to such third parties; provided, further, that the Borrower will be required to cause such third parties to provide similar certification with respect to any information not so certified by the Borrower. Furthermore, the Borrower hereby indemnifies the Majority Owner, the Controlling Person, the Trustee and the Issuer, and issuer, sponsor, Guarantors and the underwriter group for any securities and their affiliates, officers, directors, partners, members, agents, attorneys and controlling persons (the "Underwriter Group"), for any liabilities to which any such parties may become subject to the extent such liabilities arise out of or are based upon the use of the Provided Information in a Secondary Market Disclosure Document.

(d) In connection with filings under the Exchange Act or the Securities Act, the Borrower shall (i) defend and indemnify the Controlling Person, the Majority Owner, the Trustee, the Issuer, its members and the Underwriter Group for any liabilities to which the Majority Owner, the Controlling Person, the Issuer, the Trustee or the Underwriter Group may become subject insofar as such liabilities arise out of or are based upon the omission or alleged omission to state in the Provided Information of a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in the light of the

circumstances under which they were made, not misleading and (ii) reimburse the Controlling Person, the Majority Owner, the Trustee, the Underwriter Group and other indemnified parties listed above for any legal or other expenses reasonably incurred by the Controlling Person, the Majority Owner, the Trustee or the Underwriter Group in connection with defending or investigating such liabilities; provided that the Borrower shall not provide any indemnification regarding any Provided Information obtained from unrelated third parties except with respect to information it provided to such parties, but shall require such third parties to provide such indemnification with respect to information they certify.

(e) Promptly after receipt by an indemnified party under this Section 10.12 of notice of the commencement of any action for which a claim for indemnification is to be made against the Borrower, such indemnified party shall notify the Borrower in writing of such commencement; provided, that the omission to so notify the Borrower will not relieve the Borrower from any liability that it may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the Borrower. In the event that any action is brought against any indemnified party, and it notifies the Borrower of the commencement thereof, the Borrower will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice of commencement, to assume the defense thereof with counsel selected by the Borrower and reasonably satisfactory to such indemnified party in its sole discretion. After notice from the Borrower to such indemnified party under this Section 10.12 and provided that the Borrower duly provides the defense and indemnity herein described, including payment of all required fees, expenses and liabilities, the Borrower shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnified party shall settle or compromise any claim for which the Borrower may be liable hereunder without the prior written consent of the Borrower.

(f) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section 10.12 is for any reason held to be unenforceable in respect of any liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under this Section 10.12, the Borrower shall contribute to each indemnified party to whom any amount would have been paid or payable in connection with such liabilities the amount paid or payable by the indemnified party as a result of such liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the indemnified parties and the Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. The parties hereto hereby agree that it may not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

Section 10.13 Nonrecourse.

(a) Collateral Only Recourse. Notwithstanding anything to the contrary contained in this Agreement (other than Sections 10.13(b) through (e) hereof) or the other Bond Documents, the Issuer agrees that, in connection with the exercise of any rights or remedies available to the Issuer under this Agreement or any of the other Bond Documents (other than the Environmental Indemnity and the other guaranty agreements of the Guarantors and the Issuer Guarantors), the Issuer shall look solely to the enforcement of the Lien and security interests created by this Agreement and the other Bond Documents and to the collateral and other security held by the Trustee.

(b) Partial Recourse Events. Notwithstanding the preceding subsection, the Borrower and the Guarantors shall have full recourse and personal liability for, and be subject to, judgments and deficiency decrees arising from and to the extent of any loss or damage suffered or incurred by the Issuer, the Trustee, the Majority Owner, the Controlling Person or the Bondholders as a result of the occurrence of any of the following events:

(i) the Borrower fails to pay to the Trustee upon demand after an Event of Default all Rents to which the Trustee is entitled under Section 2 of the Mortgage and the amount of all security deposits collected by Borrower from tenants then in residence. However, Borrower will not be personally liable for any failure described in this Section 10.13(b)(i) if Borrower is unable to pay to the Trustee all Rents and security deposits as required by the Mortgage because of a valid order issued in a bankruptcy, receivership, or similar judicial proceeding;

(ii) the Borrower fails to apply all insurance proceeds or casualty or condemnation proceeds as required by the Bond Documents. However, Borrower will not be personally liable for any failure described in this Section 10.13(b)(ii) if Borrower is unable to apply insurance or casualty or condemnation proceeds as required by the Bond Documents because of a valid order issued in a bankruptcy, receivership, or similar judicial proceeding;

(iii) if an Event of Default has occurred and is continuing, the Borrower fails to deliver all books and records relating to the Mortgaged Property or its operation in accordance with the provisions of Section 6.8 or 6.9 of this Agreement;

(iv) the Borrower engages in any willful act of material waste of the Project;

(v) the Borrower or the General Partner fails to comply with any provision of Section 6.11(b) hereof;

(vi) the occurrence of any of the following transfers:

(A) any Person that is not an Affiliate creates a mechanic's lien or other involuntary lien or encumbrance against the Project that is not permitted by the provisions of this Agreement;

(B) a transfer of any part of the Project by devise, descent or operation of law occurs upon the death of a natural person that is not permitted by the provisions set forth in the Bond Documents;

(C) the Borrower grants an easement on any part of the Project that is not permitted by the provisions set forth in the Bond Documents; and

(D) a Lease is executed in connection with any part of the Project that is not permitted by the provisions set forth in the Bond Documents.

(vii) any act of fraud or willful misconduct or any criminal act of the Borrower, the General Partner or the Guarantors; or

(viii) the Borrower's misappropriation of funds or other Collateral; or

(ix) any litigation or other legal proceeding related to the Obligations filed by any of the Borrower, Guarantor, or any of their Affiliates, or any other action of any such Person that delays, opposes, impedes, binds, enjoins or otherwise interferes with or frustrates the efforts of Trustee to exercise any rights and remedies available to Trustee provided herein or in the other Bond Documents.

(c) Full Recourse Events. The Borrower, the Guarantor and the Issuer Guarantors shall have full recourse and personal liability for all of the Indebtedness (and the limitation on liability in the first sentence of Section 10.13(a) hereof shall be null and void) as a result of the occurrence of any of the following:

(i) a violation of Section 6.11(a), 6.12(b) or 6.13(c) hereof, other than transfers by or within the Investor Limited Partner;

(ii) the Borrower's taking any action which adversely affects the exclusion from gross income of interest on the Bonds for federal income tax purposes, or the Borrower's omitting or failing to take any action required to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes;

(iii) the Borrower or the General Partner fails to comply with any provision of Section 6.11(b) hereof and a court of competent jurisdiction holds or determines that such failure or combination of failures is the basis, in whole or in

part, for the substantive consolidation of the assets and liabilities of the Borrower or the General Partner with the assets and liabilities of a debtor pursuant to Title 11 of the Bankruptcy Code;

(iv) a transfer that is an Event of Default under Section 7.1 hereof occurs (other than a transfer described in Section 10.13(b)(vi) above, for which Borrower will have personal liability for any loss or damage); provided, however, that Borrower will not have any personal liability for a Permitted Transfer, including, without limitation, a transfer consisting solely of the involuntary removal or involuntary withdrawal of the General Partner or for transfers by or within the Investor Limited Partner;

(v) there was fraud or written material misrepresentation by the Borrower or any officer, director, partner, member or employee of the Borrower in connection with the application for or creation of the Indebtedness or there is fraud in connection with any request for any action or consent by the Issuer, Trustee, Controlling Person or the Bondholders;

(vi) the Borrower or the General Partner voluntarily files for bankruptcy protection under the Bankruptcy Code;

(vii) the Borrower or the General Partner voluntarily becomes subject to any reorganization, receivership, insolvency proceeding, or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights;

(viii) the Project or any part of the Project becomes an asset in a voluntary bankruptcy or becomes subject to any voluntary reorganization, receivership, insolvency proceeding, or other similar voluntary proceeding pursuant to any other federal or state law affecting debtor and creditor rights;

(ix) an order of relief is entered against the Borrower or the General Partner pursuant to the Bankruptcy Code or other federal or state law affecting debtor and creditor rights in any involuntary bankruptcy proceeding initiated or joined in by a Related Party as defined in the Code; or

(x) an involuntary bankruptcy or other involuntary insolvency proceeding is commenced against the Borrower or the General Partner (by a party other than the Trustee or the owner of any Bonds) but only if the Borrower or the General Partner, as applicable, has failed to use commercially reasonable efforts to dismiss such proceeding or has consented to such proceeding. "Commercially reasonable efforts" will not require any direct or indirect interest holders in the Borrower or the General Partner to contribute or cause the contribution of additional capital to the Borrower or the General Partner.

(d) Other Partial Recourse Obligations. The Borrower and the Guarantors shall have full recourse and personal liability for all of the following:

(i) the performance of and compliance with all of Borrower's obligations under Sections 5.12 and 6.14 of this Agreement (relating to environmental matters) or the Borrower's failure to comply with the provisions of the Environmental Indemnity;

(ii) the costs of any audit under Section 6.8 of this Agreement;

(iii) any costs and expenses incurred by the Issuer, Trustee, the Controlling Person and the Majority Owner in connection with the collection of any amount for which Borrower is personally liable under this Section 10.13, including attorneys' fees and costs and the costs of conducting any independent audit of Borrower's books and records to determine the amount for which Borrower has personal liability; and

(iv) Borrower's indemnity obligations pursuant to Section 2.5 and 10.12.

(e) No Modification. Further, nothing contained in this Section 10.13 shall be deemed to limit, vary, modify or amend any obligation owed under any guaranty, master lease or indemnification agreement, including the Environmental Indemnity and the other guaranty agreements of the Guarantors, furnished in connection with financing of the acquisition, construction and equipping of the Project, recourse under which is not, by its terms, expressly limited in accordance with this Section 10.13.

(f) No Waiver. Notwithstanding anything to the contrary, Issuer, Trustee, Controlling Person and Holders shall not be deemed to have waived any right such Persons may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of Borrower's and Guarantor's Obligations under the Bond Documents or to require that all collateral shall continue to secure all Obligations under the Bond Documents.

Section 10.14 Publicity. The Borrower hereby authorizes the Controlling Person or the Majority Owner and their respective affiliates, without further notice or consent, to use the Borrower's and its affiliates' name(s), logo(s) and photographs related to the Project in its advertising, marketing and communications materials on a national and/or international basis. Such materials may include web pages, print ads, direct mail, various types of brochures or marketing sheets, and various media formats other than those listed (including without limitation video or audio presentations through any media form). In these materials, the Controlling Person or the Majority Owner also may discuss at a high level the types of services and solutions the Controlling Person or the Majority Owner has provided the Borrower. This authorization shall remain in effect unless the Borrower notifies the Controlling Person in writing in accordance with the notice provisions set forth herein that such authorization is revoked. The Controlling Person or the Majority Owner shall also have the right to publicize its involvement

in the financing of the Project, including the right to maintain a sign indicating such involvement at a location at the Project reasonably acceptable to the Borrower and Controlling Person.

Section 10.15 Determinations by the Majority Owner and Controlling Person. Subject to specific provisions in this Agreement to the contrary, in any instance under this Agreement where the consent or approval of the Controlling Person or the Majority Owner may be given or is required, or where any determination, judgment or decision is to be rendered by the Controlling Person or the Majority Owner under this Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by the Controlling Person or the Majority Owner (or its designated representative) at its sole and absolute discretion. The Trustee may, and shall at the written direction of the Holders of all Outstanding Bonds, by separate instrument delegate, assign, transfer and set over unto the Controlling Person any or all of the rights, remedies, duties and obligations of the Trustee under this Indenture and the other Bond Documents, in which event the Controlling Person shall have each of the rights, remedies, duties and obligations delegated to it as if specifically named herein and in the other Bond Documents, as applicable, and shall be entitled to act in its own name, but if necessary in the name and stead of the Trustee, to enforce each of the remedies provided to the Trustee hereunder or under the other Bond Documents.

Section 10.16 Further Assurances. The Borrower will promptly and duly execute, acknowledge and deliver from time to time such further instruments and take such further actions as may be reasonably required by the Issuer, the Trustee or the Controlling Person to carry out the purposes and provisions of this Agreement and the other Bond Documents, to confirm the priority and/or perfection of any lien, pledge, assignment or security interest created or intended to be created by this Agreement and the other Bond Documents and to assure the Controlling Person and the Majority Owner of the subrogation and security rights in favor of the Trustee for the benefit of the Holders of the Bonds contemplated by this Agreement and the other Bond Documents in connection with any of the foregoing, and such approvals shall be in form satisfactory to the Controlling Person.

Section 10.17 Rights of the Owners of the Bonds. Notwithstanding anything herein, or in the other Bond Documents to the contrary, the Subordinate Bonds, and all documents evidencing or securing such obligations are junior, inferior and subordinate in all respects to the Series 2020A Bonds and the rights of the Controlling Person and the Majority Owner herein and as further set forth in the Indenture, the Subordination Agreement and the other Bond Documents.

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IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be duly executed and delivered on the day and year first above written.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Bernard E. Smith, Chair

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

EXHIBIT A

FORM OF
PROMISSORY NOTE (SERIES 2020A)

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS NOTE, THIS NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH REFERRED TO HEREIN.

$19,000,000 June 30, 2020

For Value Received, Sydney Trace, Ltd., a Florida limited partnership duly formed and validly existing under the laws of the State of Florida (the "Borrower"), by this promissory note hereby promises to pay to the order of the Jacksonville Housing Finance Authority (the "Issuer") the principal sum of Nineteen Million and no/100 Dollars ($19,000,000), together with interest on the unpaid principal amount hereof, from the Issue Date (as defined in the Indenture referenced below) until paid in full, at a rate per annum equal to the rate of interest borne by the Bonds (as hereinafter defined), and acceleration premium, if any, on the Bonds. All such payments of principal, interest and acceleration premium, if any, shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., a national banking association, or its successor as trustee (the "Trustee") under the Indenture of Trust, dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Indenture"), by and between the Issuer and the Trustee.

The principal amount and interest shall be payable on the dates and in the amounts set forth on the Debt Service Schedule (as defined in the Indenture) and on such other dates, that principal and redemption price of, and interest on the Bonds, and the acceleration premium, if any, are payable, subject to prepayment as provided in the Indenture and the Agreement.

This promissory note is the "Series 2020A Note" referred to in the Loan Agreement, dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Agreement") between the Borrower and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A, in the original aggregate principal amount of $19,000,000 (the "Bonds"), issued by the Issuer pursuant to the Indenture. All the terms,

conditions and provisions of the Indenture and the Bonds are hereby incorporated as a part of this Note.

The obligation of the Borrower to pay any and all amounts due on this Note is a non-recourse obligation as provided in Section 10.13 of the Loan Agreement.

Under certain circumstances, the Borrower may opt or be required to prepay all or any part of the amount due on this Note, together with accrued interest thereon, as provided in the Agreement.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay reasonable costs of collection and reasonable attorneys' fees in case of default on this Note.

This Note shall be governed by, and construed in accordance with, the laws of the State of Florida, without regard to conflict of laws principles.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

ENDORSEMENT

Pay to the order of The Bank of New York Mellon Trust Company, N.A., without recourse, as Trustee under the Indenture referred to in the within mentioned Agreement, as security for such Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Bernard E. Smith, Chair

Dated: June 30, 2020

FORM OF
SUBORDINATE PROMISSORY NOTE (SERIES 2020B-1)

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS NOTE, THIS NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH REFERRED TO HEREIN.

$1,700,000 June 30, 2020

For Value Received, Sydney Trace, Ltd., a Florida limited partnership duly formed and validly existing under the laws of the State of Florida (the "Borrower"), by this promissory note hereby promises to pay to the order of the Jacksonville Housing Finance Authority (the "Issuer") the principal sum of One Million Seven Hundred Thousand and no/100 Dollars ($1,700,000), together with interest on the unpaid principal amount hereof, from the Issue Date (as defined in the Indenture referenced below) until paid in full, at a rate per annum equal to the rate of interest borne by the Bonds (as hereinafter defined), and acceleration premium, if any, on the Bonds. All such payments of principal, interest and acceleration premium, if any, shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., a national banking association, or its successor as trustee (the "Trustee") under the Indenture of Trust, dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Indenture"), by and between the Issuer and the Trustee.

Interest shall be payable, to the extent of cash flow as set forth in the Partnership Agreement, on the dates and in the amounts, and on such other dates, that principal and redemption price of, and interest on the Bonds, and the acceleration premium, if any, are payable, subject to prepayment as provided in the Indenture and the Agreement. The entire principal amount of this promissory note shall be due and payable on July 1, 2063 (the "Maturity Date").

This promissory note is the "Series 2020B-1 Note" referred to in the Loan Agreement, dated as of June 30, 2020 (as the same may be amended, modified or supplemented from time to time, the "Agreement") between the Borrower and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B, in the original aggregate principal amount of $2,500,000 (the "Bonds"), issued by the Issuer pursuant to the Indenture. All the terms, conditions and provisions of the Indenture and the Bonds are hereby incorporated as a part of this Note.

The obligation of the Borrower to pay any and all amounts due on this Note is a non-recourse obligation as provided in Section 10.13 of the Loan Agreement.

Under certain circumstances, the Borrower may opt or be required to prepay all or any part of the amount due on this Note, together with accrued interest thereon, as provided in the Agreement.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay reasonable costs of collection and reasonable attorneys' fees in case of default on this Note.

This Note shall be governed by, and construed in accordance with, the laws of the State of Florida, without regard to conflict of laws principles.

[Notwithstanding anything to the contrary set forth in this Note, in no event shall Issuer have the right to exercise any right or remedy under this Note prior to the later of (A) the first day following the end of the Compliance Period (as such term is defined in the Partnership Agreement (as defined in the Indenture referenced above)) and (B) the date on which Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation, or any affiliate is no longer a partner of Mortgagor.]

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

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ENDORSEMENT

Pay to the order of The Bank of New York Mellon Trust Company, N.A., without recourse, as Trustee under the Indenture referred to in the within mentioned Agreement, as security for such Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Bernard E. Smith, Chair

Dated: June 30, 2020

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FORM OF
SUBORDINATE PROMISSORY NOTE (SERIES 2020B-2)

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS NOTE, THIS NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH REFERRED TO HEREIN.

$800,000 June 30, 2020

For Value Received, Sydney Trace, Ltd., a Florida limited partnership duly formed and validly existing under the laws of the State of Florida (the "Borrower"), by this promissory note hereby promises to pay to the order of the Jacksonville Housing Finance Authority (the "Issuer") the principal sum of Eight Hundred Thousand and no/100 Dollars ($800,000), together with interest on the unpaid principal amount hereof, from the Issue Date (as defined in the Indenture referenced below) until paid in full, at a rate per annum equal to the rate of interest borne by the Bonds (as hereinafter defined), and acceleration premium, if any, on the Bonds. All such payments of principal, interest and acceleration premium, if any, shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., a national banking association, or its successor as trustee (the "Trustee") under the Indenture of Trust, dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Indenture"), by and between the Issuer and the Trustee.

Interest shall be payable, to the extent of cash flow as set forth in the Partnership Agreement, on the dates and in the amounts, and on such other dates, that principal and redemption price of, and interest on the Bonds, and the acceleration premium, if any, are payable, subject to prepayment as provided in the Indenture and the Agreement. The entire principal amount of this promissory note shall be due and payable on July 1, 2063 (the "Maturity Date").

This promissory note is the "Series 2020B-2 Note" referred to in the Loan Agreement, dated as of June 30, 2020 (as the same may be amended, modified or supplemented from time to time, the "Agreement") between the Borrower and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B, in the original aggregate principal amount of $2,500,000 (the "Bonds"), issued by the Issuer pursuant to the Indenture. All the terms, conditions and provisions of the Indenture and the Bonds are hereby incorporated as a part of this Note.

The obligation of the Borrower to pay any and all amounts due on this Note is a non-recourse obligation as provided in Section 10.13 of the Loan Agreement.

Under certain circumstances, the Borrower may opt or be required to prepay all or any part of the amount due on this Note, together with accrued interest thereon, as provided in the Agreement.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay reasonable costs of collection and reasonable attorneys' fees in case of default on this Note.

This Note shall be governed by, and construed in accordance with, the laws of the State of Florida, without regard to conflict of laws principles.

[Notwithstanding anything to the contrary set forth in this Note, in no event shall Issuer have the right to exercise any right or remedy under this Note prior to the later of (A) the first day following the end of the Compliance Period (as such term is defined in the Partnership Agreement (as defined in the Indenture referenced above)) and (B) the date on which Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation, or any affiliate is no longer a partner of Mortgagor.]

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

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ENDORSEMENT

Pay to the order of The Bank of New York Mellon Trust Company, N.A., without recourse, as Trustee under the Indenture referred to in the within mentioned Agreement, as security for such Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Bernard E. Smith, Chair

Dated: June 30, 2020

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EXHIBIT B
FORM OF WRITTEN REQUISITION
OF THE BORROWER

BORROWER:

PROJECT:

REQUISITION NO.: _____

In the Amount of $_____

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

R4 Servicer LLC
155 Federal Street, Suite 1602
Boston, Massachusetts 02110
Attention: Greg Doble
E-mail: gdoble@r4cap.com

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

Amount	Source	Payable to:
	[identify name of Account & Fund]	[Borrower's account #] [third party payment/wire instructions must be attached]

Requisition - Contents and Attachments

- ☐ Borrower's Representations and Warranties
- ☐ Contractor's Application and Certification for Payment (AIA Form G-702 & G-703)
- ☐ Architect, Contractor, Owner Change Order (Executed AIA G-701(s) added to G-702)
- ☐ Pending Change Order and Change Order Log (dated)
- ☐ Requisitions and Invoices Supporting Application
- ☐ Vendor Payee List or equivalent
- ☐ Updated Loan Balancing (Sources and Uses) & Monthly Requisition Spreadsheet
- ☐ Contractor's Requisition Certificate
- ☐ Architect's Requisition Certificate

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- ☐ Borrower's Request for Payment
- ☐ Lien Waivers, Conditional for the current Hard cost pay request
- ☐ Lien Waivers, Unconditional for payment thru the prior period pay request
- ☐ Stored Materials Log and documentation (e.g., insurance, bill of sale, invoices, photos) as Applicable
- ☐ Current Project Schedule
- ☐ Other Documents as Requested by the Trustee or Controlling Person

Representations and Warranties

1. No changes have been made in the Plans and Specifications which require and have not received the prior approval of (i) the Controlling Person under the terms of the Loan Agreement dated as of June 1, 2020 (the "Agreement"), (ii) any Governmental Authority having jurisdiction over the Project or (iii) any other parties from whom such approval is required.

2. Construction of the Improvements has been performed in accordance with the Plans and Specifications (other than any changes that did not constitute Material Change Orders).

3. As of the date hereof, the Borrower has executed change orders (increasing/decreasing) the cost of construction of the Improvements by $_____ in the aggregate, has notified the Engineering Consultant of such changes and, to the extent necessary, has received any and all necessary approvals from the Controlling Person.

4. Funding of this Requisition shall be in accordance with the terms and provisions of the (i) Agreement, and (ii) the Indenture of Trust dated as of June 1, 2020, with respect to the Bonds.

5. All money requisitioned by the Borrower for construction of the Improvements and disbursed by the Trustee under previously approved requisitions have been paid to the Contractor and, to the Borrower's best knowledge, all subcontractors, vendors and suppliers; all other funds requisitioned by the Borrower and disbursed by the Trustee under previously approved requisitions have been expended for the purpose for which they were requisitioned.

6. All of the information submitted to the Controlling Person and the Trustee in connection with this Requisition is true and accurate in all material respects as of the date of submission.

7. The representations and warranties set forth in the Bond Documents are true and correct in all material respects as of the date hereof with the same effect as if made on this date.

8. The Borrower represents and warrants that (i) there has occurred no Event of Default or event which, with the passage of time or the giving or notice or both, would constitute an Event of Default on the part of the Borrower or the Guarantors under the terms of the Bond Documents, (ii) except as previously disclosed by the Borrower to the Controlling Person, the Borrower has not received notice from or been informed by any Governmental Authority or the Engineering Consultant of any alleged deficiencies in the work performed to date or any deviation of such work from Plans and Specifications or notice of any assertion of a claim that the Improvements have not been constructed in accordance with all applicable Legal Requirements, (iii) with the exception of any Permitted Liens and those being contested by the Borrower in accordance with the terms of the Bond

Documents, there are no liens against any portion of the Project or any other asset of the Borrower, and (iv) the Bond Documents are in full force and effect.

9. The Borrower represents and warrants that this Requisition is in the form of requisition required by the Controlling Person.

10. The Borrower represents and warrants that, following payment of the amounts requested under this Requisition, not less than 95% of amounts paid from proceeds of the Bonds have been applied to the payment of Qualified Project Costs.

11. Attached hereto are copies of lien waivers from all such contractors, subcontractors and materialmen requisitioning payment under this Requisition, the originals of which have been delivered to the Title Insurance Company.

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

Executed this ____ day of ____, 20__.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

Approved:

R4 CAPITAL FUNDING LLC, as Controlling Person

By:_____
Name:_____
Title:_____
Dated:_____ __, 20__

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Approved:

SELTZER MANAGEMENT GROUP, INC.,
as Issuer Servicer

By:_____
Name:_____
Title:_____
Dated:_____ __, 20__

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Contractor's Application for Payment

Requisitions and Invoices

Contractor's Requisition Certificate

Application for Payment No._____

TO: The Bank of New York Mellon Trust Company, N.A. ("Trustee")
R4 Servicer LLC ("Controlling Person")

FROM: Summit Contracting Group, Inc. ("Contractor")

RE: Construction of Sydney Trace Apartments, Series 2020A and Series 2020B (the "Project") by Sydney Trace, Ltd. ("Borrower")

We are the general contractor for the Project and, to induce the Controlling Person to approve disbursements of Bond proceeds and other amounts by the Trustee to assist in funding construction of the Improvements and knowing that the Trustee and the Controlling Person will rely on this certificate in doing so, we hereby certify as follows:

1. In reference to our contract dated _____, 20__, with Borrower for construction of the Improvements, and the Plans and Specifications therefor, no amendments, modifications or changes have been made with respect to our contract or the Plans and Specifications except such as have had your prior written approval. There are no pending change orders except as follows:

2. Our Application for Payment No. _____, dated _____, 20__, which we understand is to be included as an item in the Borrower's requisition to you, is in full compliance with the terms of our contract with Borrower, and, upon the payment of same, we will have no other or additional claim (including claims for so-called "extras") against Borrower on account of our contract or otherwise for and through the period of time ending upon the date of our Application for Payment, for all labor and materials furnished by us through and including the date of our Application for Payment except as follows:

   a. Retainage not exceeding __% of the value of labor and materials incorporated into the Project and covered by applications submitted by us on account of the construction of the Improvements for which payment is to be made to us after substantial completion of our contract, as provided therein (the amount of said retainage), as of the end of the period covered by our Application for Payment dated _____, 20__, is $_____); and

   b. [specify other claims, if any]

3. The Borrower is not in default of any of the Borrower's obligations to us as of the date hereof except as follows:____[none]_____

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4. We have paid in full all our obligations to subcontractors, workmen, suppliers and materialmen for and with respect to all labor and materials supplied through and including the date of our last Application for Payment, except for an amount equal to __% thereof, which we are holding in accordance with the terms of such obligations and our contract, and all our subcontractors have paid their subcontractors, workmen and materialmen in full for and with respect to all labor and materials supplied through and including the date of our last Application for Payment.

5. To the fullest extent allowed by law, we waive and release any and all rights to claim any lien for labor done or materials furnished up to an amount equal to the amount of our Application for Payment dated _____, 20__ plus the amount of all our previously funded applications.

Executed as an instrument under seal this _____ day of _____, 20__.

SUMMIT CONTRACTING GROUP, INC.

By:_____
Name:_____
Title:_____

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Architect's Requisition Certificate

Application for Payment No._____

TO: The Bank of New York Mellon Trust Company, N.A. ("Trustee")
R4 Servicer LLC ("Controlling Person")

FROM: Group 4 Design, Inc. ("Architect")

RE: Construction of Sydney Trace Apartments, Series 2020A and Series 2020B (the "Project") by Sydney Trace, Ltd. ("Borrower")

We are the architect for the Project and, to induce the Controlling Person to approve disbursements of Bond proceeds and other amounts by the Trustee to assist in funding construction of the Improvements, and knowing that the Controlling Person will rely on this certificate in doing so, we hereby certify as follows:

1. We inspected the Project on _____, 20__ and found the status of Work at the Project on that date and the progress made on the Project since our last certificate to you dated _____, 20__ to be as follows: [substantially in accordance with the approved, as amended and approved, plans and specifications], [non-compliant with the approved plans and specifications], [other – describe here]

2. We delivered the Plans and Specifications for the Project, copies of which have been delivered to you (the "Plans and Specifications"). We have made no changes to the Plans and Specifications except as you have approved in writing. There are no pending change orders or construction change directives except as provided in the current Pending Change Order and Change Order Log.

3. All Work to date has been done in accordance with the Plans and Specifications and in a good and workmanlike manner. All materials and fixtures usually furnished and installed or stored on site at the current stage of construction have been furnished, installed or stored on site. All of the Work to date is hereby approved except as follows: _____

4. We have examined the requisition being submitted herewith to you by Borrower, which requisition includes an Application for Payment from Summit Contracting Group, Inc. ("Contractor") respecting construction of the Improvements. The payment so applied for by Contractor does not exceed (when added to the payments heretofore applied for by and paid to Contractor) __% of the value of labor and materials incorporated into the Improvements.

5. We have been advised that as of this date there remains unexpended funds of $_____ which are available to fund construction costs, from which funds to pay the

aforementioned Application for Payment will be deducted. In our opinion, such unexpended funds, after deduction of funds sufficient to cover both the current Application for Payment and the applicable retainage heretofore withheld and to become due on account of previous Applications, will be sufficient to pay for all construction costs reasonably required to complete the Work, provided that the amount advanced under the current application is, in fact, applied against obligations incurred for labor and materials heretofore furnished on account of construction of the Improvements.

6. All permits, licenses, approvals and the like required to complete construction of the Improvements have been validly issued by the appropriate authorities and are in full force and effect, and there is no violation of any of the provisions thereof or of any Legal Requirements applicable to the Project of which we have notice or knowledge as of the date hereof except as follows:

7. Access to and egress from the Project and all improvements to be constructed thereon are in accordance with all applicable Legal Requirements. Water, drainage and sanitary sewerage facilities and telephone, gas and electric services of public utilities are or are due to be installed in the locations indicated on the Plans and Specifications and are adequate to serve the Project. All necessary approvals for installation of or connection to said facilities or services have been obtained.

8. To the best of our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid any laws, ordinances, regulations, permits, licenses or approvals for or relating to the Project.

9. No amendments, modifications or changes have been made to our contract dated _____, 20__ with the Borrower except such as have had your prior written approval.

10. The Borrower is not in default of any of the Borrower's obligations to us as of the date hereof except as follows:_____

This certificate is rendered based on our examination of the Project, the Plans and Specifications, the data comprising the Application for Payment and all other matters which we deem relevant. We are to incur no liability under this certificate except for failure to exercise due professional skill and diligence.

Executed as a sealed instrument this _____ day of _____, 20__.

GROUP 4 DESIGN, INC.

By:_____
Name:_____
Title:_____

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Borrower's Request for Payment

[Attach spreadsheets in form provided by R4 Servicer LLC]

Lien Waivers

EXHIBIT C
MOLD/MILDEW ADDENDUM

1. **DWELLING UNIT DESCRIPTION.** Unit. No._____
in _____ *(city),*
_____ (*street address)*
Florida, _____ *(zip code).*

2. **LEASE CONTRACT DESCRIPTION.**
Lease Contract date: _____
Owner's name: _____
_____
Residents *(list all residents):* _____
_____
_____

3. **ABOUT MOLD.** Mold is found virtually everywhere in our environment—both indoors and outdoors and in both new and old structures. Molds are naturally occurring microscopic organisms which reproduce by spores and have existed practically from the beginning of time. All of us have lived with mold spores all our lives. Without molds we would all be struggling with large amounts of dead organic matter.

   Mold breaks down organic matter in the environment and uses the end product for its food. Mold spores (like plant pollen) spread through the air and are commonly transported by shoes, clothing and other materials. When excess moisture is present inside a dwelling, mold can grow. A 2004 Federal Centers for Disease Control and Prevention study found that there is currently no scientific evidence that the accumulation of mold causes any significant health risks for person with normally functioning immune systems. Nonetheless, appropriate precautions need to be taken.

4. **PREVENTING MOLD BEGINS WITH YOU.** In order to minimize the potential for mold growth in your dwelling, you must do the following:
   - Keep your dwelling clean—particularly the kitchen, the bathroom(s), carpets and floors. Regular vacuuming, mopping and using a household cleaner to clean hard surfaces is important to remove the household dirt and debris that harbor mold or food for mold. Immediately throw away moldy food.
   - Remove visible moisture accumulation on windows, walls, ceilings, floors and other surfaces as soon as reasonably possible. Look for leaks in washing machine hoses and discharge lines—especially if the leak is large enough for water to infiltrate nearby walls. Turn on any exhaust fans in the bathroom and kitchen *before* you start showering or cooking with open pots. When showering, be sure to keep the shower curtain *inside* the tub or fully close the shower doors. Also, the experts recommend that after taking a shower or bath, you: (1) wipe moisture off of shower walls, shower doors, the bathtub and the bathroom floor; (2) leave the bathroom door open until all moisture on the mirrors and bathroom walls and tile surfaces has dissipated; and (3) hang up your towels and bath mats so they will completely dry out.
   - Promptly notify us in writing about any air conditioning or heating system problems you discover. Follow our rules, if any, regarding replacement of air filters. Also, it is recommended that you periodically open windows and doors on days when the outdoor weather is dry (i.e., humidity is below 50 percent) to help humid areas of your dwelling dry out.
   - Promptly notify us in writing about any signs of water leaks, water infiltration or mold. We will respond in accordance with state law and the Lease Contract to repair or remedy the situation, as necessary.
   - Keep the thermostat set on the "AUTO" setting (not "FAN") to automatically circulate air in the event temperatures rise to or above 75 degrees during winter months, or 78 degrees during summer months. Relative humidity levels should be maintained under 50% at all times in order to prevent conditions conducive to the growth of mold and mildew.

5. **IN ORDER TO AVOID MOLD GROWTH,** it is important to prevent excessive moisture buildup in your dwelling. Failure to promptly pay attention to leaks and moisture that might accumulate on dwelling surfaces or that might get inside walls or ceilings can encourage mold growth. Prolonged moisture can result from a wide variety of sources, such as:
   - rainwater leaking from roofs, windows, doors and outside walls, as well as flood waters rising above floor level;
   - overflows from showers, bathtubs, toilets, lavatories, sinks, washing machines, dehumidifiers, refrigerator or A/C drip pans or clogged up A/C condensation lines;
   - leaks from plumbing lines or fixtures, and leaks into walls from bad or missing grouting/caulking around showers, tubs or sinks;
   - washing machine hose leaks, plant watering overflows, pet urine, cooking spills, beverage spills and steam from excessive open-pot cooking;
   - leaks from clothes dryer discharge vents (which can put lots of moisture into the air); and
   - insufficient drying of carpets, carpet pads, shower walls and bathroom floors.

6. **IF SMALL AREAS OF MOLD HAVE ALREADY OCCURRED ON *NON-POROUS* SURFACES** (such as ceramic tile, formica, vinyl flooring, metal, wood or plastic), the federal Environmental Protection Agency (EPA) recommends that you first clean the areas with soap (or detergent) and water, let the surface dry, and then within 24 hours apply a pre-mixed, spray-on-type household biocide, such as Lysol Disinfectant®, Pine-Sol Disinfectant® (original pine-scented), Tilex Mildew Remover® or Clorox Cleanup®. (Note: Only a few of the common household cleaners will actually kill mold). Tilex® and Clorox® contain bleach which can discolor or stain. **Be sure to follow the instructions on the container**. Applying biocides without first cleaning away the dirt and oils from the surface is like painting over old paint without first cleaning and preparing the surface.

   Always clean and apply a biocide to an area 5 or 6 times larger than any visible mold because mold may be adjacent in quantities not yet visible to the naked eye. A vacuum cleaner with a high-efficiency particulate air (HEPA) filter can be used to help remove non-visible mold products from *porous* items, such as fibers in sofas, chairs, drapes and carpets—provided the fibers are completely dry. Machine washing or dry cleaning will remove mold from clothes.

7. **DO NOT CLEAN OR APPLY BIOCIDES TO:** (1) visible mold on *porous surfaces*, such as sheetrock walls or ceilings, or (2) *large* areas of visible mold on *non-porous* surfaces. Instead, notify us in writing, and we will take appropriate action.

8. **COMPLIANCE.** Complying with this addendum will help prevent mold growth in your dwelling, and both you and we will be able to respond correctly if problems develop that could lead to mold growth. If you have questions regarding this addendum, please contact us at the management office or at the phone number shown in your Lease Contract.
   If you fail to comply with this Addendum, you can be held responsible for property damage to the dwelling and any health problems that may result. We can't fix problems in your dwelling unless we know about them.

9. **TERMINATION OF TENANCY.** Owner, Management or agent reserves the right to terminate the tenancy and RESIDENT(S) agree to vacate the premises in the event Owner, Management or agent in its sole judgment feels that either there is mold/mildew present in the dwelling unit which may pose a safety or health hazard to RESIDENT(S) or other persons and/or RESIDENT(S) actions or inactions are causing a condition which is conducive to mold/mildew growth. If RESIDENT fails to vacate the dwelling after receiving a written notice to vacate, RESIDENT assumes all risks of remaining in the dwelling and shall be liable for any resulting damage to person or property.

10. **SPECIAL PROVISIONS.** The following special provisions control over conflicting provisions of this printed form:

_____
_____
_____
_____
_____
_____
_____
_____
_____

Resident or Residents *(All residents must sign here)*	**Owner or Owner's Representative** *(Signs here)*
_____	_____
_____	**Date of Lease Contract**
_____	
_____	_____

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SCHEDULE 1
SCHEDULE OF LITIGATION

SCHEDULE 2
SCHEDULE OF OBLIGATIONS AND MATERIAL CONTRACTS

1. Construction Contract
2. Architects Contract

SCHEDULE 3

(Intentionally Omitted)

SCHEDULE 4
DEVELOPMENT BUDGET

SCHEDULE 5
PLANS AND SPECIFICATIONS

As provided to Controlling Person and the Issuer Servicer

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SCHEDULE 6
PERMITS AND APPROVALS NOT YET OBTAINED

SCHEDULE 7
CONDITIONS TO ADVANCES

A. CONDITIONS TO INITIAL ADVANCE. The right of Borrower to draw the initial Advance shall be subject to the fulfillment of the following conditions precedent in a manner, and by documentation, reasonably satisfactory to the Controlling Person:

1. Construction Documents. Each of the Architect's Agreement and the Construction Contract shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect. The Architect and the Contractor, as applicable, shall have duly executed and delivered to the Controlling Person a consent to the assignment of the Architect's Agreement and the Construction Contract, as applicable, in form and substance satisfactory to the Controlling Person.

2. Subcontracts; Other Contracts. The Borrower shall have delivered to the Controlling Person correct and complete photocopies of all other executed contracts with contractors, engineers or consultants for the Project in an amount of $50,000 or more, and of all development, management, brokerage, sales or leasing agreements for the Project.

3. Validity of Liens. The Mortgage, the Assignment of Project Documents, the Assignment of Capital Contributions, Subordinate Debt Documents, the Developer Fee Pledge and the General Partner Pledge shall be effective to create in the Trustee a legal, valid and enforceable lien and security interest in the collateral identified therein. All filing, recordings, and deliveries of collateral to preserve such liens and security interests shall have been duly effected.

4. Deliveries. The following items or documents shall have been delivered to the Controlling Person by the Borrower and shall be in form and substance satisfactory to the Controlling Person.

(a) Plans and Specifications. Two complete sets of Plans and Specifications and approvals thereof by any necessary Governmental Authority, with a certification from the Architect that the Improvements to be constructed comply with all Legal Requirements and Governmental Actions and that the Construction Contract satisfactorily provides for the construction of the Improvements.

(b) Title Policy. A copy of the Title Policy or a pro forma policy that constitutes a commitment to issue the Title Policy in the form of such pro forma policy, together with proof of payment of all fees and premiums for such policy and true and accurate copies of all documents listed as exceptions under such policy.

(c) Other Insurance. Copies of all policies of insurance required hereunder (or certificate thereof) to be obtained and maintained during the construction of the Improvements.

(d) Evidence of Sufficiency of Funds. Evidence that the proceeds of the Bonds, the proceeds of the Subordinate Debt, together with Required Equity Funds delivered to the Trustee on the Issue Date or to be delivered after the Issue Date pursuant to the Partnership Agreement, will be sufficient to cover all Project Costs reasonably anticipated to be incurred to construct the Improvements prior to the Completion Date and to carry the Project through to Stabilization.

5. Evidence of Access, Availability of Utilities, Project Approvals. Evidence as to:

(a) the methods of access to and egress from the Project, and nearby or adjoining public ways, meeting the reasonable requirements of the Project and the status of completion of any required improvements to such access;

(b) the availability of water supply and stone and sanitary sewer facilities meeting the reasonable requirements of the Project;

(c) the availability of all other required utilities, in location and capacity sufficient to meet the reasonable needs of the Project; and

(d) the obtaining of all Project Approvals which are required, necessary or desirable for the construction of the Improvements and the access thereto, together with copies of all such Governmental Actions.

6. Environmental Report. An environmental site assessment report or reports of one or more qualified environmental engineering or similar inspection firms approved by the Controlling Person, which report or reports shall indicate a condition of the Land and any existing improvements thereon in compliance with all Legal Requirements and in all respects satisfactory to the Controlling Person in its sole discretion and upon which report or reports the Controlling Person, the Trustee and the initial Majority Owner shall be expressly entitled to rely.

7. Soils Report. If required, a soils report for the Project prepared by a soils engineer approved by the Controlling Person, which report shall indicate that based upon actual surface and subsurface examination of the Project, the soils conditions are fully satisfactory for the proposed renovation and operation of the Improvements and upon which report or reports the Controlling Person, the Trustee and the initial Majority Owner shall be expressly entitled to rely. A termite or other insect infestation report prepared by a firm approved by the Controlling Person, which report shall indicate that based upon actual inspection of the Project either (i) that no termite or other insect infestation at the Project, or (ii) that termite or insect infestation is present and recommended steps for extermination and remediation of the conditions at the Project, and upon which report or reports the Controlling Person, the Trustee and the initial Majority Owner shall be expressly entitled to rely.

8. Survey and Taxes. A Survey of the Land (and any existing improvements thereon) and Surveyor's Certificate, and evidence of payment of all real estate taxes and municipal charges

on the Land (and any existing improvements thereon) which were due and payable prior to the Issue Date.

9. Deposit of Funds. The initial installment of Required Equity Funds and the proceeds of the Subordinate Debt shall have been delivered to the Trustee and deposited in the Project Fund.

10. Requisition. A Requisition complying with the provisions of this Agreement and the Indenture.

11. Form Lease. The standard form of lease to be used by the Borrower in connection with the Improvements.

12. Engineering Consultant Report. The Controlling Person shall have received a report or written confirmation from the Engineering Consultant that (i) the Engineering Consultant has reviewed the Plans and Specifications, (ii) the Plans and Specifications have been received and approved by each Governmental Authority to which the Plans and Specifications are required under applicable Legal Requirements to be submitted, (iii) the Construction Contract satisfactorily provides for the construction of the Improvements, and (iv) in the opinion of the Engineering Consultant, construction of the Improvements can be completed on or before the Completion Date for an amount not greater than the amount allocated for such purpose in the Development Budget.

13. Searches. The Controlling Person shall have received searches from a recognized search firm (which shall be updated from time to time at Borrower's expense upon request by the Controlling Person) that searches of the public record disclosed (a) no conditional sales contracts, security agreements, chattel mortgages, leases of personalty, financing statements or title retention agreements which affect the collateral, (b) no bankruptcy filings on the part of the Borrower, the General Partner and the Guarantors (collectively, the "Obligors") and (c) no litigation with respect to the Project or any of the Obligors that would materially adversely affect the obligations of the Obligors hereunder.

14. Mechanics' Liens. In the event that for any reason the initial Advance is not funded on the Issue Date, the Controlling Person may withhold or refuse to approve the initial Advance if any mechanic's lien or notice of intention to record or file a mechanic's lien has been filed or given and such lien or the lien described in such notice, as applicable, has not bonded over or otherwise collateralized to the satisfaction of the Controlling Person.

15. Notices. All notices required by any Governmental Authority under applicable Legal Requirements to be filed prior to commencement of construction of the Improvements shall have been filed.

16. Appraisal. The Controlling Person shall have received an Appraisal, in form and substance satisfactory to the Controlling Person.

17. Performance; No Default. The Borrower shall have performed and complied with all terms and conditions herein required to be performed or complied with by it on or prior to the date of the initial Advance, and on the date of the initial Advance there shall exist no Event of Default.

18. Representations and Warranties. The representations and warranties made by the Obligors in the Bond Documents, the General Partner Pledge, the Developer Fee Pledge or the documents executed by the Guarantors or otherwise made by or on behalf of the Obligors in connection therewith or after the date thereof shall have been true and correct in all material respects when made and shall be true and correct in all material respects on the date of the initial Advance.

19. Proceedings and Documents. All proceedings in connection with the transactions contemplated by this Agreement and the other Bond Documents shall be satisfactory to the Controlling Person and their counsel in form and substance, and the Controlling Person shall have received all information and such counterpart originals or certified copies of such documents and such other certificates, opinions or documents as they or their counsel may reasonably require.

20. Payment and Performance Bonds. The Controlling Person shall have received the original Payment and Performance Bonds in form and content and from a surety satisfactory in all respects to the Controlling Person.

B. CONDITIONS TO SUBSEQUENT ADVANCES. The right of the Borrower the draw each Advance after the initial Advance shall be subject to the following conditions precedent in a manner, and by documentation, reasonably satisfactory to the Controlling Person:

1. Prior Conditions Satisfied. All conditions precedent to any prior disbursement shall continue to be satisfied (or waived by the Controlling Person) as of the date of the Requisition of such subsequent Advance.

2. Performance; No Default. The Borrower shall have performed and complied with all terms and conditions herein required to be performed or complied with by it on or prior to the date of such Requisition, and on such date there shall exist no Default or Event of Default.

3. Representations and Warranties. Each of the representations and warranties made by the Borrower in the Bond Documents or otherwise made by or on behalf of the Borrower in connection therewith after the date thereof shall have been true and correct in all material respects on the date on when made and shall also be true and correct in all material respects on the Borrower on the date of such Requisition (except to the extent of changes resulting from transactions contemplated or permitted by the Bond Documents).

4. No Damage. The Improvements shall not have been injured or damaged by fire, explosion, accident, flood or other casualty.

5. Receipt by Controlling Person. The Controlling Person shall have received:

(a) Requisition. A Requisition in meeting the requirements of this Agreement and the Indenture;

(b) Endorsement to Title Policy. At the time of each advance to update the date of and increase the amount of coverage by the amount of such advance, such endorsements (a "Down Date Endorsement") shall be delivered by the Title Insurer, increasing the coverage under the Title Policy by the amount of the approved Requisition plus the amount of any Bond proceeds disbursed from the Capitalized Interest Account of the Project Fund;

6. Foundation Survey; Current Survey. If the Plans and Specifications provide for construction of the foundations, including expansion or modification of existing foundations, within thirty (30) days after completion of construction of the foundations of the Improvements, a survey certified by a registered engineer or surveyor showing that the foundations are located within the perimeter of the Land and any set back lines and at the location shown on the Plans and Specifications, and from time to time. An updated Survey if required by the Title Insurance Company or the Controlling Person;

7. Approval by Engineering Consultant. Approval of the Requisition for such disbursement by the Engineering Consultant, accompanied by a certificate or report from the Engineering Consultant to the effect that in its opinion, based on site observations and submissions by the Contractor, the construction of the Improvements to the date thereof was performed in a good and workmanlike manner and in accordance with the Plans and Specifications, stating the estimated total cost of construction of the Improvements, stating the percentage of in-place construction of the Improvements, and stating that the remaining non-disbursed portion of the Project Fund and Required Equity Funds allocated for such purpose in the Development Budget is adequate to complete the construction of the Improvements;

8. Contracts. Evidence that one hundred percent (100%) of the cost of the remaining Work is covered by firm fixed price or guaranteed maximum price contracts or subcontracts or orders for the supplying of materials, with contractors, subcontractors, materialmen or suppliers satisfactory to the Controlling Person, and that the Payment and Performance Bonds have been obtained as required.

9. Mechanics' Liens. The Controlling Person may withhold or refuse to fund any Advance hereunder if (a) any mechanic's lien has been filed or recorded and not bonded over or otherwise collateralized to the satisfaction of the Controlling Person (such satisfaction not to be unreasonably withheld) or (b) notice of intention to record or file any such lien has been received.

10. Required Equity Funds. All installments of Required Equity Funds which shall be then due and payable under the Partnership Agreement shall have been deposited with the Trustee.

11. Release of Retainage. In addition to the conditions set forth in this Section, the Controlling Person's obligation to approve any Requisition for Retainage shall be subject to receipt by the Controlling Person of the Engineering Consultant's certification of completion as to the Work performed under any contract or subcontract for which the Retainage will be disbursed.

SCHEDULE 8
FORM OF COMPLETION CERTIFICATE

_____ __, 20__

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

R4 Servicer LLC
155 Federal Street, Suite 1602
Boston, Massachusetts 02110
Attention: Greg Doble
E-mail: gdoble@r4cap.com

[SUBORDINATE BONDHOLDER]

Re: Sydney Trace Apartments (the "Project")

Ladies and Gentlemen:

The undersigned, being the owner of the Project, hereby certifies to (i) The Bank of New York Mellon Trust Company, N.A, as trustee (the "Trustee"), (ii) R4 Servicer LLC as Controlling Person, acting on behalf of the Majority Owner of the Series 2020A Bonds (the "Controlling Person"), and (iii) [Subordinate Bondholder] that "Final Completion" of the Project (as defined in the Indenture of Trust dated as of June 1, 2020 (the "Indenture") by and between the Trustee and Jacksonville Housing Finance Authority (the "Issuer") has been attained as of the date hereof and all conditions relating thereto as set forth in the Loan Agreement dated as of June 1, 2020 between the undersigned and the Issuer (the "Loan Agreement") have been satisfied. Capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Indenture or the Loan Agreement.

The undersigned hereby represents and warrants that:

1. Attached hereto is an original, executed Architect's certificate in the form attached hereto as Exhibit A as required by clause (iv) of the definition of "Final Completion" contained in the Indenture.

2. Attached hereto are true, complete and correct copies of all use and occupancy permits issued in connection with the Project (the "Permits") as referenced in clause (ii) of the definition of "Final Completion" contained in the Indenture. The Permits are all of the permits, licenses or approvals required for the occupancy of the Project as a multifamily residential facility.

No appeal, action or proceeding challenging any of the Permits has been filed; there is no pending claim, litigation or governmental proceeding challenging the Permits.

3. Attached hereto is a complete schedule of all Punchlist Items referenced in clause (ii) of the definition of "Final Completion" contained in the Indenture. This schedule of Punchlist Items meets the requirements and limitations set forth in the Loan Agreement for Punchlist Items. The undersigned will promptly complete all Punchlist Items.

4. Attached are lien waivers required by clause (vii) of the definition of "Final Completion" contained in the Indenture.

5. Attached hereto is an endorsement down dating the Title Policy insuring the Mortgage in favor of the Trustee, subject only to Permitted Encumbrances, as required by clause (ix) of the definition of "Final Completion" contained in the Indenture.

6. [Attached hereto is an as-built ALTA/ACSM Urban Class Survey, certified to the Trustee and the Controlling Person and meeting the requirements clause (x) of the definition of "Final Completion" contained in the Indenture.]

7. [Intentionally Omitted].

8. Attached hereto is evidence of insurance meeting the requirements of Section 6.4 of the Loan Agreement.

9. Attached hereto is evidence of payment of all Impositions which are due and payable.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

Accepted and agreed to by:

R4 CAPITAL FUNDING LLC, as Controlling Person

By: _____
Name: _____
Title: _____

Accepted and agreed to by:

By: _____
Name: _____
Title: _____

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Schedule of Attachments to Completion Certificate

Architect's Completion Certificate

Occupancy Permits

Schedule of Punchlist Items

Lien Waivers

Endorsement to Title Policy

[As-Built Survey]

Insurance Certificates

Evidence of Payment of Impositions

EXHIBIT A

Form of Architect's Certificate

ARCHITECT'S COMPLETION CERTIFICATE

The undersigned, an architect duly licensed and registered in the State of [State] has prepared final working plans and detailed specifications (the "Plans and Specifications") for [Borrower] (the "Borrower") in connection with the [construction / rehabilitation] of improvements on certain real property located in [City, State], such improvements or project being known as [Property] (the "Improvements").

The undersigned hereby certifies to [TRUSTEE] and R4 SERVICER LLC that to the best of our knowledge, information and belief: (i) all of the Improvements and the Property have been completed in accordance with the Plans and Specifications, (ii) a [temporary] certificate of occupancy has been issued for the Project[, provided however that there is no work remaining to be done that would impair or delay the permanent occupancy of the Project or any portion thereof and issuance of a permanent certificate of occupancy with respect to the Project, and other permits required for the continued use and occupancy of the Improvements have been issued with respect thereto by the governmental agencies having jurisdiction thereof], and (iii) the Improvements have been constructed in compliance with the Plans and Specifications and are in compliance with the requirements and restrictions of the governmental authorities having jurisdiction, including applicable zoning, building, environmental, fire, and health ordinances, rules and regulations, including without limitation, the Americans with Disabilities Act, the Rehabilitation Act of 1973 and the design and construction requirements of the Fair Housing Act.

[Architect]

By: _____

Date:_____

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EXHIBIT A

PLANS AND SPECIFICATIONS

Item	Plan #	Last Revision Date

SCHEDULE 9
FORM OF USE OF PROCEEDS CERTIFICATE

_____ ___, 20__

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

R4 Servicer LLC
155 Federal Street, Suite 1602
Boston, Massachusetts 02110
Attention: Greg Doble
E-mail: gdoble@r4cap.com

[SUBORDINATE BONDHOLDER]

Re: Sydney Trace Apartments (the "Project")

Ladies and Gentlemen:

The undersigned, being the owner of the Project hereby certifies to (i) The Bank of New York Mellon Trust Company, N.A, as trustee (the "Trustee"), (ii) R4 Servicer LLC, as Controlling Person, acting on behalf of the Majority Owner of the Series 2020A Bonds issued in connection with the Project (the "Controlling Person") and (iii) [SUBORDINATE BONDHOLDER] that [(i)] no less than 95% of the Net Proceeds of the Bonds has been spent for Qualified Project Costs of the Project as required by Section 142(a) of the Internal Revenue Code, and attached hereto is a schedule of expenditures showing all costs of the Project, the amounts expended for each category of cost, the source of funds therefor, and a calculation of the percentage of the net proceeds of the Bonds expended in compliance with the requirements of the Internal Revenue Code[; and (ii) the undersigned has expended, within two (2) years of the later of the date the Project were acquired or the date of issuance of the Bonds, from proceeds of the Bonds or other sources, an amount equal to at least 15% of the "portion of the cost of acquiring such building (and equipment) financed with the net proceeds of the Bonds" for "rehabilitation expenses" within the meaning of Section 147(b) of the Code]. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Indenture of Trust dated as of June 1, 2020 between the Trustee and the Jacksonville Housing Finance Authority.

WITNESS WHEREOF, the undersigned has duly executed this Use of Proceeds Compliance Certificate as of the day and year first above written.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

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Schedule of Attachments to Use of Proceeds Compliance Certificate

Evidence of Use of Proceeds

SCHEDULE 10
FORM OF STABILIZATION CERTIFICATE

_____ ___, 20__

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

R4 Servicer LLC
155 Federal Street, Suite 1602
Boston, Massachusetts 02110
Attention: Greg Doble
E-mail: gdoble@r4cap.com

[SUBORDINATE BONDHOLDER]

Re: Sydney Trace Apartments (the "Project")

Ladies and Gentlemen:

The undersigned, being the owner of the Project, hereby certifies to (i) The Bank of New York Mellon Trust Company, N.A, as trustee (the "Trustee"), (ii) R4 Servicer LLC, as Controlling Person, acting on behalf of the Majority Owner of the bonds issued in connection with the Project (the "Controlling Person"), and (iii) [SUBORDINATE BONDHOLDER] that the date of Final Completion was _____, 20__, and the undersigned hereby represents and warrants that:

1. The Improvements have been ___% occupied by credit-worthy qualified tenants meeting the requirements of the Bond Documents in each of the prior ____ (___) consecutive months.

2. The ratio of Stabilized NOI in each of the prior ____ (___) consecutive months to maximum principal, interest, Issuer Fees and Trustee's Fees payable in any month [other than the month in which the Maturity Date occurs] on the amount of Bonds Outstanding is ____ to 1.0.

3. No Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default shall have occurred and be continuing under the Bond Documents, the General Partner Pledge, the Developer Fee Pledge or the Guarantor Documents.

4. The Borrower has at all times been and is currently in compliance with all requirements set forth in the Land Use Restriction Agreement.

5. $_____ has been deposited in the Operating Reserve Fund.

6. $_____ of the Bonds shall have been redeemed as required under Section 3.4(b)(vii) of the Indenture.

7. Stabilization [has/has not] occurred.

8. Attached hereto is _____ showing the calculation of Stabilization.

Capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Indenture of Trust dated as of June 1, 2020 between the Trustee and Jacksonville Housing Finance Authority.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

Accepted and agreed to by:

R4 SERVICER LLC, as Controlling Person

By:_____
Name:_____
Title:_____

Accepted and agreed to by:

SELTZER MANAGEMENT GROUP, INC., as Issuer Servicer

By:_____
Name:_____

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Title:_____

Stabilization Spreadsheet

SCHEDULE 11
RENT ROLL

Not applicable.

SCHEDULE 12
INITIAL INSURANCE REQUIREMENTS

EXHIBIT C

FORM OF LAND USE RESTRICTION AGREEMENT

BMO DRAFT
6/8/2020

This document prepared by
(and after recording return to):
Rhonda Bond-Collins
Randall C. Clement
Bryant Miller Olive P.A.
Citrus Center
255 South Orange Avenue
Suite 1350
Orlando, Florida 32801

LAND USE RESTRICTION AGREEMENT

Owner's Name and Address:	Sydney Trace, Ltd. c/o Vestcor, Inc. 3030 Hartley Road, Suite 310 Jacksonville, Florida 32257 Attention: Jason O. Floyd
Location of Development:	See legal description attached hereto as Exhibit "A" Jacksonville, Florida 32222
Name of Development:	Sydney Trace Apartments
Issuer's Name and Address:	Jacksonville Housing Finance Authority 214 N. Hogan Street 7th Floor Jacksonville, Florida 32202

This **LAND USE RESTRICTION AGREEMENT** (this "Regulatory Agreement"), made and entered into as of June 1, 2020, by and among the Jacksonville Housing Finance Authority (the "Issuer"), a public body corporate and politic created pursuant to the laws of the State of Florida (the "State"), whose mailing address is 214 N. Hogan Street, 7th Floor, Jacksonville, Florida 32202; The Bank of New York Mellon Trust Company, N.A., a national banking association with a representative office in Jacksonville, Florida, whose mailing address is 10161 Centurion Parkway N., Jacksonville, Florida 32256, Attention: Corporate Trust Department, in its capacity as trustee (including its successors and assigns, the "Trustee") under the Indenture of Trust between the Issuer and the Trustee dated as of June 1, 2020 (the "Indenture"), authorizing and securing the Issuer's Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A and Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series

2020B (collectively, the "Series 2020 Bonds"); and Sydney Trace, Ltd., a Florida limited partnership and its successors and assigns, whose mailing address is c/o Vestcor, Inc., 3030 Hartley Road, Suite 310, Jacksonville, Florida 32257, Attention: Jason O. Floyd (the "Owner").

W I T N E S S E T H:

WHEREAS, the Owner intends to acquire and construct multifamily residential rental facilities located within Duval County, Florida (the "County") to be occupied by Lower-Income Persons, all for the public purpose of assisting persons or families of low, moderate or middle income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Issuer has authorized the issuance and delivery of the Series 2020 Bonds in the total aggregate principal amount of $21,500,000, pursuant to the Indenture in order to provide a loan (the "Loan") to the Owner, pursuant to a Loan Agreement dated as of June 1, 2020 (the "Loan Agreement"), by and between the Issuer and the Owner, to finance a portion of the costs of the acquisition, construction and equipping of the Project (as hereinafter defined), all under and in accordance with the Constitution and laws of the State; and

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

WHEREAS, in order to satisfy such requirement, the Issuer, the Trustee and the Owner have determined to enter into this Regulatory Agreement to set forth certain terms and conditions relating to the operation of the Project located on the Land (as hereinafter defined); and

WHEREAS, this Regulatory Agreement shall be properly filed and recorded by the Owner within the official records of the County and shall constitute a restriction upon the use of the Land and the Project subject to and in accordance with the terms contained herein.

NOW THEREFORE, in consideration of providing the financing by the Issuer to the Owner, acknowledging that compliance with this Regulatory Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes on the Series 2020 Bonds, covenants and agrees with the other parties hereto as follows:

Section 1. <u>Definitions and Interpretation</u>.

(a) The following terms shall have the respective meanings set forth below (undefined terms shall be given the meanings set forth in the Indenture):

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

"Applicable Income Limit" means sixty percent (60%) of area median gross income (within the meaning of Section 142(d) of the Code) for the City of Jacksonville, Duval County, Florida, Standard Metropolitan Statistical Area, as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the Housing Act, as amended (or if such program is terminated, under such program as in effect immediately before such termination), including adjustments for family size.

"Bond Counsel" means a firm of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by purchasers of public obligations and who is acceptable to the Trustee.

"Certificate of Continuing Program Compliance" means the certificate required to be delivered by the Owner to the Issuer Servicer and the Issuer pursuant to Section 4(d) of this Regulatory Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code, the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions).

"County" means Duval County, Florida.

"Current Annual Family Income" is determined in accordance with Section 8 of the Housing Act, as amended (or, if such program is terminated, under such program as in effect immediately before such termination), and includes wages and salaries, overtime pay, commissions, fees, tips and bonuses and other forms of compensation for personal services, net income from operation of a business or a profession, interest, dividends and other net income of any kind from real or personal property, periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits or similar types of periodic receipts, payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay, welfare assistance, periodic and determinable allowances such as alimony and child support and regular pay, special pay and allowances of a member of the Armed Forces, and other forms of income described in the Income Certification to be provided by the Owner to the Issuer Servicer and the Issuer as provided in Section 4 hereof, but does not include earnings of children under 18, payments received for care of foster children or adults, lump sum insurance payments, inheritances, capital gains and settlements for personal or property losses, amounts received specifically for, or in reimbursement of, the cost of medical expenses, income of a live-in aide, certain student financial

assistance, special pay to a member of the Armed Forces who is exposed to hostile fire, amounts received under certain training programs and other social service programs, temporary, nonrecurring or sporadic income or other forms of income that the Income Certification specifies may be excluded.

"Eligible Persons" means one or more natural persons or a family, irrespective of race, creed, religion, color, national origin, marital status, handicap or sex.

"Exempt Elderly Unit" means a unit within the Project meeting the requirements for exemption from the prohibition against familial status discrimination contained in Title VIII of the Civil Rights Act of 1968 (known as the Fair Housing Act), as amended.

"Housing Act" means the United States Housing Act of 1937, as amended from time to time, any successor legislation, and all implementing regulations issued thereunder or in furtherance thereof.

"HUD" means the United States Department of Housing and Urban Development or any successor agency.

"Issuer Servicer" means, initially, Seltzer Management Group, Inc., or its successors or assigns and thereafter, any Issuer Servicer employed by the Issuer to service the Loan and to monitor the Owner's compliance with the requirements of this Regulatory Agreement, the Indenture, the Loan Agreement and the Construction and Loan Servicing Agreement.

"Land" means the real property located in Duval County, Florida, described in Exhibit "A" attached hereto.

"Loan" means the loan made by the Issuer to the Owner made pursuant to this Agreement and evidenced by the Notes.

"Lower-Income Persons" means Eligible Persons whose Current Annual Family Income does not exceed the Applicable Income Limit; provided, however, that the occupants of a unit shall not be considered to be Lower-Income Persons if all of the occupants of such unit are students (as defined in Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code. Notwithstanding the foregoing, a dwelling unit shall not fail to be treated as a dwelling unit that is occupied by Lower-Income Persons merely because such dwelling unit is occupied (a) by an individual who is a student and (i) receiving assistance under Title IV of the Social Security Act, (ii) was previously under the care and placement responsibility of the State agency program responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act, or (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal, State or local laws, or (b) entirely by full-time students if such students are (i) single parents and their children and such parents are not dependents of another individual and such children are not dependents of another individual other than a parent of such children, or (ii) married and file a joint return.

"Mortgage" means collectively, the first Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of June 1, 2020, and the subordinate Mortgage and Security Agreement, each from Owner for the benefit of the Issuer and assigned to the Trustee to secure the repayment of the Notes.

"Notes" means collectively, the Series 2020A Note and the Series 2020B Note, each of the Owner, dated June 30, 2020 to be delivered to the Issuer and assigned to the Trustee.

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Owner dated as of June [__], 2020 as the same may be amended from time to time.

"Project" means, a multifamily residential housing facility located at 8575 Merchants Way, Jacksonville, Duval County, Florida 32222, consisting of a total of approximately 192 units to be commonly known as Sydney Trace Apartments, together with related personal property and equipment (the "Project"), located on the Land and financed, in part, with proceeds of the Series 2020 Bonds pursuant to the Loan Agreement.

"Qualified Project Period" means the period beginning on the later of (i) the first day on which at least 10% of the units in the Project are first occupied or (ii) the date the Series 2020 Bonds are issued, and ending on the latest of (a) the date that is fifteen years after the date on which at least 50% of the units in the Project are first occupied, (b) the first date on which no tax-exempt private activity bond issued with respect to the Project is outstanding (within the meaning of the Code); (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates, and (d) the date which is thirty (30) years from the date of issuance of the Series 2020 Bonds; provided, however, that such thirty (30) year period may be reduced to nineteen (19) years if the Owner is unable to find a purchaser of the Project under the qualified contract option provisions of Section 42(h)(6) of the Code and the Series 2020 Bonds are no longer outstanding.

"Regulations" means the Income Tax Regulations issued under the Code, as applicable (including applicable final regulations or temporary regulations).

"State" means the State of Florida.

(b) Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

(c) The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given

any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Property. The Owner hereby declares its understanding and intent that, during the term of this Agreement, the Project is to be owned, managed, and operated, as a "project for residential rental property" as such phrase is utilized in Section 142(d) of the Code and as a "qualifying housing development" as defined in Section 159.603(6), Florida Statutes. To that end, the Owner hereby represents, covenants, and agrees as follows:

(a) The Owner will acquire, construct, equip, own and operate the Project for the purpose of providing multifamily rental housing, and the Owner shall own, manage, and operate the Project as a qualified residential rental project, 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 residential unit in the Project (tested for this purpose separately for each non-contiguous parcel) shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished and constructed (except as to number of bedrooms and bathrooms), each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range or microwave oven, refrigerator and sink, all of which are separate and distinct from the other units.

(c) None of the units in the Project will at any time be (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer court or park, or (3) rented for initial lease periods of less than six (6) months. No part of the Project will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.

(d) All of the units will be rented or available for rent on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), and the Owner will not give preference to any particular class or group of persons in renting the units in the Project, except to the extent that units are Exempt Elderly Units or are required to be leased or rented to Lower-Income Persons. Lower-Income Persons who are residents of the Project will have equal access to and enjoyment of all common facilities of the Project at all times. The Owner will not discriminate against children of any age when renting the units in the Project (except for units that are Exempt Elderly Units).

(e) Each non-contiguous parcel of Land consists separately of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Project comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Series 2020 Bonds (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Project, for example, heating and cooling

equipment, trash disposal equipment or units for resident managers or maintenance or security personnel) are functionally related and subordinate to the Project and are commensurate with its size and intended use.

(f) The Owner or an Affiliated Party of the Owner shall not occupy any of the units in the Project; provided, however, that the employee of the Owner or an Affiliated Party of the Owner may occupy a unit in a building or structure in the Project that contains five or more units if such employee of the Owner or an Affiliated Party of the Owner is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.

(g) None of the proceeds of the Series 2020 Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

The requirements of this Section 2 shall remain in effect during the term of this Regulatory Agreement (as defined in Section 13 below).

Section 3. Lower-Income Persons. The Owner hereby represents, warrants and covenants as follows:

(a) At all times during the Qualified Project Period, with respect to the non-contiguous parcels and buildings thereon constituting the Project, individually, not less than one hundred percent (100%) of the residential units in the Project, other than those units occupied by the Owner or an Affiliated Party to the Owner pursuant to subsection 2(f) above, shall be occupied (or held available for occupancy) on a continuous basis by persons or families at the Applicable Income Limit who are Lower-Income Persons. This occupancy requirement is referred to herein as the "Lower-Income Requirement").

(b) For purposes of paragraph (a) of this Section 3, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person shall be counted as occupied by a Lower-Income Person, as applicable, during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Person. However, a Lower-Income Person whose income as of the most recent Income Certification (as described in Section 4(a) below) exceeds one hundred forty percent (140%) of the Applicable Income Limit shall not continue to be treated as a Lower-Income Person if after delivery of such Income Certification, but before the delivery of the next Income Certification, any unit in the building (within the meaning of Section 42 of the Code) of comparable or smaller size is occupied by a new resident who is not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person shall be counted as occupied by a Lower-Income Person until it is reoccupied other than for a temporary period of not more than thirty-one (31) days, at which time the unit shall be considered to be occupied by a Lower-Income Person only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person.

Section 4. Reporting Requirements.

(a) Income certifications ("Income Certifications") in the form attached hereto as Exhibit "B" shall be obtained by the Owner from each Eligible Person and delivered to the Issuer Servicer (i) at the time of initial occupancy for all tenants, (ii) upon the vacancy and reoccupancy of any unit in the Project, and (iii) as often as necessary to comply with the requirements of Section 142(d) of the Code.

(b) The Owner shall file with the Issuer Servicer and the Issuer, on the tenth business day of each month, copies of the Income Certifications specified in Section 4(a) hereof obtained by the Owner during the previous month.

(c) The Owner shall maintain complete and accurate records pertaining to the incomes of (as of the date of initial occupancy of each tenant) and rentals charged to Lower-Income Persons residing in the Project, and shall permit, during regular business hours, upon 5 business days' notice to the Owner, any duly authorized representative of the Issuer or the Issuer Servicer to inspect the books and records of the Owner pertaining to the incomes of and rentals charged to all tenants residing in the Project.

(d) The Owner shall prepare and submit to the Issuer Servicer and the Issuer at the beginning of the Qualified Project Period, and on the tenth business day of each month thereafter, rent rolls and a Certificate of Continuing Program Compliance in the form attached hereto as Exhibit "C" executed by the Owner, stating (i) the percentage of units (separately for each non-contiguous parcel and buildings thereon) that were occupied by Lower-Income Persons as of the last day of the previous month, (ii) that, other than those units occupied by the Owner or an Affiliated Party to the Owner pursuant to Section 2(f) above, at all times during the previous month one hundred percent (100%) of the residential units were occupied by (or held available for occupancy by) Lower-Income Persons (as determined in accordance with Section 3 of this Regulatory Agreement), and (iii) that no default has occurred under this Regulatory Agreement and the Owner has not failed to comply with any provisions of this Regulatory Agreement, or, if such a default or failure has occurred, the nature of such default or failure and the steps, if any, the Owner has taken or proposes to take to correct such default.

(e) The Owner shall render a yearly report to the Secretary of the Treasury as required by Section 142(d)(7) of the Code.

Section 5. Indemnification. The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, its past, present and future members, employees, agents and representatives, the Issuer, its past, present and future officers of its governing body, employees, attorneys, agents and representatives, and the Trustee, and its past, present and future officers, directors, officials, employees and agents (any or all of the foregoing being hereinafter referred to as the "Indemnified Persons") from and against any and all losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including but not limited to, reasonable attorneys' fees, litigation and court costs related to trial and appellate proceedings,

amounts paid in settlement and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of, or related to, the issuance, offering, sale, remarketing or delivery of the Series 2020 Bonds, or the acquisition, design, construction, equipping, installation, operation, use, occupancy, maintenance or ownership of the Project other than for such Indemnified Persons' own grossly negligent, illegal or unlawful acts or omissions. In the case of any action or proceeding brought against an Indemnified Person in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the Owner, and the Owner upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Owner from any of its obligations under this Section except to the extent that failure prejudices the defense of the action or proceeding by the Owner. Any Indemnified Person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees, costs and expenses of such counsel shall be at the expense of such Indemnified Person unless the named parties to any such action (including any impleaded parties) include both an Indemnified Person and the Owner or one or more other Indemnified Persons, and such Indemnified Person shall have been advised by counsel that a conflict of interest between the Owner and such Indemnified Person, or between Indemnified Persons, exists, and for this reason it is not desirable for the same counsel to represent both the Owner and such Indemnified Person or Indemnified Persons, in which case the Owner shall not have the right to assume the defense of such action on behalf of such Indemnified Person and the fees, costs and expenses of such separate counsel shall be paid by the Owner; it being understood, however, that, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, the Owner shall not be liable for the reasonable fees, costs and expenses of more than one separate firm of attorneys for each such Indemnified Person. The Owner shall not be liable for any settlement effected without its consent, unless the named parties to any such action (including any impleaded parties) include both an Indemnified Person and the Owner, and such Indemnified Person shall have been advised by counsel that a conflict of interest between the Owner and such Indemnified Person exists. This indemnity shall not be construed to cause the Owner to be personally liable for the principal of or interest on the Series 2020 Bonds or the Loan.

Section 6. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by the owners from time to time of the Series 2020 Bonds, the Issuer, Bond Counsel and the other parties to transactions involving the issuance, sale or remarketing of the Series 2020 Bonds and their respective counsel. In performing their duties and obligations hereunder, the Issuer, the Issuer Servicer and the Trustee may rely upon statements and certificates of the Owner or Lower-Income Persons reasonably believed by the Issuer, Issuer Servicer or the Trustee, as applicable, or their respective agents, officers, directors, officials or employees to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Issuer, the Issuer Servicer 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, the Issuer Servicer or the

Trustee hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Lower-Income Persons reasonably believed to be genuine and to have been executed by the proper person or persons.

Section 7. Fair Housing Laws; Home Ownership Opportunity Program; Social Service Programs.

(a) The Owner will comply with all fair housing laws, rules, regulations or orders applicable to the Project and shall not discriminate on the basis of race, creed, color, sex, age (except for units that are Exempt Elderly Units), familial status (except for units that are Exempt Elderly Units) or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. All advertising and promotional material used in connection with the Project shall contain the phrase "Fair Housing Opportunity."

(b) The Owner hereby covenants and agrees to provide the tenant services and residential programs and amenities indicated in Exhibit "D" attached hereto which are located on site of the Project.

Section 8. Tenant Lists. All tenants lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner which is unrelated to the Project, and shall be maintained, as required by the Issuer or the Issuer Servicer from time to time, in a reasonable condition for proper audit and subject to examination during business hours upon reasonable notice by representatives of the Issuer, the Issuer Servicer or the Trustee. Failure to keep such lists and applications or to make them available to the Issuer, the Issuer Servicer or Trustee after written request therefor will be a default hereunder.

Section 9. Tenant Lease Restrictions. All tenant leases shall be expressly subordinate to the Mortgage and subject to this Regulatory Agreement, and shall contain clauses, among others, wherein each individual lessee:

(a) Certifies the accuracy of the statements made in the Income Certification;

(b) Agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of such lessee's tenancy; that such lessee will comply promptly with all requests for information with respect thereto from the Owner, the Trustee or the Issuer, and that such lessee's failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of such lessee's tenancy; and

(c) Agrees not to sublease to any person or family who does not expressly accept the lessee’s obligations under this Section 9 and execute and deliver to the Issuer Servicer an Income Certification.

Section 10. Sale and Conversion of Project.

(a) The Owner shall not sell, assign, convey or transfer any material portion of the Land, fixtures or improvements constituting a part of the Project, or any material portion of the personal property constituting a portion of the Project during the term of this Regulatory Agreement, without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, and (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Series 2020 Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes. If a material portion of the Project financed with proceeds from the Loan is sold during the term hereof and such material portion of such Project consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Owner to purchase property of similar function to be used in connection with the Project. If such material portion of such Project consists of real property and improvements, the purchaser thereof must execute and deliver to the Owner and the Trustee a document in form and substance reasonably satisfactory to the Issuer pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of this Regulatory Agreement.

The Owner shall not sell or otherwise transfer the Project in whole, nor shall there be substituted a new general partner of the Owner or a change in the controlling ownership interest in the general partner of the Owner, or other merger, transfer or consolidation of the Owner, unless (A) the Owner has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (B) the Owner shall not be in default hereunder, (C) it is reasonably expected that continued operation of the Project will comply with the requirements of this Regulatory Agreement, (D) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer with respect to assuming the obligations of the Owner under this Regulatory Agreement, (E) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (F) the purchaser or assignee, or new general partner or entity acquiring a controlling interest in the general partner of the Owner, shall have satisfied such other conditions as may be reasonably required by the Issuer under the circumstances, (G) the purchaser or 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 Regulatory Agreement and the Loan Agreement (to the extent still in effect), (H) the Trustee and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under this Regulatory Agreement, the Loan Agreement, the Notes, and any other financing documents to the extent that such documents are still in effect relating to the Series 2020 Bonds (collectively, the "Loan Documents") are enforceable against such purchaser or assignee in accordance with their terms, and (I) the Trustee and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate

and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Series 2020 Bonds, or any part thereof, not being excludable from the gross income of the holders thereof for federal income tax purposes.

It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section shall be ineffective to relieve the Owner of its obligations under the Loan Documents. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Loan, the Loan Agreement and this Regulatory Agreement, the Owner shall be released from its obligations thereunder and hereunder, other than its obligations hereunder and under the Loan Agreement arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

(b) Notwithstanding anything in this Section 10 to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Project or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units as contemplated by this Regulatory Agreement, (ii) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Project, providing same are granted in connection with the operation of the Project as contemplated by this Regulatory Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (iv) the placing of a mortgage lien, assignment of rents or security interests on or pertaining to the Project after the payment of all Series 2020 Bonds and the release of the Mortgage, (v) any transfer of partnership interests in the Owner, other than with respect to the general partner, or in the entities which are members in the Owner, other than with respect to the general partner, or (vi) the removal or substitution of the general partner of the Owner, for cause, in certain events as set forth in the Partnership Agreement, with a designee of the investor limited partner, provided however, that such general partner shall be an affiliate of the investor limited partner and provided, further, that the Owner retains ownership of the Project.

Section 11. <u>Negative Covenants</u>. During the term of this Regulatory Agreement, the Owner shall not:

(a) Except pursuant to and as permitted by the provisions of the Loan Documents, or except upon a sale or transfer of the Project in accordance with the terms of the Loan Documents, encumber any of the mortgaged property, including the grant of commercial leases (other than for vending machines, coin operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day to day operation of an apartment complex), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for apartment leases) for the Qualified Project Period. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project.

(b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or

(c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

Section 12. Covenants to Run with the Land. This Regulatory Agreement and the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 13 hereof, shall pass to and be binding upon the Owner's assigns and successors and all subsequent owners of the Land or the Project or any interest therein; provided, however, that upon the termination of this Regulatory Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided in Section 13 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Project.

Section 13. Term. This Regulatory Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that this Regulatory Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions hereof, or condemnation or a similar event (as determined by Bond Counsel), but only if within a reasonable period thereafter (i) the Series 2020 Bonds are retired in full or (ii) the proceeds received as a result of such event are used to finance a development that complies with the provisions hereof and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Owner or an Affiliated Party to the Owner, obtains an ownership interest in the Project for federal tax purposes.

Section 14. Correction of Noncompliance. The failure of the Owner to comply with any of the provisions of this Regulatory Agreement shall not be deemed a default hereunder unless such failure has not been corrected during the 60-day period immediately following the date that the Owner, or with respect to the requirements of Sections 2 or 3 hereof, any of the parties hereto, learned of such failure or should have learned of such failure by the exercise of reasonable diligence (which 60-day period will be extended if (i) such failure cannot reasonably be corrected within such 60-day period, (ii) diligent action to correct such failure commences within such 60-day period, (iii) such action is diligently pursued until such failure is corrected, and (iv) with respect to a failure to comply with any of the requirements of Sections 2 or 3 hereof, the Owner

delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Series 2020 Bonds from gross income for federal income tax purposes). Not later than the third business day next succeeding the day on which the Trustee or the Issuer Servicer learns of such failure, the Trustee or the Issuer Servicer, as applicable, shall attempt with reasonable diligence to notify the Owner of such failure by telephonic communication; provided, that failure of the Trustee or the Issuer Servicer to notify the Owner shall not relieve the Owner from any of its obligations under this Regulatory Agreement. The Investor Limited Partner shall have the right, but not the obligation, to cure any default, and any cure of any default made or tendered by the Investor Limited Partner shall be accepted or rejected on the same basis as if made or tendered by the Owner. The Issuer Servicer shall give written notice to the Owner's investor limited partner of such default.

Section 15. Modification of Tax Covenants. Notwithstanding the provisions of Section 22(b) hereof, to the extent any amendments, modifications or changes to the Regulations or the Code shall, in the written opinion of Bond Counsel addressed to the Issuer, the Owner and the Trustee, impose requirements upon the ownership, occupancy or operation of the Project different than those imposed by the Regulations or the Code and stated herein, and the Owner's failure to comply with such different requirements would produce a material and substantial risk that interest on the Series 2020 Bonds will become subject to federal income taxation, then this Regulatory Agreement shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Bond Counsel to effectuate the intent of this Section 15.

Section 16. Burden and Benefit. The Issuer, the Trustee and the Owner hereby acknowledge their respective understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Trustee, the Issuer and the Owner hereby further acknowledge their respective understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project by Lower-Income Persons, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Series 2020 Bonds were issued. The Owner hereby expressly acknowledges that this Regulatory Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Bonds issued by the Issuer to finance the Loan and covenants and agrees that in connection with the acquisition, construction, equipping, ownership and operation of the Project, it shall and shall require any subsequent purchaser of the Project, to fully comply with all terms and conditions of this Regulatory Agreement.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project.

Section 18. Application of Insurance and Condemnation Proceeds. Subject to the provisions of the Loan Agreement and the Loan Documents (as defined in Section 10 hereof), if

during the Qualified Project Period, the Project is damaged or destroyed or if all or a portion thereof is taken through eminent domain proceedings, or under the threat thereof, proceeds from insurance on the Project or any condemnation awards pertaining to such eminent domain proceedings shall be applied as provided in the Loan Agreement.

Section 19. Remedies; Enforceability. (a) The benefits of this Regulatory Agreement shall inure to, and may be enforced by, respectively, (i) the Issuer and the Trustee, (ii) the holders of the Series 2020 Bonds and their successors and assigns to the extent permitted by the Indenture, and (iii) solely as to Sections 2, 3 and 7 of this Regulatory Agreement, the Lower-Income Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to Section 3 of this Regulatory Agreement for the period set forth in Section 13 hereof, whether or not the Loan may be paid in full, and whether or not the Series 2020 Bonds are Outstanding. If a material violation of any of the provisions hereof occurs and is not cured within the period provided by Section 14 hereof, any or all of such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to compel specific performance hereunder, it being recognized that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Owner's default. The remedies of the beneficiaries of this Regulatory Agreement other than the Issuer (as provided in Section 19(b)) shall be limited to those described in the preceding sentence.

(b) In addition to such other remedies as may be provided for herein, if a violation of any of the provisions of this Regulatory Agreement occurs which is not corrected during the period provided in Section 14 hereof, the Issuer (and only the Issuer) shall have the right (but not the obligation), and is specifically authorized by the Owner, to terminate the property manager and subject to the approval of the Owner's investor limited partner during the 15-year tax credit compliance period, appoint a new property manager of the Project to operate the Project in accordance with this Regulatory Agreement and the Loan Agreement and take all actions necessary, in the reasonable judgment of the Issuer, to cure any default by the Owner hereunder, and such new property manager assuming such management hereunder shall be paid by or on behalf of the Owner, from the rents, revenues, profits and income from the Project, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of the County. Subject to Section 13 hereof, the provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times. All rights and remedies provided in this Regulatory Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the parties and beneficiaries hereof may otherwise have.

The Owner hereby agrees that the appointment of a new property manager may be necessary to serve the public purpose for which the Series 2020 Bonds were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Bonds following a violation of the provisions of this Regulatory Agreement which is not cured within the period provided in Section 14 hereof. The Owner hereby expressly consents to, and agrees not to contest, the appointment of a new property manager to operate the Project following a violation by the Owner of the provisions of this Regulatory Agreement which is not cured as provided in Section 14 hereof and hereby waives any and all defenses and objections that might otherwise be raised to any such appointment of a new property manager in accordance with the terms hereof. The Owner further agrees that the Issuer shall have the right to require the Owner to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Owner herein, including, without limitation, a material risk of an adverse impact on the excludability from gross income for federal income tax purposes of interest on the Series 2020 Bonds and which action or inaction is not being corrected as provided in Section 14 hereof, upon such manager or managing agent being given thirty (30) days' written notice of any violation hereof, and such right shall be expressly acknowledged in any contract between the Owner and any such manager or managing agent. The Owner covenants and agrees to diligently and in good faith pursue the appointment and, if required, approval of such a replacement manager or managing agent.

Section 20. Filing. Upon execution and delivery by the parties hereto, the Owner shall cause this Regulatory 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.

Section 21. Governing Law; Venue. This Regulatory Agreement shall be governed by the laws of the State. Venue shall be in Duval County, Florida.

Section 22. Amendments.

(a) The interest of the Issuer in this Regulatory Agreement shall be assigned to the Trustee and the rights of the Issuer hereunder shall be enforceable by the Trustee. The Owner shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 10 hereof.

(b) This Regulatory Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto (or their successors in title), and duly recorded in the official public records for the County. Anything to the contrary notwithstanding, the parties hereby agree to amend this Regulatory Agreement to the extent required in the opinion of Bond Counsel, in order for interest on the Series 2020 Bonds to remain exempt from federal income taxation under Section 103 of the Code. The Owner agrees, from time to time, to take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and amendments

to this Regulatory Agreement to the extent required by federal law, by any amendment to the Code or by any Regulation promulgated thereunder, in each case so that interest on the Series 2020 Bonds remains exempt from federal income taxes. Any such amendment, revision or termination shall be effected only in accordance with the Indenture.

(c) On the first business day immediately after the date on which no Bonds remain Outstanding, as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under the Regulatory Agreement and all references to the Trustee in this Regulatory Agreement shall be deemed references to the Issuer.

Section 23. Notice. Any notice required to be given hereunder shall be given by certified or registered mail, postage prepaid, return receipt requested, to the Issuer, the Trustee and the Owner at their respective addresses set forth in the first paragraph hereof, or at such other addresses as may be specified in writing by the parties hereto. A copy of any notice sent to the Owner shall also be sent to R4 Capital Funding LLC, 780 Third Avenue, 16th Floor, New York, New York 10017, Attention: Jim Spound, with a copy to Kutak Rock LLP, 1760 Market Street, Suite 1100, Philadelphia, Pennsylvania 19103-4104, Attention: Andrew P. Schmutz, Esquire, to the Investor Limited Partner, Wells Fargo Affordable Housing Community Development Corporation, MAC D1053-170, 301 S. College Street, 17th Floor, Charlotte, North Carolina 28288, Attention: Director of Tax Credit Asset Management, and a copy to Cannon Heyman & Weiss, LLP, 726 Exchange Street, Suite 500, Buffalo, New York 14210, Attention: Constance Giessert, Esquire.

Notice shall be deemed given on the third business day after the date of mailing.

Section 24. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 25. Multiple Counterparts. This Regulatory 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 intentionally left blank]

IN WITNESS WHEREOF, the Issuer, the Trustee, and the Owner have executed this Regulatory Agreement by duly authorized representatives, all as of the 1st day of June, 2020.

[SEAL]

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of June, 2020, by Bernard E. Smith as Chair of the Jacksonville Housing Finance Authority. He ☐ is personally known to me or ☐ produced _____ as identification.

_____
NOTARY PUBLIC

[Counterpart Signature Page – Land Use Restriction Agreement]

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

By:_____
Name: Tamara Klement-Ellis
Title: Director

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this _____ day of June, 2020, by Tamara Klement-Ellis as Director of The Bank of New York Mellon Trust Company, N.A., as trustee, on behalf of said national association. She ☐ is personally known to me or ☐ has produced _____ as identification.

_____
NOTARY PUBLIC

[Counterpart Signature Page – Land Use Restriction Agreement]

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of June, 2020, by Jason O. Floyd as Vice President of Vestcor, Inc., a Florida corporation, its Manager of Sydney Trace GP, LLC, a Florida limited liability company, on behalf of Sydney Trace, Ltd., a Florida limited partnership. He ☐ is personally known to me or ☐ produced _____ as identification.

_____
NOTARY PUBLIC

[Counterpart Signature Page – Land Use Restriction Agreement]

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF VILLAGE CENTER, AS RECORDED IN PLAT BOOK 56, PAGES 29 AND 29A, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID POINT BEING SITUATE ON THE SOUTHERLY RIGHT OF WAY LINE OF ARGYLE FOREST BOULEVARD (A 200 FOOT RIGHT OF WAY AS NOW ESTABLISHED); THENCE NORTH 89°27'34" WEST, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 447.20 FEET TO ITS INTERSECTION WITH THE BOUNDARY LINE AS ESTABLISHED BY BOUNDARY LINE AGREEMENT RECORDED IN OFFICIAL RECORDS VOLUME 7546, PAGE 1487, OF SAID CURRENT PUBLIC RECORDS; THENCE SOUTH 27°50'56" WEST, ALONG SAID BOUNDARY LINE, 620.20 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE; THENCE SOUTH 25°55'12" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 26.59 FEET FOR A POINT OF BEGINNING; THENCE, CONTINUE SOUTH 25°55'12" WEST, ALONG SAID BOUNDARY LINE, A DISTANCE OF 519.02 FEET TO A POINT SITUATE ON THE NORTHEASTERLY RIGHT OF WAY LINE OF MERCHANTS WAY, FORMERLY BRANON FIELD ROAD (A 100 FOOT RIGHT OF WAY); THENCE SOUTH 39°18'57" EAST, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 1520.86 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY AROUND AND ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 2.79 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 40°06'56" EAST, 2.79 FEET TO A POINT SITUATE ON THE FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, BEING 100 FEET IN WIDTH; THENCE NORTH 20°59'55" EAST, ALONG SAID FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, A DISTANCE OF 488.97 FEET TO ITS INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, FORMERLY OLD MIDDLEBURG ROAD, A VARIABLE WIDTH RIGHT OF WAY, SAID WESTERLY RIGHT OF WAY LINE BEING A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1560.00 FEET; THENCE NORTHERLY AROUND AND ALONG THE ARC OF SAID CURVE AND ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 279.66 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 15°51'47" EAST, 279.28 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 20°59'55" EAST, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 210.10 FEET TO A POINT WHICH LIES SOUTH 20°59'55" WEST, 301.11 FEET FROM THE SOUTHEAST CORNER OF SAID PLAT OF VILLAGE CENTER, AFOREMENTIONED; THENCE NORTH 68°44'18" WEST, A DISTANCE OF 588.21 FEET; THENCE NORTH 45°20'47" WEST, A DISTANCE OF 727.06 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND CONVEYED TO THE CITY OF JACKSONVILLE BY THE DEED OF DEDICATION RECORDED IN OFFICIAL RECORDS BOOK 9817, PAGE 123, OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

OLD MIDDLEBURG ROAD:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 32, OF SAID TOWNSHIP AND RANGE; THENCE NORTH 89°50'06" EAST, ALONG THE SOUTHERLY LINE OF SAID SECTION 32, A DISTANCE OF 1795.95 FEET TO A POINT ON A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, SAID POINT ALSO BEING THE POINT OF BEGINNING.

FROM SAID POINT OF BEGINNING, THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°02'44", AN ARC LENGTH OF 82.92 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 13°01'30" WEST, 82.91 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°08'46" WEST, 34.51 FEET; THENCE NORTH 08°47'24" WEST, 100.00 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 37°33'58" EAST, 34.51 FEET; THENCE NORTHERLY ALONG THE ARC OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, THROUGH A CENTRAL ANGLE OF 27°04'35", AN ARC LENGTH OF 737.21 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 07°27'37" EAST, 730.37 FEET; THENCE NORTH 20°59'55" EAST, 1550.07 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 110°29'43", AN ARC LENGTH OF 48.21 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 34°14'57" WEST, 41.08 FEET; THENCE NORTH 24°16'45" EAST, 218.55 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 69°30'17", AN ARC LENGTH OF 30.33 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°45'03" EAST, 28.50 FEET; THENCE NORTH 20°59'55" EAST, 387.21 FEET; THENCE SOUTH 69°00'05" EAST, 5.00 FEET; THENCE NORTH 20°59'55" EAST, 200.30 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1835.08 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 176.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 18°14'55" EAST, 176.09 FEET; THENCE NORTH 15°29'55" EAST, 2034.93 FEET TO A POINT LYING ON THE NORTHERLY LINE OF THE EAST ONE HALF OF SAID SECTION 32; THENCE NORTH 89°53'54" EAST, ALONG SAID NORTHERLY LINE, 129.78 FEET TO ITS INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, (AS MONUMENTED); THENCE SOUTH 15°29'55" WEST, DEPARTING SAID NORTHERLY LINE AND ALONG SAID EASTERLY RIGHT OF WAY LINE, 2069.83 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1960.08 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 188.15 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 18°14'55" WEST, 188.08 FEET; THENCE SOUTH 20°59'55" WEST, CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, 553.01 FEET TO THE POINT OF CURVATURE OF A

CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 92°22'24", AN ARC LENGTH OF 40.31 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 25°11'17" EAST, 36.08 FEET; THENCE SOUTH 21°35'27" WEST, 200.27 FEET, TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 87°37'36", AN ARC LENGTH 38.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT ALSO LYING ON SAID EASTERLY RIGHT OF WAY LINE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 64°48'43" WEST, 34.62 FEET; THENCE SOUTH 20°59'55" WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, 1599.37 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1435.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF 36°49'48", AN ARC LENGTH OF 922.43 FEET, TO A POINT ON SAID CURVE, SAID POINT ALSO LYING ON SAID SOUTHERLY LINE OF SECTION 32, SAID ARC BEING SUBTENDED BY CHORD BEARING AND DISTANCE OF SOUTH 02°35'01" WEST, 906.63 FEET; THENCE SOUTH 89°50'06" WEST, ALONG SAID SOUTHERLY LINE, 129.42 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF OAKLEAF VILLAGE PARKWAY AND MERCHANTS WAY AS LAID OUT AND IN USE.

PARCEL 2:

A PARCEL OF LAND LYING IN SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, CITY OF JACKSONVILLE, DUVAL COUNTY, FLORIDA, BEING ALSO A PORTION OF THE LANDS OF OAKLEAF COLONIAL CAPITAL, AS DESCRIBED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE PUBLIC RECORDS OF SAID DUVAL COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A POINT WHERE THE WEST RIGHT-OF-WAY LINE OF OAKLEAF VILLAGE PARKWAY (A VARIABLE WIDTH RIGHT-OF-WAY, FORMERLY OLD MIDDLEBURG ROAD), INTERSECTS THE SOUTHERLY LINE OF LANDS OF OAKLEAF COLONIAL CAPITAL, AS RECORDED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE RUN NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE, A DISTANCE OF 356.44 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED; THENCE CONTINUE NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE OF SAID OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID LINE ALSO BEING THE NORTHERLY LINE OF A DRAINAGE RETENTION AREA RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, A DISTANCE OF 231.77 FEET; THENCE NORTH 45°21'08" WEST, A DISTANCE OF 78.04 FEET; THENCE SOUTH 69°15'26" EAST, A DISTANCE OF 303.19 FEET TO THE WEST LINE OF ACCESS EASEMENT NO. 2, AS RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 20°53'26" WEST, ALONG SAID WEST LINE, A DISTANCE OF 33.72 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

FORM OF INCOME CERTIFICATION

Tenant Income Certification 1

FLORIDA HOUSING FINANCE CORPORATION
TENANT INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other _____ *Indicates Type*

Enter Full Date *(mm/dd/yyyy)*
Effective Date: _____
Move-in Date: _____

PART I - DEVELOPMENT DATA

Key Number _____ Development _____ County _____
Unit ID: _____ BIN # _____ Address _____ City _____

PART II - HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth *(mm/dd/yyyy)*	Age as of Effective Date	Full Time Student (Y or N)
1			**H - Head**			
2						
3						
4						
5						
6						
7						
8						
9						

PART III - GROSS ANNUAL ANTICIPATED HOUSEHOLD INCOME (USE ANNUALIZED AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Social Security/ Pensions	(C) Public Assistance	(D) Other Income	If Other, Indicate Type

Calculate sum of (A) through (D), above **(E) TOTAL ANTICIPATED INCOME:** $ -

PART IV - CASH VALUE OF ASSETS AND ANNUALIZED ANTICIPATED HOUSEHOLD INCOME FROM ASSETS

HH Mbr #	(F) C / I	(G) Checking	(H) Savings	(I) CD	(J) Other	If Other, Indicate Type	(K) Asset Income

(L) TOTAL CASH VALUE: Calculate sum of (G) through (J) above: $ -

(M) Total Anticipated Actual Asset Income: $ -

(N) Enter Item (L) amount if total exceeds $5,000: $ - **X** Passbook Rate **0.06%** = (O) Imputed Income: $ -

(P) TOTAL INCOME FROM ASSETS: *Enter the greater of Item (M) or Item (O)* $ -

PART V - (Q) TOTAL HOUSEHOLD INCOME FROM ALL SOURCES - Add (E) + (P) $ -

HOUSEHOLD CERTIFICATION AND SIGNATURES

The information on the form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated gross annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature _____ (Date) _____ Signature _____ (Date) _____

Signature _____ (Date) _____ Signature _____ (Date) _____

Florida Housing Finance Corporation **Rev. August 2016**

PART VI - STUDENT STATUS

Is every household member a full-time student?
(refer to Part II)

_____ Yes _____ No

If YES, enter Student Explanation number _____

Student Explanation

1 TANF assistance
2 Job training program
3 Single parent / dependent child
4 Married / joint return
5 Former foster child in transition to independence

PART VII - PROGRAM NAME

Indicate AMI category served by household for set-aside requirement of each Florida Housing program

	AMI Category	CAP **
MMRB	_____ %	_____
SAIL	_____ %	_____
Housing Credit	_____ %	_____
HOME	_____ %	_____
AHL	_____ %	_____
HUD Risk Sharing	_____ %	_____
SHIP	_____ %	_____
_____	_____ %	_____

** Upon recertification the household exceeded the income cap according to program(s) eligibility requirements.

PART VIII - DETERMINATION OF INCOME ELIGIBILITY

Current total household income $ _____
(refer to Part V)

Most restrictive AMI category met by household
(refer to Part VII)

_____ AMI % Current Income Limit $ _____

Recertification only

Household size at move in _____

Total household income at move in $ _____

Current Income Limit x 140% $ _____

Household income exceeds 140% at Recertification:

_____ Yes _____ No

PART IX - RENT

Rental Assistance $ _____

If Section 8, indicate assistance type:

Tenant Based _____

Project Based _____

Utility Reimbursement $ _____

Tenant-Paid Rent
(include non-optional charges) $ _____

Utility Allowance $ _____

TOTAL TENANT PAYMENT
(Tenant paid rent plus utility allowance) $ _____

Unit meets ELI / Housing Credit / HUD Risk Sharing rent restriction at AMI Category _____ %

Unit meets HOME Program rent restriction at _____

Number of bedrooms in this unit _____

Current rent limit for this unit $ _____
(Refer to applicable schedule of maximum allowable rents)

Rent Concession - throughout current lease

Total Amount $ _____

Lease Term _____
(in months)

PART X - CATEGORICAL OR PUBLIC PURPOSE SET ASIDE OR TARGETING REQUIREMENT TYPES

(Indicate with X to select ALL set asides or targets that apply to this household)

___	SPND			___	Workforce Housing
___	Link _____	Referral Agency Number		___	Family (SAIL only)
___	Commercial fishing worker	___	Elderly	___	Veteran
___	Farmworker	___	Homeless	___	Number of BR's (MMRB PPC only)
___	Developmentally Disabled	___	Special Needs		

SIGNATURE OF OWNER REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of the program(s) indicated in Part VII, and the Extended Use Agreement and/or Land Use Restriction Agreement (if applicable), to live in a unit in this Development.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

PART XI - STATISTICAL DATA

Note: Information in this Part XI is gathered for statistical use only. No resident is required to give such information unless they desire to do so.

Refusal to provide information in this Part will not affect any rights the household has as residents. There is no penalty for households that do not complete the form.

For Office Use: Household elected not to participate.	

New Households

Prior Housing Information
(Answer for household head)

Monthly rent payment _____
Monthly house payment _____
ZIP Code _____

All Households

Current Employment
(Answer for household head)

Occupation _____
ZIP Code _____

Primary Transportation Mode
(Answer for household head)

Motor vehicle _____
Public transportation _____
Other _____

Additional Household Information
A member of the household:
(Check all that Apply)

Receives Medicare benefits _____
Receives Medicaid benefits _____
Is a Person With a Disability * _____

Racial Categories* (Select All That Apply)	**Total Number of Household Members Per Category**	**Total Number of Hispanic or Latino Household Members**
American Indian or Alaska Native		
Asian		
Black or African American		
Native Hawaiian or Other Pacific Islander		
White		
American Indian or Alaska Native *and* White		
Asian *and* White		
Black or African American *and* White		
American Indian or Alaska Native *and* Black or African American		
Asian *and* Black or African American		
Other mutiple race combination		
TOTALS		

*** Definitions**

Person With a Disability	A person who has a mental or physical impairment that substantially limits one or more of such person's * Major Life Activities; has a record of such impairment; or is regarded as having such an impairment.
Major Life Activities	Functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, sitting, standing, lifting, reaching, thinking, concentrating, reading, interacting with others, learning, sleeping and working.
Hispanic or Latino	A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish origin" can be used in addition to "Hispanic" or "Latino."
Not-Hispanic or Latino	A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
American Indian or Alaska Native	A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
Asian	A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
Black or African American	A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black" or "African American."
Native Hawaiian or Other Pacific Islander	A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
White	A person having origins in any of the original peoples of Europe, the Middle East or North Africa.

EXHIBIT C

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned authorized representative of Sydney Trace, Ltd., a Florida limited partnership (the "Borrower"), has read and is thoroughly familiar with the provisions of the various documents associated with the issuance by the Jacksonville Housing Finance Authority ("the Issuer"), of its $[21,500,000] Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020 (the "Bonds"), such documents including:

1. The Land Use Restriction Agreement, as of June 1, 2020, among the Issuer, the Trustee and the Borrower; and

Based on the representations contained in the Income Certification and the proofs and documentation submitted pursuant to the Income Certification, the following percentages of dwelling units in the Development have been either occupied by Lower Income Tenants (as such term is defined in the Regulatory Agreement) on the fifteenth (15th) day of the month in which this certificate is dated and at all times during the month preceding the date of this certificate or were held vacant and available for such occupancy for all or part of such period:

Lower-Income Tenants: _____%

The undersigned hereby certifies that the Borrower is not in default under any of the above documents, with the exception of the following (if none, please so state):

_____

_____

Capitalized terms used but not defined in this certificate shall have the meanings assigned in the Indenture of Trust dated as of June 1, 2020, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee.

Date: _____

BORROWER:

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

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EXHIBIT D

RESIDENT PROGRAMS AND PROJECT AMENITIES

Resident programs for All Applicants:

☑ **Health Care — Mandatory** - Regularly scheduled visits by health care professionals such as nurses, doctors, or other licensed care providers. At a minimum, the following services must be provided at no cost to the resident: health screening, flu shots, vision and hearing tests. Regularly scheduled is defined as not less often than once each quarter. On-site space must be provided.

☑ **Resident Activities — Mandatory** - Regularly scheduled, specified activities, planned, arranged, managed, and paid for by the Applicant or its management agent as an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities such as holiday or special occasion parties, community picnics or cookouts, newsletters, children's special functions, etc., to bring the residents together, foster a sense of community, and encourage community pride.

☑ **On Site Voter Registration — Mandatory** — The Applicant or its Management Agent shall work with the County Supervisor of Elections to arrange on-site voter registration. The registration shall be at least quarterly, and shall be during weekend and other traditionally non-work times.

Resident Programs for Non-Elderly Developments:

☑ **Homeownership Opportunity Program — Mandatory** — Applicant must provide a homeownership opportunity program available to all residents in compliance with their current lease. The program must set aside 5% of the resident's gross rent toward a downpayment for that resident when the resident moves from the development into homeownership. The resident may be suspended from the program during the period of a lease if the resident violates any provision of the lease. Upon renewal of the lease, the resident must be reinstated into the program for the period of that renewal, with suspension permitted under the same terms as discussed above. The homeownership opportunity program must also include financial counseling for all residents, with emphasis on credit counseling and other items necessary for successful purchase of, and maintenance of a home.

☑ **First Time Homebuyer Seminars — Mandatory** — Applicant must arrange for and provide at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners.

In addition to meeting all building code, Fair Housing Act, and Americans with Disabilities Act requirements, the following are also required amenities:

- Air conditioning (window units are not allowed), in all units
- Dishwasher, in all new construction units
- Garbage Disposal, in all new construction units
- Cable TV Hook-up, in all units

- At least two full bathrooms in all 3 bedroom or larger new construction units
- At least 1 and ½ bathrooms (one full bath and one with at least a toilet and sink in all new construction 2 bedroom units
- Minimum square footage requirements for all new construction units of 600 square feet (one bedroom), 850 square feet (two bedroom units), 1,050 square feet (three bedroom) and 1,200 (four bedroom or greater)
- Full size appliances in all units
- Bathtub in at least one bathroom in new construction non-elderly units
- Exterior lighting for all buildings and parking areas
- Window Treatments (mini-blinds, curtains, vertical blinds)

Development amenities include:

- 30-year expected life roofing
- Microwave Oven
- Fire sprinklers in all units
- Steel entry door frames
- Termite prevention/detection system
- Exterior lighting
- Laundry Hook-ups and space for washer and dryer inside each unit
- Exercise room with appropriate equipment
- Community center or clubhouse
- Swimming Pool
- Playground/tot lot (must be sized in proportion to developments size and expected resident population with age-appropriate equipment)
- Car care area (for car cleaning/washing)
- Childcare facility located within three miles of the property
- Public transportation located within one-half mile of the property
- Library/study room consisting of a minimum of 100 books and 5 magazine subscriptions and computer lab.

Mandatory Energy Conservation features:

- Energy Star qualified refrigerator;
- Energy Star qualified dishwasher
- Energy Star qualified washing machines, if provided by applicant
- Minimum SEER of 15 for unit air conditioners (excluding buildings with a central chiller system);
- Low-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms--WaterSense labeled products or the following specifications:
  - Toilets: 1.6 gallons/flush or less
  - Faucets: 1.5 gallons/minute or less
  - Showerheads: 2.2 gallons/minute or less.
- Programmable thermostat in each unit

Green Building Features:

- Energy Star ceiling fans in all bedrooms and living area
- Energy Star qualified roofing material or coating

- Energy Star exhaust fans in all bathrooms
- Energy Star rating for all windows
- Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings

EXHIBIT D

FORM OF COMPLIANCE MONITORING AGREEMENT

COMPLIANCE MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

THIS COMPLIANCE MONITORING AGREEMENT (the "Agreement") is made as of June 1, 2020, by and among the **JACKSONVILLE HOUSING FINANCE AUTHORITY**, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida (the "Issuer"), **SELTZER MANAGEMENT GROUP, INC.** (the "Compliance Monitoring Agent"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, Jacksonville, Florida, a national banking association, in its capacity as Trustee (in such capacity, the "Trustee"), and **SYDNEY TRACE, LTD.**, a Florida limited partnership (the "Borrower").

W I T N E S S E T H:

WHEREAS, all capitalized terms in this Agreement not otherwise defined shall have the meanings set forth in the Indenture of Trust or the Loan Agreement (hereinafter defined); and

WHEREAS, the Issuer has been created and organized pursuant to and in accordance with the provisions of Chapter 159, Part IV, Florida Statutes, as amended (the "Act"), for the purpose, among others, of financing the costs of residential developments that will provide decent, safe and sanitary housing for persons or families of low, moderate or middle income in Duval County, Florida (the "County"); and

WHEREAS, the Act authorizes the Issuer; (a) to make loans to sponsors to provide financing for residential developments located within the County, and intended to be occupied to the extent required by applicable state or federal tax law by persons or families of low, moderate and middle income; (b) to issue revenue bonds for the purpose of obtaining monies to make such loans and provide such financing and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) 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, pursuant to resolutions of the Issuer adopted on September 18, 2019 and April 15, 2020, respectively, the Issuer has authorized, approved and issued its $19,000,000 Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A and its $2,500,000 Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B (collectively, the "Bonds") pursuant to that certain Indenture of Trust dated as of June 1, 2020 between the Issuer and the Trustee (the "Indenture"); and

WHEREAS, pursuant to its lawful authority under the Act, the Issuer has entered into that certain Loan Agreement dated June 1, 2020 (the "Loan Agreement"), by and between the Issuer and the Borrower, by the terms of which the Issuer has agreed to loan the proceeds of the Bonds to the Borrower (the "Loan") for the purpose of providing funds to acquire, construct and

equip a multifamily residential development located on property within the County, to be known as Sydney Trace Apartments (the "Property"); and

WHEREAS, the Loan will be secured by those certain promissory notes, dated as of June 30, 2020 (collectively, the "Notes"), from the Borrower to the Issuer; and

WHEREAS, the Issuer intends to assign the Notes and other instruments securing repayment of the Notes, to the Trustee for the benefit of the holder of the Bonds, as their interests may appear; and

WHEREAS, to assure compliance with certain requirements of the Internal Revenue Code of 1986, as amended, and certain other requirements of the Issuer with respect to the operation of the Property, the Issuer, the Trustee and the Borrower have entered into that certain Land Use Restriction Agreement dated as of June 1, 2020 (the "Land Use Restriction Agreement"); and

WHEREAS, the Compliance Monitoring Agent has represented and warranted that it is duly qualified and authorized to engage in the business of administering loans of the type of the Loan referred to herein; and

WHEREAS, the Compliance Monitoring Agent shall act as agent of the Issuer in performing certain functions under the Indenture, the Loan Agreement and the Land Use Restriction Agreement, and shall monitor tenant eligibility with respect to the Property subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Ten Dollars ($10) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS.** The following terms shall have the respective meanings set forth below (undefined terms shall be given the meanings set forth in the Indenture or the Loan Agreement):

A. "Improvements" -- All improvements described in the plans for the Property (the "Plans") and all additions and equipment reasonably necessary to construct, equip, renovate, operate and rent the Property, including all amenities. Without limiting the foregoing, the term Improvements shall include all landscaping, walls, drives, approaches, sidewalks, curbs, paving and all chattels, furniture, furnishings and equipment described in the Plans.

B. "Loan Documents" -- Collectively, this Agreement, the Notes, the Loan Agreement, the Land Use Restriction Agreement, the Mortgage and the Indenture and all other documents and instruments evidencing, securing or guaranteeing payment of the Loan, or any portion thereof.

C. "Mortgage" - means, collectively, that certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the date hereof (as amended, restated and/or supplemented from time to time) with respect to the Series 2020A Bonds and that certain Mortgage and Security Agreement dated as of the date hereof (as amended, restated and/or supplemented from time to time) with respect to the Series 2020B Bonds.

D. "Property" -- The real property described in Exhibit "A", which is attached hereto and by this reference made a part hereof, and the Improvements.

E. "Title Insurance Policy" -- Policy issued pursuant to mortgagee title insurance Commitment No. 7683118 issued by Fidelity National Title Insurance Company and all endorsements issued as required by this Agreement as of the date of reference.

2. TERM. This Agreement shall continue from the earlier of the date of this Agreement or from the date the Compliance Monitoring Agent shall begin compliance monitoring for the Issuer until occurrence of the first of the following events:

A. The end of the Qualified Project Period (as defined in the Land Use Restriction Agreement).

B. Termination of this Agreement as to the Compliance Monitoring Agent pursuant to Section 11 hereof.

3. SERVICING OF THE LOAN. The Compliance Monitoring Agent shall provide the compliance monitoring services required of the "Issuer Servicer" under the Loan Documents, including, without limitation, monitoring the Property and compliance by the Borrower with the requirements of the Land Use Restriction Agreement, exercising the same degree of care in performing its obligations under this Agreement as is customary in the industry for financial institutions which service real estate loans for their own portfolios and on behalf of others. The Issuer agrees that it will do and perform all things reasonably necessary to assist the Compliance Monitoring Agent in performing its obligations hereunder and under the Loan Documents.

4. COMPENSATION OF THE COMPLIANCE MONITORING AGENT. The Borrower shall pay to the Trustee for immediate payment to the Compliance Monitoring Agent, the amount invoiced by the Compliance Monitoring Agent to the Borrower and the Trustee for the services rendered by the Compliance Monitoring Agent hereunder in accordance with the following provisions:

A. The annual compensation of the Compliance Monitoring Agent for the compliance monitoring services specified hereunder shall be paid semi-annually by the Borrower to the Trustee on or before each [_____] 1st and [_____] 1st, commencing upon notification to the Trustee and the Borrower by the Compliance Monitoring Agent of the issuance of an initial certificate of occupancy, in an amount equal to [4 basis points (.04%) of the original Bonds amount. In the event the Bonds are paid off and the Qualified Project

Period has not ended, the fee will be set at the minimum of $4,060.32 until the Period has ended. Every January 1st, the minimum would be adjusted, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th, not to exceed 3% of the prior year's fees.

An additional fee of $184.00 per hour shall be paid by Borrower for follow-up reviews and/or extraordinary compliance monitoring services.

B. The Compliance Monitoring Agent's rights to compensation hereunder for compliance monitoring shall cease upon the later to occur of:

(1) the end of the Qualified Project Period; or

(2) notification by the Issuer to the Compliance Monitoring Agent that its services or this Agreement shall be terminated by the Issuer or the Trustee with the Issuer's consent, with or without cause.

C. Any fees not paid by the Borrower may be paid by the Trustee at the written request of the Compliance Monitoring Agent (from amounts available under the Indenture) and charged against the Loan unless Borrower gives Trustee written notice that such fees are disputed prior to such fee being paid by the Trustee.

5. <u>INSURANCE TO BE MAINTAINED BY THE COMPLIANCE MONITORING AGENT.</u> The Compliance Monitoring Agent shall maintain at all times during the existence of this Agreement, at its own expense, blanket fidelity insurance and errors and omissions insurance covering the Compliance Monitoring Agent's officers and employees and other persons acting on behalf of the Compliance Monitoring Agent relating to the Compliance Monitoring Agent's performance of this Agreement. The amount of coverage of such policies shall be acceptable to the Issuer. All such policies of insurance shall be issued by an insurance company, with coverage satisfactory to the Issuer and the Compliance Monitoring Agent and shall name the Issuer and the Trustee as the insured under said policies.

6. <u>NOTIFICATION TO THE ISSUER AND THE TRUSTEE.</u> The Compliance Monitoring Agent shall promptly notify the Issuer, the Borrower and the Trustee in writing of any of the following which may come to the attention of the Compliance Monitoring Agent:

A. Any failure of the Borrower to perform any covenant or obligation, applicable to it, under the Loan Documents (of which the Compliance Monitoring Agent has knowledge) if such failure continues for a period of fifteen (15) days, or lesser period, if so provided in any Loan Document.

B. Abandonment of the Property.

C. Any lack of repair or the deterioration or waste suffered or committed in respect to the Property.

D. Any other matter which would adversely or materially affect or result in diminution of value of the Property.

E. Any loss or damage by fire or any hazard to the mortgaged property requiring repairs costing in excess of FIFTEEN THOUSAND AND 00/100 ($15,000) DOLLARS to restore the Property of its condition prior to such loss or damage.

All notices provided to Borrower shall be simultaneously delivered to the Investor Limited Partner for so long as such Investor Limited Partner shall have an interest in the Borrower.

7. DEFAULT OF BORROWER. The Compliance Monitoring Agent shall not at any time, without the express written consent of the Issuer and the Trustee, consent to a postponement of compliance on the part of the Borrower with any of the terms and provisions of the Loan Agreement, the Land Use Restriction Agreement, or any other Loan Document, or in any manner grant an extension or waiver to the Borrower. The Compliance Monitoring Agent acknowledges that the Investor Limited Partner of Borrower shall have the right, but not the obligation, to cure all defaults under such documents within the same time period allowed to Borrower.

8. REPRESENTATIONS OF THE COMPLIANCE MONITORING AGENT. The Compliance Monitoring Agent covenants, warrants and represents to the Issuer and the Borrower as follows:

A. The Compliance Monitoring Agent is a duly organized corporation under the laws of the State of Florida, is in good standing in the State of Florida, and is authorized to do business in the State of Florida; that it is authorized to execute, deliver and perform this Agreement and all other documents and agreements required hereunder, and in so doing, that it will not violate any law, any provision of its charter or bylaws or any other agreement of instrument binding upon it.

B. The Compliance Monitoring Agent shall comply with all applicable laws and the provisions of the Loan Documents, as applicable.

C. The Compliance Monitoring Agent shall cause any funds advanced to the Compliance Monitoring Agent by the Trustee under this Agreement to be deposited with a financial institution, the deposits of which are insured by FDIC or by any successor agency or instrumentality of the United States government; and will cause such financial institution to designate said funds as escrow funds for the benefit of the Trustee; and will cause such financial institution to execute an agreement providing that it will not exercise any powers of right of offset or banker's lien against such escrow funds.

D. The Compliance Monitoring Agent hereby waives and releases any lien or encumbrances which it might at any time have or be able to claim against any property or funds held by the Trustee or the Issuer.

9. BORROWER'S REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to the Compliance Monitoring Agent that it may rely on the representations and warranties made by Borrower to the Issuer as set forth in the Loan Agreement and the Land Use Restriction Agreement.

10. COVENANTS OF THE BORROWER. The Borrower covenants and agrees with the Issuer, the Trustee and the Compliance Monitoring Agent as follows:

A. Right of Entry. The Borrower shall permit the Issuer, the Trustee and the Compliance Monitoring Agent and their authorized employees, agents or representatives to enter upon the Property after reasonable prior notice during normal business hours to inspect the Improvements (subject to the rights of the tenants) and all books and records related to the Property of the Borrower and will cooperate with the Issuer, the Compliance Monitoring Agent, the Trustee and its representatives to enable them to perform their functions hereunder. It is expressly agreed that any inspection made by the Issuer, the Trustee and the Compliance Monitoring Agent, or their representatives shall be made solely and exclusively for the protection and benefit of each of them and neither the Borrower nor any third party shall be entitled to claim, any loss or damage either against the Issuer, the Trustee and the Compliance Monitoring Agent, or their employees, agents or representatives for failure to properly discharge any alleged duties of the Issuer, the Trustee and the Compliance Monitoring Agent, and they shall have no duty to make such inspections.

B. Additional Documents. The Borrower agrees to execute any and all such other and further instruments as may reasonably be required by the Issuer or the Trustee from time to time in order to carry out the provisions of this Agreement, the Loan Documents or for the purpose of protecting, maintaining, or enforcing the Issuer's and the Trustee's security for the Loan.

11. TERMINATION.

A. By the Issuer. The Issuer shall have the right to terminate the Compliance Monitoring Agent's rights and obligations under this Agreement, without cause, upon ten (10) days' written notice to the Compliance Monitoring Agent, and with cause, upon such written notice as the Issuer deems reasonable under the circumstances.

B. Automatic Termination. Upon the occurrence of any one or more of the following events, this Agreement shall be automatically terminated:

(1) The Compliance Monitoring Agent shall assign or attempt to assign its rights or obligations under this Agreement.

(2) The Compliance Monitoring Agent shall institute proceedings for voluntary bankruptcy or shall file a petition seeking reorganization under the Federal Bankruptcy Laws or for relief under any other law for the relief of debtors

or shall consent to the appointment of a receiver of all or substantially all of its property, or make a general assignment for the benefits of its creditors, or shall admit in writing its inability to pay its debts as they become due, or shall be adjudicated bankrupt or insolvent by a court of competent jurisdiction, or if an order shall be made by a court of competent jurisdiction appointing a receiver, liquidator or trustee of the Compliance Monitoring Agent or of all or substantially all of its property or approving any petition filed against the Compliance Monitoring Agent for its reorganization, and such adjudication or order shall remain in force or unstayed for a period of thirty (30) days.

(3) The Compliance Monitoring Agent shall fail to perform any of its obligations hereunder and shall fail, within thirty (30) days after written notice from the Trustee or the Issuer, to correct or cure such failure.

(4) The Property is no longer subject to the Land Use Restriction Agreement.

C. Effect of Termination. In the event this Agreement is terminated pursuant to this Section 11, then the rights and obligations of the Compliance Monitoring Agent and its right to compensation hereunder shall immediately terminate. The Compliance Monitoring Agent shall forthwith deliver to the Issuer or to whomever the Issuer directs, all documents relating to the Loan and shall do such other acts as may reasonably be required by the Issuer to facilitate the termination hereof.

12. TENANT ELIGIBILITY. The Compliance Monitoring Agent shall be responsible for the following with respect to the Property:

A. Conduct on-site management reviews of the Property at least annually. Such reviews shall include examination of tenant files, a review of administration procedures, and a physical inspection of the Property. The Compliance Monitoring Agent shall also prepare a written Management Review and Inspection Report and distribute copies to the on-site manager, the Borrower, the management company, the Trustee and the Issuer. Such report shall include a statement as to the compliance by the Borrower with its obligations under the Land Use Restriction Agreement. Such management reviews shall be conducted through the Qualified Project Period, as extended, or until no Bonds are outstanding, whichever is later.

B. Review Program Reports and Tenant Income Certifications and re-certifications for completeness, tenant income eligibility and timeliness of completion. The Compliance Monitoring Agent shall contact management personnel regarding any discrepancies and follow-up with respect thereto until required corrections are made and provide copies of any correspondence with respect thereto to the Issuer.

C. Provide the Issuer with occupancy information from each Program Report in the format provided by the Issuer.

D. In addition, the Compliance Monitoring Agent shall:

(1) Be available to answer telephone inquiries relating to bond program requirements.

(2) Keep the Issuer apprised of scheduled activities, any compliance problems as such occur, and changes in apartment management personnel.

(3) Provide the Issuer with copies of all correspondence relating to the Property.

13. MISCELLANEOUS PROVISIONS.

A. No Waiver. Nothing herein shall be construed to waive or diminish any right or security of the Issuer or the Trustee under the Indenture and the Land Use Restriction Agreement. It is the purpose and intent hereof to provide safeguards, protections and rights for the Issuer and the Trustee in addition to those provided in the Indenture.

B. Cumulative Remedies. The remedies provided herein shall be in addition to and not a substitution for the rights and remedies which would otherwise be vested under any Loan Document or in law or equity, all of which rights and remedies are specifically reserved. The remedies herein provided or otherwise available to the Issuer, the Trustee or the Compliance Monitoring Agent shall be cumulative and may be exercised separately or concurrently and as often as the occasion therefor may arise. The failure to exercise any of the remedies herein shall not constitute a waiver thereof, nor shall use of any of the remedies hereby provided prevent the subsequent or concurrent use of any other remedy or remedies. It is intended that this clause shall be broadly construed so that all remedies herein provided or otherwise available to the Issuer, the Trustee or the Compliance Monitoring Agent shall continue and be each and all available until all sums due by reason of the Loan Agreement are paid in full and all obligations incurred by the Borrower in connection with the construction or operation of the Improvements have been fully discharged.

C. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, legal representatives, successors and assigns. The Borrower may be released from obligations and agreements hereunder only by a written instrument of the Trustee and the Issuer specifically providing for such release. The Borrower shall be released from any and all liability hereunder, upon payment of the Loan in full and expiration of the Qualified Project Period.

D. Assignability. This Agreement shall not be assignable by the Borrower or Compliance Monitoring Agent without the prior written consent of the Issuer and the Trustee. If the Issuer and the Trustee approve an assignment hereof by the Borrower, the

Trustee shall be entitled to make advances to such assignee and such advances shall be secured by the Loan Documents.

E. Governing Law. This Agreement shall be construed under the laws of the State of Florida, regardless of where it may have been executed or delivered. Any action to enforce or interpret this Agreement, 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 Duval County, Florida, and the parties hereto hereby submit itself to the jurisdiction of said courts.

F. Construction. Whereas this Agreement was negotiated with input from all parties hereto, this Agreement shall not be construed more strongly against any party regardless of who was more responsible for its preparation.

G. [Reserved].

H. Invalid Provisions. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law and are intended to be limited to the extent necessary so that they will not render this Agreement invalid, illegal, or unenforceable under any applicable law. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Agreement shall in no way be affected thereby, nor shall such terms be invalid or unenforceable under other, dissimilar facts and circumstances.

I. Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning, content, or interpretation hereof.

J. Amendments. This Agreement shall not be amended or modified except by an amendment in writing, executed by all parties hereto in the same form as this Agreement. The Issuer reserves the right to amend this Agreement to comply with federal and state laws and regulations.

K. Time of Essence. Time is of the essence of this Agreement.

L. Right to Publicize. The Issuer and the Compliance Monitoring Agent shall have the right to publicize its involvement in the financing of the Property and may require the Borrower to name the Issuer in all publicity releases and promotional materials issued in connection with the Property.

M. Dealings with the Compliance Monitoring Agent. The Compliance Monitoring Agent shall be protected and shall incur no liability in acting or proceeding in good faith upon resolution, notice, telegram, consent, wavier, certificate, affidavit, voucher, bond, title insurance commitment or policy or endorsement thereto or other paper or document which it shall in good faith reasonable believe (i) to be genuine and,

(ii) to have been passed or prepared and furnished pursuant to the provisions of the Indenture, the Land Use Restriction Agreement or the Loan Agreement, and the Compliance Monitoring Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements unless the instrument on its face reasonably indicated that the Compliance Monitoring Agent should inquire further or unless the Compliance Monitoring Agent has actual knowledge or information which reasonably should cause the Compliance Monitoring Agent to inquire further. The Compliance Monitoring Agent shall not be held liable under this Agreement except for its own negligence or willful misconduct. The Borrower shall indemnify and hold the Compliance Monitoring Agent harmless from any claim, action or liability of any kind or character whatsoever arising from or in any way related to acts or omissions of the Borrower or any of its agents, employees, consultants, counsel, or independent contractors. This paragraph shall in no way be construed to relieve the Compliance Monitoring Agent of the normal and usual duties of a reasonably prudent loan servicer or monitoring agent.

N. Terms. Wherever used herein, the terms utilized shall include masculine, feminine, neuter, singular and/or plural, as the context admits or requires.

O. Conflicts. Notwithstanding anything herein to the contrary, the terms and conditions of the Loan Agreement shall govern, control and prevail, in the event of any conflict between the terms and conditions hereof and those contained in the Loan Agreement.

14. REMEDIES. Subject to the applicable terms, conditions and restrictions set forth in the Land Use Restriction Agreement, upon the occurrence of any Event of Default which is not cured within the applicable cure period, the Issuer (or the Trustee or the Compliance Monitoring Agent) shall be entitled to seek specific performance hereof against the Borrower, and/or in addition to any other right or remedy available to it in law or equity. It is specifically agreed by the Borrower that a violation of this Agreement or the Land Use Restriction Agreement could cause harm for which no damages could be calculated, therefore entitling the Issuer to immediate equitable relief, including without limitation a temporary restraining order or mandatory injunction without notice.

15. NOTICES. Any notice required to be given hereunder shall be given by personal delivery, by registered U.S. mail or by 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 of sent by registered U.S. Mail.

To the Issuer:	Jacksonville Housing Finance Authority 214 N. Hogan Street, 7th Floor Jacksonville, Florida 32202 Attention: Finance Director Telephone: (904) 255-8200 Facsimile: (904) 255-8244 E-mail: lstagner@coj.net
To the Borrower:	Sydney Trace, Ltd. c/o Vestcor, Inc. 3030 Hartley Road, Suite 310 Jacksonville, Florida 32257 Attention: Jason O. Floyd E-mail: jfloyd@vestcor.com
With copy to:	Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 W. Flagler Street Miami, Florida 33130 Attention: Terry Lovell, Esq. E-mail: tlovell@stearnsweaver.com
To the Investor Limited Partner:	Wells Fargo Affordable Housing Community Development Corporation MAC D1053-170 301 S. College Street, 17th Floor Charlotte, North Carolina 28288 Attention: Director of Tax Credit Asset Management
With a copy to:	Cannon Heyman & Weiss, LLP 726 Exchange Street, Suite 500 Buffalo, New York 14210 Attention: Constance Giessert, Esq. Telephone: 716-856-1700 Email: CGiessert@chwattys.com
To the Trustee:	The Bank of New York Mellon Trust Company, N.A. 10161 Centurion Parkway N. Jacksonville, Florida 32256 Attention: Corporate Trust Department Telephone: (904) 645-1900 Facsimile: (904) 645-1998

To the Controlling Person:	R4 Capital Funding LLC 780 Third Avenue, 16th Floor New York, New York 10017 Attention: Jim Spound E-mail: jspound@R4cap.com
With a copy to:	Kutak Rock LLP 1760 Market St Suite 1100 Philadelphia, Pennsylvania 19103-4104 Attention: Andrew P. Schmutz, Esq. E-mail: Andrew.schmutz@kutakrock.com
To the Compliance Monitoring Agent:	Seltzer Management Group, Inc. 17633 Ashley Drive Panama City, Florida 32413 Attention: Ben Johnson Telephone: (850) 233-3616 ext. 223 Facsimile: (813) 233-1429

16. **ENTIRE AGREEMENT.** This Agreement sets forth the entire agreement among the Issuer, the Compliance Monitoring Agent, the Trustee and the Borrower as to the subject matter hereof, and all prior agreements, negotiations and understandings with respect thereto are merged into and superseded by this Agreement.

[SIGNATURE PAGES TO FOLLOW]

SIGNATURE PAGE FOR
COMPLIANCE MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names by their duly authorized representatives as of the day and year first set forth above.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

SIGNATURE PAGE FOR
COMPLIANCE MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Bernard E. Smith, Chair

SIGNATURE PAGE FOR
COMPLIANCE MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

SELTZER MANAGEMENT GROUP, INC., a Florida corporation

By:_____
Ben Johnson, President

SIGNATURE PAGE FOR
COMPLIANCE MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

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

By: _____
Michele R. Shrum, Vice President

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF VILLAGE CENTER, AS RECORDED IN PLAT BOOK 56, PAGES 29 AND 29A, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID POINT BEING SITUATE ON THE SOUTHERLY RIGHT OF WAY LINE OF ARGYLE FOREST BOULEVARD (A 200 FOOT RIGHT OF WAY AS NOW ESTABLISHED); THENCE NORTH 89°27'34" WEST, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 447.20 FEET TO ITS INTERSECTION WITH THE BOUNDARY LINE AS ESTABLISHED BY BOUNDARY LINE AGREEMENT RECORDED IN OFFICIAL RECORDS VOLUME 7546, PAGE 1487, OF SAID CURRENT PUBLIC RECORDS; THENCE SOUTH 27°50'56" WEST, ALONG SAID BOUNDARY LINE, 620.20 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE; THENCE SOUTH 25°55'12" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 26.59 FEET FOR A POINT OF BEGINNING; THENCE, CONTINUE SOUTH 25°55'12" WEST, ALONG SAID BOUNDARY LINE, A DISTANCE OF 519.02 FEET TO A POINT SITUATE ON THE NORTHEASTERLY RIGHT OF WAY LINE OF MERCHANTS WAY, FORMERLY BRANON FIELD ROAD (A 100 FOOT RIGHT OF WAY); THENCE SOUTH 39°18'57" EAST, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 1520.86 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY AROUND AND ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 2.79 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 40°06'56" EAST, 2.79 FEET TO A POINT SITUATE ON THE FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, BEING 100 FEET IN WIDTH; THENCE NORTH 20°59'55" EAST, ALONG SAID FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, A DISTANCE OF 488.97 FEET TO ITS INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, FORMERLY OLD MIDDLEBURG ROAD, A VARIABLE WIDTH RIGHT OF WAY, SAID WESTERLY RIGHT OF WAY LINE BEING A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1560.00 FEET; THENCE NORTHERLY AROUND AND ALONG THE ARC OF SAID CURVE AND ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 279.66 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 15°51'47" EAST, 279.28 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 20°59'55" EAST, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 210.10 FEET TO A POINT WHICH LIES SOUTH 20°59'55" WEST, 301.11 FEET FROM THE SOUTHEAST CORNER OF SAID PLAT OF VILLAGE CENTER, AFOREMENTIONED; THENCE NORTH 68°44'18" WEST, A DISTANCE OF 588.21 FEET; THENCE NORTH 45°20'47" WEST, A DISTANCE OF 727.06 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND CONVEYED TO THE CITY OF JACKSONVILLE BY THE DEED OF DEDICATION RECORDED IN OFFICIAL RECORDS BOOK 9817, PAGE 123, OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

OLD MIDDLEBURG ROAD:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY,

FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 32, OF SAID TOWNSHIP AND RANGE; THENCE NORTH 89°50'06" EAST, ALONG THE SOUTHERLY LINE OF SAID SECTION 32, A DISTANCE OF 1795.95 FEET TO A POINT ON A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, SAID POINT ALSO BEING THE POINT OF BEGINNING.

FROM SAID POINT OF BEGINNING, THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°02'44", AN ARC LENGTH OF 82.92 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 13°01'30" WEST, 82.91 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°08'46" WEST, 34.51 FEET; THENCE NORTH 08°47'24" WEST, 100.00 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 37°33'58" EAST, 34.51 FEET; THENCE NORTHERLY ALONG THE ARC OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, THROUGH A CENTRAL ANGLE OF 27°04'35", AN ARC LENGTH OF 737.21 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 07°27'37" EAST, 730.37 FEET; THENCE NORTH 20°59'55" EAST, 1550.07 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 110°29'43", AN ARC LENGTH OF 48.21 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 34°14'57" WEST, 41.08 FEET; THENCE NORTH 24°16'45" EAST, 218.55 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 69°30'17", AN ARC LENGTH OF 30.33 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°45'03" EAST, 28.50 FEET; THENCE NORTH 20°59'55" EAST, 387.21 FEET; THENCE SOUTH 69°00'05" EAST, 5.00 FEET; THENCE NORTH 20°59'55" EAST, 200.30 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1835.08 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 176.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 18°14'55" EAST, 176.09 FEET; THENCE NORTH 15°29'55" EAST, 2034.93 FEET TO A POINT LYING ON THE NORTHERLY LINE OF THE EAST ONE HALF OF SAID SECTION 32; THENCE NORTH 89°53'54" EAST, ALONG SAID NORTHERLY LINE, 129.78 FEET TO ITS INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, (AS MONUMENTED); THENCE SOUTH 15°29'55" WEST, DEPARTING SAID NORTHERLY LINE AND ALONG SAID EASTERLY RIGHT OF WAY LINE, 2069.83 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1960.08 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 188.15 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 18°14'55" WEST, 188.08 FEET; THENCE SOUTH 20°59'55" WEST, CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, 553.01 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE

SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 92°22'24", AN ARC LENGTH OF 40.31 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 25°11'17" EAST, 36.08 FEET; THENCE SOUTH 21°35'27" WEST, 200.27 FEET, TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 87°37'36", AN ARC LENGTH 38.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT ALSO LYING ON SAID EASTERLY RIGHT OF WAY LINE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 64°48'43" WEST, 34.62 FEET; THENCE SOUTH 20°59'55" WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, 1599.37 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1435.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF 36°49'48", AN ARC LENGTH OF 922.43 FEET, TO A POINT ON SAID CURVE, SAID POINT ALSO LYING ON SAID SOUTHERLY LINE OF SECTION 32, SAID ARC BEING SUBTENDED BY CHORD BEARING AND DISTANCE OF SOUTH 02°35'01" WEST, 906.63 FEET; THENCE SOUTH 89°50'06" WEST, ALONG SAID SOUTHERLY LINE, 129.42 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF OAKLEAF VILLAGE PARKWAY AND MERCHANTS WAY AS LAID OUT AND IN USE.

PARCEL 2:

A PARCEL OF LAND LYING IN SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, CITY OF JACKSONVILLE, DUVAL COUNTY, FLORIDA, BEING ALSO A PORTION OF THE LANDS OF OAKLEAF COLONIAL CAPITAL, AS DESCRIBED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE PUBLIC RECORDS OF SAID DUVAL COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A POINT WHERE THE WEST RIGHT-OF-WAY LINE OF OAKLEAF VILLAGE PARKWAY (A VARIABLE WIDTH RIGHT-OF-WAY, FORMERLY OLD MIDDLEBURG ROAD), INTERSECTS THE SOUTHERLY LINE OF LANDS OF OAKLEAF COLONIAL CAPITAL, AS RECORDED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE RUN NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE, A DISTANCE OF 356.44 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED; THENCE CONTINUE NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE OF SAID OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID LINE ALSO BEING THE NORTHERLY LINE OF A DRAINAGE RETENTION AREA RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, A DISTANCE OF 231.77 FEET; THENCE NORTH 45°21'08" WEST, A DISTANCE OF 78.04 FEET; THENCE SOUTH 69°15'26" EAST, A DISTANCE OF 303.19 FEET TO THE WEST LINE OF ACCESS EASEMENT NO. 2, AS RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 20°53'26" WEST, ALONG SAID WEST LINE, A DISTANCE OF 33.72 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

EASEMENT RIGHTS FOR THE BENEFIT OF PARCELS 1 AND 2 CONTAINED IN THAT CERTAIN DECLARATION BY CHIMNEY LAKES INVESTMENT COMPANY AND JAX, LLC, RECORDED IN

OFFICIAL RECORDS BOOK 10934, PAGE 1928, AS AFFECTED BY THE AMENDMENT TO DECLARATION RECORDED IN OFFICIAL RECORDS BOOK 11807, PAGE 772, AND DECLARATION OF ACCESS AND UTILITY EASEMENTS RECORDED IN OFFICIAL RECORDS BOOK 16644, PAGE 518, AND AMENDMENT RECORDED IN OFFICIAL RECORDS BOOK 16728, PAGE 1806, AND SUPPLEMENT TO DECLARATION RECORDED IN OFFICIAL RECORDS BOOK 18117, PAGE 303; AS AFFECTED BY ASSIGNMENT OF DEVELOPMENT RIGHTS BY CHIMNEY LAKES INVESTMENT COMPANY AND SYDNEY TRACE, LTD. TO BE RECORDED IN THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.

EXHIBIT E

FORM OF FINANCIAL MONITORING AGREEMENT

FINANCIAL MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

THIS FINANCIAL MONITORING AGREEMENT (the "Agreement") is made as of June 1, 2020, by and among the **JACKSONVILLE HOUSING FINANCE AUTHORITY**, a public corporation and a public body corporate and politic duly created and existing under the laws of the State of Florida (the "Issuer"), **SELTZER MANAGEMENT GROUP, INC.** (the "Monitoring Agent"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, Jacksonville, Florida, a national banking association, in its capacity as Trustee (in such capacity, the "Trustee"), and **SYDNEY TRACE, LTD.**, a Florida limited partnership (the "Borrower").

W I T N E S S E T H:

WHEREAS, all capitalized terms in this Agreement not otherwise defined shall have the meanings set forth in the Indenture or the Loan Agreement (both hereinafter defined); and

WHEREAS, the Issuer has been created and organized pursuant to and in accordance with the provisions of Chapter 159, Part IV, Florida Statutes, as amended (the "Act"), for the purpose, among others, of financing the costs of residential developments that will provide decent, safe and sanitary housing for persons or families of low, moderate or middle income in Duval County, Florida (the "County"); and

WHEREAS, the Act authorizes the Issuer; (a) to make loans to sponsors to provide financing for residential developments located within the County, and intended to be occupied to the extent required by applicable state or federal tax law by persons or families of low, moderate and middle income; (b) to issue revenue bonds for the purpose of obtaining monies to make such loans and provide such financing and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) 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, pursuant to resolutions of the Issuer adopted on September 18, 2019 and April 15, 2020, respectively, the Issuer has authorized, approved and issued its $19,000,000 Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A and its $2,500,000 Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B (collectively, the "Bonds") pursuant to that certain Indenture of Trust dated as of June 1, 2020 between the Issuer and the Trustee (the "Indenture"); and

WHEREAS, pursuant to its lawful authority under the Act, the Issuer has entered into that certain Loan Agreement dated June 1, 2020 (the "Loan Agreement"), by and between the Issuer and the Borrower, by the terms of which the Issuer has agreed to loan the proceeds of the Bonds to the Borrower (the "Loan") for the purpose of providing funds to acquire, construct

and equip a multifamily residential development located on property within the County, to be known as Sydney Trace Apartments (the "Project"); and

WHEREAS, The Issuer has contracted with Seltzer Management Group, Inc., its successors and assigns, to serve as the Monitoring Agent for the Project pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, for the consideration contained herein, the Issuer, the Borrower and the Monitoring Agent agree as follows:

1. Seltzer Management Group, Inc., its successors and assigns, is designated the Monitoring Agent for the Project for a term equal to the Qualified Project Period (as defined in the Land Use Restriction Agreement) or until terminated in accordance with this Agreement.

2. The duties of the Monitoring Agent shall be to:

   A. Perform financial monitoring of the Loan.

   B. Obtain and maintain certain financial information for the Issuer with regard to the Project.

   C. Provide the Issuer with written reports in a form approved by the Issuer.

   D. Provide the Issuer with a report on the Project's annual budget within 60 days after the beginning of the Project's Fiscal Year.

   E. Provide the Issuer with a report on the Project's mid-year operating results within 90 days after the Project's mid-year.

   F. Provide the Issuer with a report on the Project's year-end operating results within 90 days after the Project's year-end.

   G. Provide the Issuer with a report summarizing the Project's audited financial performance within 160 days after the end of the Project's Fiscal Year.

   H. Provide the Issuer with an annual Executive Summary Report within 160 days after the end of the Project's Fiscal Year.

3. For the purposes of this Agreement, Financial Monitoring shall mean:

   A. Obtain the Project's mid-year operating results in a form approved by the Issuer. The Monitoring Agent will review the interim operating results and annualize the numbers, the Monitoring Agent shall compare the annualized results to projections. The Monitoring Agent shall report any

unusual variances or trends and provide a copy of the analysis to the Issuer.

B. Obtain the Project's annual audited financial statements when due. The Monitoring Agent shall provide an analysis of the Project's balance sheet, income statement, and any other schedules, in a form approved by the Issuer. The Monitoring Agent shall compare actual year end results to projections and budget (if applicable).

C. Provide a written report to the Issuer summarizing the results of the financial statement analysis within 160 days after the end of the Project's fiscal year end. (This assumes that the Project submits its annual audited financial statements within 120 days after year end, thus allowing the Monitoring Agent 40 days for which to complete the analysis.).

4. As set forth in paragraph 8, for the above described services, the Monitoring Agent shall be paid 0.015% basis points per annum on the principal amount of Bonds outstanding on the Project, with a $2,094 minimum fee per annum. On January 1 of each year, the minimum fee shall be adjusted, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th. This automatic increase shall not exceed 3% of the prior year's fees.

5. The Borrower hereby agrees to pay the fee described above and to provide the Monitoring Agent reasonable access to the Project and Project records at reasonable times and upon reasonable notice so as to allow the Monitoring Agent to fulfill its obligations to the Issuer. The Borrower further agrees to provide the Monitoring Agent on behalf of the Issuer the following documents:

A. Annual budget for the Project not later than thirty 30 days prior to the beginning of each Fiscal Year of the Project. The annual budget should be in the form attached hereto as Exhibit A.

B. Interim operating results within 45 days after the end of the Project's mid-year. Mid-year Operating Statements should be in the form attached hereto as Exhibit B.

C. End of year operating results within 45 days after the Project's year-end. End of year Operating Statements should be in the form attached hereto as Exhibit C.

D. Annual Audited Financial Statements for the Project within 120 days of the end of the Borrower's Fiscal Year.

E. Certified rent roll as of the last day of the last month of the Project's Fiscal Year.

F. Month by month occupancy reports on a monthly basis shall be provided commencing on the first month following the issuance of the Project's first certificate of occupancy.

G. Schedule of Capital Repairs/Improvements for the current Fiscal Year and for any projected Fiscal Years beyond the current Fiscal Year to the extent not contained in the Annual Budget.

6. The Issuer agrees to provide the Monitoring Agent with a Project description including unit mix information, with income and expense projections which were provided to the Monitoring Agent in conjunction with the underwriting of the Loan.

7. This Agreement may be terminated by the Issuer, with or without cause, upon 10 days' written notice to the Monitoring Agent. Such termination does not relieve the Borrower from its obligation to pay any fees owed hereunder.

8. The Borrower shall provide compensation for the services rendered by the Monitoring Agent hereunder in accordance with the following provisions:

A. The annual compensation of the Monitoring Agent for the monitoring services specified hereunder shall be paid by the Trustee, immediately upon receipt of corresponding fees paid by the Borrower to the Trustee pursuant to an invoice delivered by the Monitoring Agent to the Borrower and the Trustee, in an amount equal to 0.015% per annum of the principal balance of the Bonds outstanding as of each [____] 1 and [_____] 1 (prior to any principal reduction on such date) or a minimum fee of $2,094 per annum, payable each [_____] 1 and [_____] 1. On January 1st of each year, the minimum fee shall be adjusted, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th. This automatic increase shall not exceed 3% of the prior year's fees.

B. The Monitoring Agent's rights to compensation hereunder for monitoring services shall cease upon the occurrence of any of the following events:

(1) the end of the Qualified Project Period (as defined in the Land Use Restriction Agreement);

(2) notification by the Trustee to the Monitoring Agent that its services or this Agreement shall be terminated by the Issuer or the Trustee with the Issuer's consent, with or without cause.

C. No termination fee shall be due the Monitoring Agent in the event this Agreement is terminated (with or without cause) by the Issuer or the Trustee.

D. Any fees not paid by the Borrower may be paid upon written direction from the Issuer, by the Trustee (from amounts available under the Indenture) and charged against the Loan unless Borrower gives the Issuer and the Trustee written notice that such fees are disputed prior to such fee being paid by the Trustee.

9. The parties hereto acknowledge that other persons or parties may have access to the reports described herein in that they may become public records of the Issuer.

10. The persons executing this Agreement acknowledge and represent that they have the legal authority to execute this document and to commit the party for which they are executing to the terms of this Agreement.

11. This Agreement and the information provided to the Issuer hereunder are solely for the information, benefit and use of the Issuer and the Issuer undertakes no responsibility or obligation hereby to any third party, including, without limitation, the Noteholders, to monitor, assure or enforce the performance by the Borrower of its obligations with respect to the Loan or the Project. No other party, including without limitation, the Noteholders, shall be entitled to rely on the information and services of the Monitoring Agent hereunder.

[SIGNATURE PAGES TO FOLLOW]

SIGNATURE PAGE FOR
FINANCIAL MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

IN WITNESS WHEREOF, the parties have hereunto set their hands and affixed their seals the day and year first above written.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

SIGNATURE PAGE FOR
FINANCIAL MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Bernard E. Smith, Chair

SIGNATURE PAGE FOR
FINANCIAL MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

SELTZER MANAGEMENT GROUP, INC., a Florida corporation

By:_____
Ben Johnson, President

SIGNATURE PAGE FOR
FINANCIAL MONITORING AGREEMENT
(SYDNEY TRACE APARTMENTS)

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

By: _____
Michele R. Shrum, Vice President

EXHIBIT A

FORM OF ANNUAL BUDGET

EXHIBIT B

FORM OF MID-YEAR OPERATING STATEMENT

EXHIBIT C

FORM OF YEAR-END OPERATING STATEMENT

EXHIBIT F

FORM OF CONSTRUCTION LOAN AND MORTGAGE SERVICING AGREEMENT

CONSTRUCTION LOAN AND MORTGAGE SERVICING AGREEMENT (SYDNEY TRACE APARTMENTS)

THIS CONSTRUCTION LOAN AND MORTGAGE SERVICING AGREEMENT (this "Agreement") is made as of June 1, 2020, by and among the **JACKSONVILLE HOUSING FINANCE AUTHORITY** a public body corporate and politic duly created and existing under the laws of the State of Florida (the "Issuer"), **SELTZER MANAGEMENT GROUP, INC.,** its successors and assigns, a Florida corporation (the "Issuer Servicer"), **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association existing under the laws of the United States of America, in its capacity as trustee (in such capacity, the "Trustee") and **SYDNEY TRACE, LTD.**, a Florida limited partnership (the "Borrower").

W I T N E S S E T H:

WHEREAS, all capitalized terms in this Agreement not otherwise defined shall have the meanings set forth in the Loan Agreement (hereinafter defined) and the Indenture (hereinafter defined); and

WHEREAS, the Issuer has been created and organized pursuant to and in accordance with the provisions of Chapter 159, Part IV, Florida Statutes, as amended (the "Act"), for the purpose, among others, of financing the costs of residential developments that will provide decent, safe and sanitary housing for persons or families of low, moderate or middle income in Duval County, Florida (the "County"); and

WHEREAS, the Act authorizes the Issuer; (a) to make loans to sponsors to provide financing for residential developments located within the County, and intended to be occupied to the extent required by applicable state or federal tax law by persons or families of low, moderate and middle income; (b) to issue revenue bonds for the purpose of obtaining monies to make such loans and provide such financing and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) 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, pursuant to resolutions of the Issuer adopted on September 18, 2019 and April 15, 2020, respectively, the Issuer has authorized, approved and issued its $19,000,000 Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A and its $2,500,000 Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B (collectively, the "Bonds") pursuant to that certain Indenture of Trust dated as of June 1, 2020 between the Issuer and the Trustee (the "Indenture"); and

WHEREAS, pursuant to its lawful authority under the Act, the Issuer has entered into that certain Loan Agreement dated June 1, 2020 (the "Loan Agreement"), by and between the Issuer and the Borrower, by the terms of which the Issuer has agreed to loan the proceeds of the Bonds to the Borrower (the "Loan") for the purpose of providing funds to acquire, construct and equip a multifamily residential development located on property within the County, to be known as Sydney Trace Apartments (the "Property"); and

WHEREAS, the Loan will be secured by those certain promissory notes, dated as of June 1, 2020 (collectively, the "Notes"), from the Borrower to the Issuer; and

WHEREAS, the Issuer intends to assign the Notes and other instruments securing repayment of the Notes, to the Trustee for the benefit of the holder of the Bonds, as their interests may appear; and

WHEREAS, the Issuer Servicer has represented and warranted that it is duly qualified and authorized to engage in the business of administering loans of the type of the Loan referred to herein; and

WHEREAS, the Issuer Servicer shall act as an agent of the Issuer in performing certain functions under the Loan Documents, and shall manage and service the Mortgage and the Land Use Restriction Agreement on behalf of the Issuer, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Ten Dollars ($10) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS. Any capitalized terms used herein and not defined below shall have the meaning ascribed to them in the Indenture or the Loan Agreement. The following definitions shall apply as context may require in this Agreement:

A. "Agreement" – This Construction Loan and Mortgage Servicing Agreement, as from time to time amended, modified or supplemented.

B. "Architect" – Group 4 Design, Inc..

C. "Budget" – The proposed budget for the Improvements which is attached hereto as Exhibit "B" and by this reference made a part hereof, which contains a construction schedule of the Improvements, as amended in accordance with the terms hereof, including, without limitation, amendments resulting from change orders approved in accordance with the terms hereof.

D. "Consulting Engineer" – [_____].

E. "Construction Contract" – That certain Standard Form of Agreement for the Project Facilities (as defined in the Indenture) Between Borrower and Contractor by and between the Borrower and the Contractor regarding the construction of the Improvements.

F. "Contractor" – Summit Contracting Group, Inc.

G. "Controlling Person" – Initially, R4 Capital Funding LLC.

H. "Costs of the Improvements" – All direct and indirect costs, including interest costs, required to be expended by the Borrower to comply with requirements of this Agreement, specifically including items set forth in the Budget. The Cost of the Improvements shall include the reasonable cost of labor and materials actually expended or incurred by the Borrower and incorporated in the Improvements on the Land, as well as interest costs and issuance costs and fees associated with the closing of the Loan and the issuance of the Bonds (excluding any fees and profit of the Borrower), and include materials stored on the Land.

I. "Environmental Indemnity" – That certain Environmental Indemnity from the Borrower, the General Partner, TVC Development, Inc., John Rood Revocable Trust 1/26/88 and John Rood, individually, in favor of the Issuer and the Trustee.

J. "Events of Default" – Those events of default as defined in Paragraph 19 of this Agreement.

K. "Force Majeure" – means any acts of God, strikes, walkouts or other labor disputes, riots, civil strife, war, acts of a public enemy, lightning, fires, explosions, storms or floods or shortages of labor or materials, the occurrence of labor or supply shortage/stoppage due to a declared pandemic (e.g. COVID) or any other cause of delay beyond the reasonable control of the party claiming the applicability of the Force Majeure doctrine (financial inability excepted).

L. "General Partner" – Sydney Trace GP, LLC, a Florida limited liability company, as the general partner of the Borrower.

M. "Guarantees" – That certain (i) Absolute and Unconditional Guaranty of Completion, (ii) that certain Continuing Absolute and Unconditional Guaranty of Recourse Obligations, and (iii) that certain Absolute and Unconditional Guaranty of Operating Deficits each from the guarantors named therein all of which guarantees are in favor of the Issuer and the Trustee.

N. "Improvements" – All improvements described in the plans for the Property (the "Plans") and all additions and equipment reasonably necessary to construct, equip, renovate, operate and rent the Property, including all amenities. Without limiting the foregoing, the term Improvements shall include all landscaping, walls, drives, approaches, sidewalks, curbs, paving and all chattels, furniture, furnishings and equipment described in the Plans.

O. "Inspector" – [_____].

P. "Land" – The real property described in Exhibit "A", which is attached hereto and by this reference made a part hereof.

Q. "Land Use Restriction Agreement" – The Land Use Restriction Agreement, dated June 1, 2020 by and among the Issuer, the Trustee and the Borrower.

R. "Loan" – The loan contemplated by the Loan Agreement in a total aggregate original amount of $21,500,000.

S. "Loan Documents" – Collectively, this Agreement, the Notes, the Loan Agreement, the Mortgage, the Land Use Restriction Agreement, the Indenture, and all other documents and instruments evidencing, securing or guaranteeing payment of the Loan, or any portion thereof.

T. "Mortgagee" – The Issuer, and its successors or assigns, including the Trustee.

U. "Plans" – The final plans and specifications for the Improvements heretofore approved by the Issuer and the Inspecting Engineer or their respective agents together with any and all amendments and modifications thereto made with the approval of the Issuer or its agent or otherwise in accordance with the terms hereof. (It is understood that the Plans shall be construed in such manner so that any works, structures or parts thereof mentioned or shown in the Plans and not mentioned or shown in the specifications, or vice versa, are to be constructed and erected as if they were in fact reflected in the Plans.)

V. "Property" – The real property described in Exhibit "A", which is attached hereto and by this reference made a part hereof, and the Improvements.

W. "Title Insurance Company" - Fidelity National Title Insurance Company.

X. "Title Insurance Policy or Policies" – Policy 7683118 effective as of [_____], 2020 and all endorsements issued as required by this Agreement insuring the Mortgage as of the date of reference.

2. TERM. This Agreement shall continue from the earlier of the date of this Agreement or from the date the Issuer Servicer shall begin servicing the Loan for the Issuer until occurrence of the first of the following events:

A. The Loan shall be paid in full and the Qualified Project Period (as defined in the Land Use Restriction Agreement) shall have expired.

B. The Mortgage shall be foreclosed in accordance with the Loan Documents or the property encumbered by the Mortgage shall be otherwise acquired by the Trustee.

C. Termination of this Agreement as to the Issuer Servicer, with or without cause, pursuant to Paragraph 16 hereof.

D. Assignment of all right, title and interest of the Issuer to a third party which terminates the interests of the Issuer.

3. SERVICING. The Issuer Servicer shall perform the services of the Issuer Servicer provided herein. The Issuer Servicer shall exercise the same degree of care, skill, prudence and diligence in servicing the Mortgage as is the customary and usual practice of prudent financial institutions, which service real property loans for their own portfolios and on behalf of others.

A. Construction Servicing. During the period of construction of the Improvements, the Issuer Servicer and/or its contractor shall be responsible for monitoring the progress of the construction work on behalf of the Issuer as follows:

1. The Issuer Servicer and/or its contractor shall attend all draw meetings, if any, and represent the Issuer with respect to approving all construction draws. The Issuer Servicer shall approve the draw only if all documents are appropriate, accurate and supported by proper documentation in accordance with the plans, specifications and construction contract.

2. The Issuer Servicer and/or its contractor shall make site visits sufficient to verify that the work is being performed in accordance with the plans, specifications, this Agreement and other construction documents. This includes (a) verifying the quality of the work and the materials incorporated therein, (b) determining that the Architect is providing proper inspections of the Property in accordance with its contract, (c) notifying appropriate parties if the Issuer Servicer becomes aware that any unhealthful or unsafe condition exists at the Property, (d) comparing waivers of and lien of materialmen and affidavits of contractor and subcontractor with Notice-to-Owner forms, and verifying that no payments are being improperly made, and (e) such other monitoring tasks as are customary and that minimize risk to the Property.

3. Provide monthly written reports to the Issuer confirming that all of the above are being performed in a manner consistent with the best interest of the project provided in sufficient detail to allow a reasonable person to assess the Property's status.

4. Upon completion of the Improvements, the Issuer Servicer shall provide the Issuer with the Architect's Certificate of Substantial Completion.

B. Permanent Loan Servicing. Following Stabilization (as defined in the Indenture) the Issuer Servicer shall perform servicing of the Loan as follows:

1. Establish a separate loan servicing file for the Property. The file shall contain copies of all closing documents pertaining to the Property.

2. Verify and confirm with quarterly reports to the Issuer (with a copy to the Trustee) the sufficiency of all insurance policies as to dollar amounts and the types of coverage required by the Issuer. Establish tickler files for the renewal or anniversary premium payment dates of all policies. In the event of loss, the Issuer Servicer will administer the restoration program.

3. Provide monthly loan servicing reports to the Issuer.

4. Timely renew and file UCC continuation statements with the Florida Secured Transaction Registry and in Duval County, Florida.

C. Continuing Duties of the Issuer Servicer after completion of the construction.

Monitor any other letters of credit or insurance policies issued or received in connection with the Property or Development and do all things or take any actions necessary or appropriate on behalf of the Issuer and the Trustee to secure, or cause to be secured, the timely renewal thereof for such periods as such items are to be in force and effect by the Loan Documents; provided, that the Issuer Servicer has received from the Trustee (from available funds held under the Indenture) from time to time any fees or charges the Issuer Servicer requires to secure payment or the timely renewal of such items upon the Borrower's failure to do so. The Issuer Servicer shall provide timely notice to the Trustee and the Borrower of any failure by the Borrower to renew within thirty (30) days before the expiration any such letters of credit or insurance policies.

D. Continuing Duties of the Issuer and the Trustee. In connection with the construction period, the Issuer, the Borrower and the Trustee agree that:

1. They shall do and perform all things reasonably necessary to assist the Issuer Servicer in servicing the Loan;

2. Borrower shall direct investment of the proceeds of the Bonds in accordance with the Indenture in such manner as will insure that such proceeds will be available to be disbursed at such reasonable times as proceeds of the Loan are required to be disbursed by the Trustee under this Agreement and substantially in accordance with the Draw Schedule attached hereto as Exhibit "B" and by this reference made a part hereof.

4. COLLECTION AND DEPOSIT OF PAYMENTS. The Issuer Servicer shall confirm that the Trustee has received each payment due under the Notes and Mortgage, as due, and if not, shall assist the Issuer and the Trustee, or the Bondholder in the event that payments are being made directly to the Bondholder, in the enforcement of their rights pursuant to the Loan Documents. The Trustee, or the Bondholder in the event that payments are being made directly to the Bondholder, shall receive each payment made under the Loan Documents and

the Trustee shall notify the Issuer Servicer and the Borrower in writing if payment is not made when due.

5. ADVANCES DURING CONSTRUCTION. The Issuer and the Trustee agree to make or cause to be made disbursements to the Borrower under the Indenture, the Loan Agreement and this Agreement of the proceeds of the Bonds in accordance with the Indenture, the Loan Agreement, the Budget, and in accordance with and subject to the procedures set forth below. The Budget may be amended by the Issuer Servicer from time to time, upon the written request of the Borrower with the consent of the Controlling Person; approval of such requests shall not be unreasonably withheld or delayed.

A. Requisition Request to be submitted to the Trustee, the Controlling Person, and the Issuer Servicer:

(1) At such time as the Borrower shall desire to obtain an advance, the Borrower shall complete, execute and deliver a Requisition Request, in the form as provided for in the Loan Agreement, to the Controlling Person and the Issuer Servicer. Each Requisition Request submitted by Borrower to obtain an advance under the Loan shall be signed by an authorized signatory of the Borrower (or the Borrower Designee). The Borrower shall not submit any Requisition Request to the Trustee until it has been approved by the Controlling Person and the Issuer Servicer, and each Advance by the Trustee of the proceeds of the Bonds shall be subject to the prior approval of the Requisition Request by the Controlling Person and the Issuer Servicer, except as provided in (2) below and to the other conditions precedent set forth in the Indenture and the Loan Agreement. Requisition Requests should be submitted to the Trustee without attachments. The Issuer Servicer shall approve or object to any Requisition Request within ten (10) Business Days of its submission together with all additional information required in connection with such advance. If the Issuer Servicer neither approves nor objects within such time, its approval shall be deemed given; in such instances, the Issuer Servicer must sign the Requisition Request by the tenth (10th) Business Day and forward it, as if it had been approved. Failure to approve a Requisition Request on the part of the Controlling Person shall not be deemed to be an approval of the Controlling Person and under no circumstances shall the Trustee disburse a Requisition Request unless signed by the Controlling Person.

(2) Notwithstanding the foregoing, if a Requisition Request has been approved by the Controlling Person and (a) (i) complies with the Budget, as amended in accordance with the terms of the Loan Documents, (ii) is for work that is in substantial accordance with the Plans and Specifications, and (iii) is accompanied by lien waivers with respect to the prior Requisition Request or by evidence that any liens which have been filed or for which notices of filing have been sent have been bonded to the satisfaction of the Title Company, or (b) if not approved, would jeopardize the coverage afforded by any Payment and Performance Bond, the Issuer Servicer shall not have the right to withhold its approval of any Requisition Request approved by the Controlling

Person unless, in the opinion of the Issuer Servicer, such Requisition Request would violate the terms of the Loan Documents. In addition, the Issuer Servicer shall not unreasonably withhold its approval of any Requisition Request otherwise approved by the Controlling Person. In the event the Issuer Servicer withholds its approval of a Requisition Request which does not meet the requirements of subsections (a) and (b) of this paragraph, but which has otherwise been approved by the Controlling Person, no funds shall be advanced for the disputed items (however, funds allocable to the items on such Requisition Request which are not disputed shall be available to be advanced) and the Controlling Person and the Issuer Servicer shall submit the dispute to binding arbitration by a mutually acceptable single arbitrator experienced in the type of construction contemplated in this Agreement, selected by the Controlling Person and the Issuer Servicer. The Controlling Person and the Issuer Servicer shall use all reasonable efforts to complete such arbitration proceedings and obtain a decision within thirty (30) days.

B. The Issuer Servicer shall review each Requisition Request for compliance with this Agreement, the Land Use Restriction Agreement, draw schedule, budgets and time lines and all other Loan Documents; for compliance with the Plans and all legal requirements; and for compliance with the customary and usual construction and on disbursement practices for the geographical area in which the Property is located.

(1) Where the Requisition Request includes amounts to be paid to the Contractor, such Requisition Request shall be accompanied by forms the same as or similar to AIA Form G702 and G703, to be reviewed and approved by the Issuer Servicer and executed by the Contractor and the Architect.

(2) Where the Requisition Request relates to items other than payments for work performed under the Construction Contract or a subcontract, there shall be included a statement of the purpose for which the advance is desired and/or invoices for the same, as the Issuer Servicer shall reasonably require.

(3) The Requisition Request shall be subject to the Architect verifying that the work has been accomplished in substantial accordance with the Plans so as to entitle the Borrower to the disbursement required.

(4) The Issuer shall retain from each Requisition Request a sum equal to ten percent (10%) of the amount of each Requisition Request (less any soft costs, P&P Bond, and General Liability Insurance which shall be fully funded) as retainage. The Requisition Request shall specify the amount of retainage. Upon completion of fifty percent (50%) of the Improvements (as certified by the Architect) no further retainage shall be withheld from subsequent requisitions. All retainage shall be released when the Improvements are one hundred percent (100%) complete and all conditions of paragraph G herein have been met. The final payment of any balance due the Contractor or any subcontractor (including materialman or suppliers within the term

"subcontractor") shall be made after full and final completion subject to punch list of the work on the Improvements being done by the Contractor or such subcontractor, as certified by the Borrower and the Architect, and delivery to the Issuer Servicer of a final mechanic's lien waiver and/or conditional lien waivers conditioned only upon receipt of final payment from all subcontractors and materialmen and the other documents required in subparagraph G hereof, in a form reasonably approved by the Issuer Servicer and its counsel, at the time of final disbursement.

C. It is specifically understood and agreed that the making of any advance or advances, or part of any advance, shall not be construed as an approval or acceptance by the Issuer and the Trustee of the work theretofore done.

D. Each Requisition Request shall be submitted to the Issuer Servicer at least ten (10) business days prior to the date of the requested advance; disbursements shall be made no more frequently than monthly at the principal office of Trustee or at such other place as Trustee may designate. The provisions of this Paragraph shall not restrict the ability of the Trustee to make interest payments in accordance with the Indenture.

E. If an Event of Default has occurred and is continuing and all applicable cure periods have expired, the Trustee (at the direction of the Issuer but only with the written consent of the Controlling Person) may make any or all advances for construction expenses directly to the Contractor for deposit in an appropriately designated special bank account and the execution of this Agreement by the Borrower shall, and hereby does, constitute an irrevocable authorization so to advance the proceeds of the Loan, subject, however, to the applicable provisions of this Agreement including, but not limited to the Controlling Person's approval of all advances. No further authorization from the Borrower shall be necessary to warrant such direct advances to Contractor and all such advances shall satisfy *pro tanto* the obligations of the Issuer and the Trustee hereunder and shall be secured by the Mortgage as fully as if made directly to the Borrower.

F. All advances or parts of advances including the initial advance will be made subject to the approval of the Issuer Servicer and to the following conditions precedent as to each advance (each of which the Borrower covenants to fulfill), satisfaction of which shall be evidenced by the Issuer Servicer's approval which are in addition to and not in replacement of the requirements for advances of the Controlling Person as set forth in the Loan Agreement:

(1) That the Borrower has fully complied with all of the provisions of the Loan Documents and is entitled to such advance, it being understood that the making of any advance or portion thereof when the Borrower is not so entitled will not constitute waiver of such compliance and that no event has occurred and is continuing which constitutes a "Default" or an "Event of Default" under any Loan Document.

(2) That the Mortgage is a good and valid first lien for the full amount then and theretofore advanced, and good, marketable and insurable title to the Land is vested

in the Borrower, free and clear of all encumbrances, except Permitted Encumbrances as defined in the Indenture and except for encumbrances being properly contested under the Mortgage, as evidenced by an updated title insurance endorsement.

(3) That the Improvements constructed through the date of the Requisition Request have been constructed in substantial accordance with the Plans and all legal requirements, and that the Architect has made an inspection of and approves the work completed as represented in the current Requisition Request.

(4) That the Issuer Servicer has been furnished with an affidavit executed by an authorized representative of the Borrower or its agent as to whether or not the Borrower has been served with written notice that a lien may be claimed for any amounts unpaid for materials furnished or labor performed by any person, firm, entity or corporation furnishing materials or performing labor of any kind in the construction or installation of any of the Improvements. The date and manner of service shall be stated in such affidavit and a true and correct copy of each such notice shall be attached to the affidavit.

(5) That the Borrower has procured or will procure verified and proper mechanic's lien waivers and receipted bills or receipts from the Contractor, any subcontractor or materialmen in a form reasonably satisfactory to the Issuer or the Issuer Servicer, showing payment of all parties who have furnished materials or performed labor of any kind pertaining to the construction or installation of any of the Improvements, except for claims bonded off, insured over or being contested under the terms of the Mortgage, through the date of the previous disbursement. The Issuer, the Trustee, and the Issuer Servicer shall not be required nor be responsible to ascertain that any such bills are, in fact, paid. In the event a lien has been filed against the Land, the Issuer Servicer shall require such lien to be satisfied or bonded before approving a Requisition Request.

(6) That the Borrower has furnished the Issuer Servicer reasonably satisfactory evidence that the undisbursed proceeds of the Loan together with projected earnings on invested funds under the Indenture and other identifiable funds available to the Borrower, including but not limited to capital contributions made or to be made under the Borrower's partnership agreement will be sufficient to pay the cost of completing the Improvements (other than the deferred developer fee and other deferred fees to parties related to the Borrower) as required by the Loan Documents.

(7) That the Improvements are not being constructed in violation of the Land Use Restriction Agreement or any covenants, restrictions, codes, or zoning ordinances affecting the Land.

(8) That the Borrower has caused the Issuer Servicer to be provided with a title endorsement and update with respect to the Title Insurance Policy theretofore

delivered, indicating that since issuance of the Title Insurance Policy there has been no change in the state of title to the Land which is not permitted under the terms of the Mortgage or which not otherwise accepted by the Mortgagee.

(9) That the Borrower and/or the Contractor have caused the Issuer Servicer to be provided with a list of all subcontractors and materialmen to be used on the Property, to be updated with each Requisition Request, and if requested by the Issuer Servicer, copies, certified by the Borrower and/or the Contractor to be true and correct, material, equipment and furnishings to complete the Improvements.

(10) That the Requisition Request is accompanied by a certificate on the part of the Architect that the work has been accomplished in substantial accordance with the Plans so as to entitle the Borrower to the disbursement requested.

G. Prior to approving the final advance and release of any Retainage being held back hereunder, the Issuer Servicer shall have received (those items with * are necessary for releasing Retainage):

*(1) each of the items specified in the foregoing subparagraphs F(2) through (10);

*(2) a permanent final certificate of occupancy;

*(3) a certificate of substantial completion in a form reasonably acceptable to the Issuer (the AIA form G704 is acceptable to the Issuer);

*(4) final mechanic's lien waiver and/or conditional lien waivers conditioned only upon receipt of final payment from all subcontractors and materialmen;

*(5) updated title insurance endorsements insuring the lien of the Mortgage as of the Completion Date to be a valid first lien on the Property, subject only to Permitted Encumbrances (as defined in the Indenture) other than mechanic's liens, and otherwise providing the title insurance coverage required under the Mortgage as of the Completion Date;

*(6) a set of "as-built" Plans;

H. The Trustee may rely upon the approval of a Requisition Request by the Controlling Person and the Issuer Servicer to establish compliance by the Borrower with subparagraphs A, B, E, F and G above.

6. COMPENSATION OF THE ISSUER SERVICER. The Borrower shall provide for payment to the Issuer Servicer for the services rendered by the Issuer Servicer hereunder in accordance with the following provisions:

A. Servicing Fees. The Borrower shall pay the Issuer Servicer fees, which include:

(1) Compensation payable to the Issuer Servicer for construction servicing shall be paid directly by the Borrower to the Issuer Servicer in the following amounts:

(a) an on-site inspection fee of $184 per hour for services rendered during the construction of the Property, but not in excess of $1,822 per disbursement.

(b) an in-house review fee of $184 per hour for services rendered during the construction of the Property.

An additional fee of $184 per hour shall be paid by Borrower for extraordinary construction servicing services.

(2) Compensation payable to the Issuer Servicer for compliance monitoring shall be paid by the Borrower to the Issuer Servicer on the semi-annual dates established in the Compliance Monitoring Agreement.

(3) Compensation payable to the Issuer Servicer for permanent loan servicing shall be paid semi-annually in advance by the Borrower on each [_____] 1 and [_____] 1 in an amount of 2.3 basis points (.023%) per annum of the outstanding principal amount of the Bonds, with a minimum annual fee of $2,628, commencing with the issuance of the initial certificate of occupancy. On January 1st of each year, the minimum fee shall be adjusted, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th. This automatic increase shall not exceed 3% of the prior year's fees.

An additional fee of $184 per hour shall be paid by Borrower for extraordinary permanent loan servicing services.

Notwithstanding anything in this Agreement or any of the other Loan Documents to the contrary, permanent loan servicing services related to the review, inspection and/or consideration of requests for disbursements from the replacement reserve account shall not be considered extraordinary permanent loan servicing services, unless otherwise approved in advance by the Issuer.

B. Termination of Compensation. The Issuer Servicer's right to compensation hereunder (except for accrued, unpaid compensation and unreimbursed, previously incurred costs and expenses) for servicing the Loan shall cease upon the occurrence of any of the following events:

1. the Loan shall be paid in full and the Qualified Project Period shall have expired;

2. an Event of Default under the Notes, Mortgage or the Loan Agreement unless the Issuer Servicer is directed to assist in foreclosure of the Mortgage by the Trustee;

3. notification by the Trustee to the Issuer Servicer that its services or this Agreement shall be terminated by the Issuer or the Trustee at the written direction of the Issuer, with or without cause;

4. assignment of all right, title and interest of the Trustee in and to the Mortgage.

C. Deductions of Unpaid Fees.

D. Any fees not paid by the Borrower may be deducted from a subsequent draw request.

7. TITLE INSURANCE UPDATE FEES. The Borrower shall be responsible for payment to the Title Insurance Company for periodic title update charges as required by the Issuer or the Trustee.

8. BUILDER'S RISK AND HAZARD INSURANCE. The Issuer Servicer shall see to it that at all times during the term of this Agreement and the other Loan Documents, all buildings and improvements making up the Property are insured, under standard mortgagee clauses, for the benefit of the Trustee and the Issuer, against loss or damage by fire and from such other insurable risks and hazards, all as more specifically set forth in the Mortgage and other Loan Documents. Subject to the applicable provisions of the Loan Agreement, fire insurance and extended coverage shall be in an amount at least equal to the full replacement value of the Property less applicable deductibles. Subject to the applicable provisions of the Loan Agreement, in the event of the failure by the Borrower to maintain such insurance in full force and effect, and upon the written authorization of the Issuer, such insurance shall be maintained by the Issuer Servicer, and the Trustee shall advance necessary funds (from amounts available for such purposes pursuant to the Indenture) to the Issuer Servicer at the direction of the Issuer Servicer. The Issuer Servicer shall retain and safely store, service and continually maintain all such policies and documents related thereto as are required by this Paragraph. All insurance coverage maintained pursuant to this Paragraph shall be without contribution by the Trustee and shall be issued by insurance companies having a general policyholder's rating and financial rating acceptable to the Issuer.

9. INSURANCE TO BE MAINTAINED BY THE ISSUER SERVICER. The Issuer Servicer shall maintain at all times during the existence of this Agreement, at its own expense, blanket fidelity insurance and errors and omissions insurance covering the Issuer Servicer's officers and employees and other persons acting on behalf of the Issuer Servicer relating to the

Issuer Servicer's performance of this Agreement. The amount of coverage of such policies shall be at least equal to the coverage that would be required by the Controlling Person with respect to the Issuer Servicer if the Issuer Servicer were servicing mortgage loans for the Controlling Person relating to the Issuer Servicer's performance of its obligations under this Agreement. All such policies of insurance shall be issued by an insurance company, with coverage satisfactory to the Issuer and the Issuer Servicer and shall name the Issuer and the Trustee as the insured under said policies. All premiums for such insurance shall be paid by the Issuer Servicer at its own expense as a cost of doing business.

10. NOTIFICATION TO THE ISSUER, BORROWER, CONTROLLING PERSON AND TRUSTEE. The Issuer Servicer shall promptly notify the Issuer, the Borrower, the Controlling Person and the Trustee of any of the following which may come to the attention of the Issuer Servicer with respect to the Mortgage:

A. Any failure of the Borrower to perform any covenant of obligation, applicable to it, under the Loan Documents (of which the Issuer Servicer has knowledge) if such failure continues for a period of fifteen (15) days, or lesser period, if so provided in any Loan Document.

B. Abandonment of the Property.

C. Any lack of repair or the deterioration or waste suffered or committed in respect to the Property.

D. Any other matter which would adversely or materially affect or result in diminution of value of the security described herein and in the Mortgage.

E. Any loss or damage by fire or any hazard to the mortgaged property requiring repairs costing in excess of FIFTEEN THOUSAND AND 00/100 ($15,000.00) DOLLARS to restore the Property of its condition prior to such loss or damage.

11. DEFAULT OF BORROWER. The Issuer Servicer shall not at any time, without the express written consent of the Issuer, the Controlling Person and the Trustee, consent to a postponement of compliance on the part of the Borrower with any of the terms and provisions of the Loan Agreement, the Mortgage, or any other Loan Document, or in any manner grant an extension or waiver to the Borrower, subject to the applicable provisions of the Indenture and Loan Agreement. The Issuer Servicer shall only act at the written direction given to it by the Trustee or the Issuer. Subject to Section 6.3(f) of the Indenture, the Trustee, at the written direction of the Controlling Person, shall have the right to institute and prosecute any foreclosure proceedings of the Mortgage through an attorney selected and directed by the Trustee and the Issuer Servicer agrees to cooperate with such proceedings.

12. TRUSTEE ACTION. Subject to Section 6.3(f) of the Indenture, the Trustee shall conduct all such foreclosure proceedings and take title to the Property in the name of such other party as designated in the Mortgage and Indenture.

In such event, the Issuer Servicer shall be released from the obligations to conduct and be responsible for such foreclosure proceedings.

13. REPRESENTATIONS OF THE ISSUER SERVICER. The Issuer Servicer covenants, warrants and represents to the Issuer and the Borrower as follows:

A. The Issuer Servicer is a duly organized corporation under the laws of the State of Florida, is in good standing in the State of Florida, and is authorized to execute, deliver and perform this Agreement and all other documents and agreement required hereunder, and in so doing, that it will not violate any law, any provision of its charter or bylaws or any other agreement of instrument binding upon it.

B. The Issuer Servicer shall comply with all applicable laws and the provisions of the Loan Documents.

C. The Issuer Servicer shall cause any funds advanced to the Issuer Servicer by the Trustee under this Agreement to be deposited with a financial institution the deposits of which are insured by FDIC or by any successor agency or instrumentality of the United States government; and will cause such financial institution to designate said funds as escrow funds for the benefit of the Trustee; and will cause such financial institution of execute an agreement providing that it will not exercise any powers of right of offset or banker's lien against such escrow funds.

D. The Issuer Servicer hereby waives and releases any lien or encumbrances which it might at any time have or be able to claim against any property or funds held by the Trustee or the Issuer, except monies on deposit in the Administrative Expense Account (or similar account under the Indenture) and available for such payment under the Indenture.

14. BORROWER'S REPRESENTATIONS AND WARRANTIES. As of the Closing Date, the Borrower represents and warrants to the Issuer, the Trustee and the Issuer Servicer as follows:

A. Valid Existence. That it is a duly organized and validly existing limited partnership in good standing under the laws of the State, with full power and authority to consummate the transactions contemplated hereby.

B. Unencumbered Land. That the Borrower is indefeasibly seized of a interest in the Land and has full power and lawful right to mortgage the same, and that the Land is free and clear of all encumbrances, except current taxes and assessments which are not yet due and payable and Permitted Encumbrances as defined in the Indenture.

C. No Mechanic's Liens. That no materials of any kind have been placed on the Land by anyone, and no work or labor has been performed, thereon that has not been paid for; there are no unpaid bills for labor, materials, supplies or services furnished upon the Land; and no notice of commencement or claim of lien affecting the Land or the Improvements has

been filed in the public records of the County which has not been provided to and approved by the Issuer, and no such notice of commencement or claim of lien will be so filed prior to the recording of the Mortgage. The Borrower covenants, however, that it will, immediately upon notification of recordation of the Mortgage, cause to be executed and filed of record among the public records of the County, a notice of commencement, as required by Chapter 713, Florida Statutes, as amended, and a certified copy thereof to be posted on the Land and to remain so posted during the period of construction, all in accordance with the applicable provisions of Chapter 713, Florida Statutes, as amended.

D. Plans Approved. Except as provided in the next succeeding sentence, by the date of commencement of construction, the Plans shall have been approved by the Issuer Servicer and the Inspecting Engineer on behalf of the Issuer, and to the extent required by applicable law or any effective restrictive covenant, by all governmental authorities having jurisdiction thereover and the beneficiary of any such covenant, respectively.

E. Utilities. That all utilities services necessary for the construction of the Improvements and the operation thereof for their intended purpose, are or will be available prior to commencement of construction, for the use of the Borrower at the Land, including water supply, storm and sanitary sewer facilities, electric, and telephone services.

F. Access. That adequate vehicular, pedestrian and utility access for reasonably direct ingress, egress and service, to and from the Land from publicly owned and maintained paved roadways are or will be available when needed at the Land.

G. Licenses and Permits. That all necessary licenses and permits will be obtained as soon as each is reasonably obtainable so as to permit the construction and completion of the Improvements, and operation of the Property.

H. Labor and Materials. That all labor and materials contracted for or utilized in connection with the construction of the Improvements shall be used and employed solely on the Land and in said construction and shall be substantially in accordance with the Plans.

I. Monies in Trust. That the monies disbursed under this Agreement shall constitute a trust fund and shall be used solely for the payment of the Costs of the Improvements and for no other purpose, unless another use is specifically provided for in this Agreement or another Loan Document, or is consented to in writing by the Issuer and the Controlling Person prior to any such usage.

J. No Suits Pending. That there are no actions, suits, or proceedings pending, or, to the knowledge of the Borrower, threatened against or affecting it or the Land or involving the validity or enforceability of the Mortgage or the priority of the lien thereof, at law or in equity, or before or by any governmental authority except actions, suits and proceedings fully covered by insurance or which, if adversely determined, would not substantially impair the ability of the Borrower to pay when due any amounts which may become payable in respect

to the Loan Agreement; and to the Borrower's knowledge it is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

K. No Violation of Agreements. That the consummation of the transactions hereby contemplated and performance of this Agreement and the Mortgage will not result in any breach of, or constitute default under, any mortgage, lease, bank loan or credit agreement, corporate charter, bylaws, partnership agreement, operating agreement, joint venture agreement, or other instrument to which the Borrower or its General Partner are a party or by which they may be bound or affected.

L. No Event of Default Under Loan Agreement. That no Event of Default presently exists under the Notes, the Loan Agreement, the Mortgage, this Agreement or any other Loan Document, and no event has occurred and is continuing which with notice or the passage of time or either would constitute a default under the Notes, the Loan Agreement, the Mortgage or this Agreement or any other Loan Document.

M. No Financial Impediments. That Borrower has no known or contingent liabilities, and no material financial obligations under other agreements to which Borrower is a party or by which the Land is bound other than those obligations incurred with regard to the acquisition of the Land or in the ordinary course of the operation of the Property and those obligations arising out of or specified in the Mortgage, the other Loan Documents, the Bond Documents and the Borrower's partnership agreement.

N. Continuing Warranties. That each of the representations and warranties set forth in this Paragraph will be true on the date of each advance hereunder and the acceptance of any advance hereunder by the Borrower shall be deemed to be a reaffirmation of each and every one of said representations and warranties.

15. COVENANTS OF THE BORROWER. As of the Closing Date, and thereafter, the Borrower covenants and agrees with the Issuer, the Trustee and the Issuer Servicer as follows:

A. Survey. The Borrower shall forthwith, and prior to the initial disbursement of any funds hereunder, furnish to the Issuer Servicer, at the Borrower's expense, a current survey, which survey shall meet all requirements of the Title Insurance Company (including any flood requirements), so as to enable the Title Insurance Company to eliminate any exception for survey matters from the Title Insurance Policy, and which survey shall locate all recorded restrictions and easements by recording references. Upon the completion of the Improvements, the Borrower shall furnish to the Issuer Servicer and the Trustee a final completion survey showing the Improvements completed and properly located on the Land. Such survey shall be made by a civil engineer or surveyor reasonably acceptable to the Issuer Servicer and the Issuer and shall be paid for by the Borrower and shall be on a form and contain such matters as may reasonably be required by the Issuer Servicer and the Issuer.

B. Insurance. The Borrower shall furnish and pay, or cause to be furnished and paid, the premiums for fire and extended coverage insurance as well as insurance against such other hazards (i) as required under the Loan Agreement and the Mortgage, or (ii) if greater, as may be reasonably required by the Issuer and the Issuer Servicer, including flood insurance if required, with a company or companies meeting the reasonable requirements of the Issuer and the Mortgage, said policies to be in full replacement value of the Improvements and covering the same, said policies to be in such amount, in such form and with such deductibles as are reasonably acceptable to the Issuer and the Issuer Servicer. Loss under such insurance policies shall be payable in accordance with the relevant provisions of the Mortgage and the Subordination Agreement and said policies shall provide that they shall not be cancelable without at least thirty (30) days' prior written notice by the insurer to the Trustee and the Issuer. The Borrower shall also furnish at the Borrower's expense, or cause to be furnished, such workers' compensation insurance as may be reasonably required by law. Evidence of the foregoing shall be provided to the Trustee prior to the initial disbursement of funds. All insurance policies identified herein shall be renewed at least twenty (20) days prior to expiration with notice of renewal provided the Trustee. The provisions herein are intended to be consistent with and to impose the same insurance obligations as set forth in the Loan Agreement and the Mortgage.

C. Construction in Workmanlike Manner. The Borrower shall construct, or cause to be constructed, the Improvements on the Land in a true, thorough and workmanlike manner and in substantial accordance with the Plans. The Borrower shall provide, or cause to be provided, at the Borrower's cost, all manner of materials, labor, scaffolding, implements and other items of every description as are required for the complete construction of the Improvements. The Borrower shall not make any material changes in the Plans or materially deviate therefrom, except with the prior written consent of the Issuer and the Issuer Servicer which approval will not be unreasonably withheld or delayed and except with respect to change orders that do not require the consent of the Issuer or the Issuer Servicer pursuant to Section 17D. The question of materiality will be solely and reasonably decided by the Issuer or the Issuer Servicer in light of the Plans submitted, existing building standards and the public purpose of the Property.

D. Lien Releases. The Borrower shall furnish all receipted bills, certificates, affidavits, receipts, releases of lien, approved bonds and any other documents which may be required or allowed by the lien laws of the State, or which may be reasonably required by the Issuer, the Issuer Servicer, the Trustee or the Title Insurance Company providing the Title Insurance Policy, as evidence of full payment or acceptable bond for all labor and materials incident to the construction of the Improvements, and will promptly secure the release (except for liens which are the subject of a bond as herein described) of the Land from any and all liens that might be imposed thereon. The Borrower specifically reserves the right to contest any such liens, provided such liens are properly transferred to a surety bond or cash deposit in accordance with Florida law.

E. Compliance with Loan Agreement. The Borrower shall comply with and perform each and every one of the provisions, terms, conditions, requirements and contingencies embodied in the Loan Agreement and the other Loan Documents required to be complied with by Borrower and shall execute all instruments required to completely comply with and perform the same, and shall abide by, complete and carry out all of the Borrower's representations, proposals and commitments made in the Loan Documents.

F. No Further Encumbrances. The Borrower will not convey, encumber or impose a security interest on its interest in the Land or the Improvements in any way without the consent of the Issuer and the Trustee, except for Permitted Encumbrances or as permitted in the Mortgage; nor shall the Borrower assign any rights under this Agreement or any advance or portion of any advance to be made hereunder without the Issuer's and the Trustee's prior written consent. All proposed easements affecting the Land shall be submitted to the Issuer Servicer for its reasonable approval prior to the execution thereof by the Borrower and shall be accompanied by a drawing or survey adequate to show the proposed location thereof.

G. Right of Entry. The Borrower will permit the Issuer, the Trustee and the Issuer Servicer and their authorized employees, agents or representatives to enter upon the Land after reasonable prior notice during normal business hours, to inspect the Improvements and all materials to be used in the construction thereof, and to examine all detailed plans and shop drawings which are or may be kept at the construction site and all books and records of the Borrower and the Contractor relating to the Land, and will cooperate and cause the Contractor to cooperate with the Issuer, the Trustee and the Issuer Servicer and their representatives to enable them to perform their functions hereunder. It is expressly agreed that any inspection made by the Issuer, the Trustee or the Issuer Servicer or their representatives shall be made solely and exclusively for the protection and benefit of each of them and neither the Borrower nor any third party shall be entitled to claim any loss or damage either against the Issuer, the Trustee or the Issuer Servicer or its employees, agents or representatives for failure to properly discharge any alleged duties of the Issuer, the Trustee or the Issuer Servicer and they shall have no duty to make such inspections.

H. Correct Non-Complying Work. The Borrower agrees that it will cause to be corrected at no cost to the Issuer, the Trustee, or the Issuer Servicer, any work performed and replace any material that does not substantially comply with the Plans.

I. Additional Documents. The Borrower agrees to execute any and all such other and further instruments as may reasonably be required by the Issuer or Trustee from time to time in order to carry out the provisions of this Agreement, the Loan Documents or for the purpose of protecting, maintaining, or enforcing the Issuer's and the Trustee's security for the Loan.

J. Insufficiency of Loan Proceeds. Unless otherwise agreed in writing by the Issuer and the Issuer Servicer, the Borrower covenants, warrants and agrees that it will provide from its own funds such amounts as may be necessary to pay for all Costs of the Improvements

which are in excess of the disbursements required to be made by the Trustee hereunder and other available and identified funds (as approved by the Issuer Servicer), and in the event of any default hereunder (subject to any applicable notice and cure periods), the Issuer Servicer shall not be required to approve any disbursement hereunder if the undisbursed proceeds of the Loan together with all other available and identified funds shall be less than the amount necessary to pay for the completion of the Improvements. If the Issuer or the Issuer Servicer at any time determine in their reasonable judgment from any certification, report, cost projection, work stoppage, price or wage change or from any other source or for any reason, that the Cost of the Improvements will exceed those costs and projections estimated by the Borrower or the Issuer and certified to the Issuer Servicer from time to time, and that the undisbursed proceeds of the Loan (plus any and all funds of the Borrower deposited with the Trustee together with all other available and identified funds) shall be less than the amount necessary, in the Issuer's or the Issuer Servicer's reasonable judgment, to pay for all work done or to be done and all other expenses for completion of the Improvements, or that any amount specified in the Budget may be less than the amount necessary (taking into account all other available and identified funds which are so approved by the Issuer Servicer), in the Issuer's or the Issuer Servicer's reasonable judgment, to pay for all work done or to be done and all expenses incurred or to be incurred in connection with the Improvements, then in such event, the Trustee shall, if directed by the Issuer in writting, withhold further disbursements to the Borrower until the Borrower shall have provided a sufficient plan to pay for all work done or to be done and expenses incurred or to be incurred in connection with the Improvements, to the reasonable satisfaction of the Issuer, including but not limited to the requirement that collateral sufficient to cover such costs be posted with or for the benefit of the Trustee.

K. Construction Contract. Except as otherwise provided herein with respect to change orders that do not require consent, the Borrower shall not amend the Construction Contract in any manner without the prior written consent of the Issuer, the Controlling Person and the Issuer Servicer.

16. TERMINATION.

A. By the Trustee. The Trustee, at the direction of the Issuer, shall have the right to terminate the Issuer Servicer's rights and obligations under this Agreement, without cause, upon ten (10) days' written notice to the Issuer Servicer, and with cause, upon such written notice as the Issuer deems reasonable under the circumstances. If the Issuer Servicer shall be terminated pursuant to this Section 16.A., the Issuer shall cause notice of such termination to be sent to the Borrower and the Controlling Person.

B. Automatic Termination. Upon the occurrence of any one or more of the following events, the Issuer Servicer's rights and obligations under this Agreement shall be automatically terminated:

(1) The Issuer Servicer shall assign or attempt to assign its rights or obligations under this Agreement.

(2) The Issuer Servicer shall institute proceedings for voluntary bankruptcy or shall file a petition seeking reorganization under the Federal Bankruptcy Laws or for relief under any other law for the relief of debtors or shall consent to the appointment of a receiver of all or substantially all of its property, or make a general assignment for the benefits of its creditors, or shall admit in writing its inability to pay its debts as they become due, or shall be adjudicated bankrupt or insolvent by a court of competent jurisdiction, or if an order shall be made by a court of competent jurisdiction appointing a receiver, liquidator or trustee of the Issuer Servicer or of all or substantially all of its property or approving any petition filed against the Issuer Servicer for its reorganization, and such adjudication or order shall remain in force or unstayed for a period of thirty (30) days.

(3) The Issuer Servicer shall fail to perform any of its obligations hereunder and shall fail, within thirty (30) days after written notice from the Trustee or the Issuer, to correct or cure such failure.

(4) The Property is no longer subject to any federal regulation dealing with tax-exempt financed housing projects.

(5) The amounts owed by the Borrower under the Loan Documents are paid in full.

C. Effect of Termination. In the event this Agreement is terminated pursuant to this Paragraph 16, then the rights and obligations of the Issuer Servicer and its right to compensation hereunder shall immediately terminate, the Issuer Servicer shall forthwith deliver to the Issuer or to whomever the Issuer directs, all documents relating to the Loan and shall do such other acts as may reasonably be required by the Issuer to facilitate the termination hereof.

D. Upon termination of the rights and duties of the Issuer Servicer hereunder (other than pursuant to Section 16B(5) hereof, the Trustee and the Borrower shall join the Issuer in entering into a substantially similar agreement with a replacement Issuer Servicer designated by the Issuer.

17. AGREEMENTS RELATING TO CONTRACTORS.

A. Rights Inferior. The rights of all contractors, subcontractors, sub-subcontractors, laborers, suppliers and materialmen performing any work in connection with the Improvements, or furnishing any services, labor or materials thereto or to the Land, shall be subordinate and inferior to the Mortgage. Neither the Trustee nor the Issuer shall be liable to materialmen, contractors, subcontractors, sub-subcontractors, laborers, suppliers or others for goods or services delivered by them in or upon the Land or employed in the construction of the Improvements, or for any debts or claims accruing to any of said parties against the Borrower or against the Land, and it is distinctly understood and agreed that there is no contractual relationship, either express or implied, between either the Issuer, the Trustee or

the Issuer Servicer and any materialmen, contractors, sub-contractors, sub-subcontractors, craftsmen, laborers or any person supplying any work, labor or material. The Borrower is not, and shall not be, the agent of either the Issuer, the Trustee or the Issuer Servicer for any purpose, nor shall any of them be the agent of Borrower for any purpose, except, as to both, as may be specifically set forth herein. It is specifically understood and agreed that no party shall be a third party beneficiary hereunder, except and unless it is specifically provided herein that any provision shall operate or inure to the use and benefit of a party, i.e., no subcontractor, sub-subcontractor or materialman, laborer or supplier shall have any rights hereunder against the Issuer, the Trustee or the Issuer Servicer or be entitled to the protection of any of the covenants herein contained.

B. Borrower's Rights Assigned. The Borrower hereby assigns to the Issuer and Trustee, effective, however, only after an Event of Default and the expiration of applicable cure periods, all rights of the Borrower under its contract with the Contractor and under its contract with the Architect and the Issuer or the Trustee shall have the option after an Event of Default, and the expiration of applicable cure periods, in its sole discretion and in addition to any other rights and remedies the Issuer or the Trustee may have, to exercise their rights under this assignment. Nothing herein shall be construed, however, to require the Issuer or the Trustee to exercise any rights under this Paragraph.

C. No Other Contracts. Except for items set forth and approved by the Issuer Servicer in the Budget, the Borrower represents that it has not and agrees that it will not enter into any significant contract or agreement (in excess of $50,000) relating to the construction, purchase or installation of the Improvements other than the contracts with the property manager, the Developer, the Architect and the Contractor and a contract with its surveyors or engineers, nor will the Borrower agree to any material modification or amendment in its contract with the property manager, the Contractor or the Architect without first obtaining the Issuer Servicer's written approval of and consent to such contract, agreement or amendment, which consent shall not be unreasonably withheld or delayed for more than five (5) days after receipt of said notice.

D. Change Orders. The Borrower covenants and warrants that any change order of $[25,000] or more, or $[50,000] in the aggregate for the Project Facilities, shall require the prior written approval of the Issuer Servicer, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Issuer Servicer shall be provided with copies of all change orders, regardless of amount. Change orders that do not require the consent of the Issuer Servicer shall not be deemed material.

E. No Joint Venture. Nothing herein nor the acts of the parties hereto shall be construed to create a partnership or joint venture between the Borrower and the Issuer, the Trustee or the Issuer Servicer with respect to the Loan.

18. EVENTS OF DEFAULT.

A. Subject in all instances to the provisions of subparagraph B of this Section 18 and the provisions of the Indenture, including but not limited to the right of the Controlling Person to control all proceedings under Section 6.4 of the Indenture, and Section 7.9 of the Loan Agreement, an Event of Default under this Agreement shall, at the Issuer's option, be deemed to have occurred hereunder if:

(1) Default Under Loan Documents. Any Event of Default, as defined therein, shall occur under any of the other Loan Documents which is not cured within any applicable grace or cure period; or

(2) Breach of Covenant. The Borrower shall breach or fail to perform, observe or meet any material covenant or condition in this Agreement within thirty (30) days after written notice thereof or such longer period of time in the reasonable discretion of the Issuer Servicer if such default cannot reasonably be cured within thirty (30) days and Borrower is diligently prosecuting a cure to completion; or

(3) Filing of Liens Against the Land. Any lien for labor, materials, or taxes (except for ad valorem taxes not yet due and payable) or otherwise shall be filed against the Land and not be either released (by payment, bonding or otherwise) within the earlier of forty (40) days after the date of filing thereof or thirty (30) days after the Borrower receives actual notice thereof or properly contested as provided for in the Mortgage, except as disclosed in the pending litigation schedule attached hereto as Exhibit "C" and made a part hereof; or

(4) Judgment Against Borrower. Any final judgment shall be entered against the Borrower or the General Partner, which the Borrower or the General Partner has not appealed and which could reasonably be expected to impair the ability of the Borrower to perform each and every one of its respective obligations under and by virtue of the Loan Documents; or

(5) Levy Upon The Property. A levy shall be made under any process on, or a receiver be appointed for, the Property or any part thereof and not dismissed within thirty (30) days; or

(6) Bankruptcy. The Borrower or the General Partner shall commit any act of bankruptcy; or any proceeding under bankruptcy laws or other debtor-relief or similar laws shall be brought against the Borrower or the General Partner which is not dismissed within sixty (60) days; or the Borrower or the General Partner shall file for or take advantage of any form of reorganization or arrangement under any bankruptcy law or other debtor-relief or similar law or proceeding; or

(7) Assignment for the Benefit of Creditors. The Borrower or the General Partner shall make a general assignment for the benefit of creditors; or

(8) Abandonment or Cessation of Construction. Construction of the Improvements shall cease and not be resumed within thirty (30) days thereafter, unless the Borrower is prevented from resuming same as a result of Force Majeure, or shall be abandoned for more than thirty (30) days; or

(9) Denial of Inspection. The Issuer, the Trustee or the Issuer Servicer or representatives shall not be permitted, at all reasonable times and after reasonable notice, to enter upon the Land, to inspect the Improvements and the construction thereof and all materials, fixtures, and articles used or to be used in the construction of the Improvements, and to examine all detailed plans, shop drawings, specifications and other records which relate to the Improvements, or the Borrower shall fail to furnish to the Issuer, the Trustee or the Issuer Servicer or to their authorized representatives, when reasonably requested, copies of such plans, shop drawings, specifications, and records; or

(10) Improper Materials. Any of the materials, fixtures, machinery, equipment, articles and/or personal property used in the construction of the Improvements or the appurtenances thereto, or to be used in the operation thereof, shall not, in the reasonable opinion of the Issuer Servicer or the Issuer, confirmed by the Inspecting Engineer, substantially comply with the Plans as approved by the Issuer and such default is not cured by the Borrower within forty-five (45) days after the Issuer Servicer or the Trustee has given notice to the Borrower to cure same; or

(11) Materials Not Free and Clear. The Borrower shall not, except in the case of leased washing machines, dryers, vending machines, office telephones, office equipment, office communications equipment and model furniture and other items normally used in common by tenants, execute (other than to the Issuer or the Trustee or any mortgage constituting a Permitted Encumbrance) any conditional bill of sale, chattel mortgage, security agreement or other security instrument covering any materials, fixtures, machinery, equipment, articles, and/or personal property intended to be incorporated in the Improvements or the appurtenances thereto, or placed in the Improvements, or if a financing statement publishing notice of such security instrument shall be filed, or if any of such materials, fixtures, machinery, equipment, articles, and/or personal property shall not be purchased so that the ownership thereof will vest unconditionally in the Borrower, free from encumbrances other than the Issuer and the Trustee or any mortgage constituting a Permitted Encumbrance, on delivery at the Land, or if the Borrower shall not produce to the Issuer, the Trustee or the Issuer Servicer upon demand the contracts, bills of sale, statements, receipted vouchers or agreements, or any of them, under which the Borrower claims title to any thereof; or

(12) Failure to Complete Improvements. The Improvements, in the reasonable judgment of the Issuer Servicer or the Issuer, are not, or cannot reasonably be, completed on or before the Completion Date (as defined in the Indenture), subject, however, to Force Majeure; or

(13) False Representation or Warranty. At any time any representation, warranty or statement made by the Borrower in any Loan Document shall be incorrect or misleading in any material respect when made and such matter not be cured within thirty (30) days of the giving of notice thereof to the Borrower by the Issuer or the Trustee.

Notwithstanding anything herein to the contrary, this Paragraph shall in no way be construed to limit the Issuer's, the Trustee's or the Issuer Servicer's right to seek specific performance of this Agreement against the Borrower or to enforce its remedies under Paragraph 20 hereof or to, unless the Controlling Person has elected to control all proceedings following an Event of Default as provided in Section 6.4 of the Indenture, withhold approval of a Requisition until the Borrower is in compliance with this Agreement.

B. Notice of Default; Opportunity to Cure. Except as set out below no default under the preceding Section shall constitute an Event of Default hereunder until:

(1) The Issuer Servicer by registered or certified mail, shall give notice to the Issuer, the Controlling Person, the Borrower, the Investor Limited Partner and the Trustee of such default specifying the same and stating that such notice is a "Notice of Default"; and

(2) The Borrower shall have had thirty (30) days (or such extended period as permitted by the Issuer and the Controlling Person when curative action is being diligently pursued (approved in writing with notice to the Trustee and the Issuer Servicer) after receipt of such notice to correct the default and shall not have corrected it or, if such default cannot be corrected within thirty (30) days, shall have failed to initiate and diligently pursue (in the sole reasonable judgment of the Issuer) appropriate corrective action. The Investor Limited Partner shall have the right, but not the obligation to cure any default and any cure of any default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower, and accepted or rejected on the same basis as if made or tendered by the Borrower.

Notwithstanding the foregoing, notice of and opportunity to cure any default arising from a default under the other Loan Documents shall be governed by the terms of such agreements, and no additional notices of or opportunity to cure any default under such agreements shall be required hereunder to complete the notice and cure procedure provided in such agreements.

19. MISCELLANEOUS PROVISIONS:

A. No Waiver. Nothing herein shall be construed to waive or diminish any right or security of the Issuer, Controlling Person or the Trustee under the Loan Agreement and the Mortgage. It is the purpose and intent hereof to provide safeguards, protections and rights for the Issuer, Controlling Person and the Trustee in addition to those provided in the Loan Agreement and Mortgage.

B. Cumulative Remedies. The remedies provided herein shall be in addition to and not a substitution for the rights and remedies which would otherwise be vested under any Loan Document or in law or equity, all of which rights and remedies are specifically reserved. The remedies herein provided or otherwise available to the Issuer, the Trustee, Controlling Person or the Issuer Servicer shall be cumulative and may be exercised separately or concurrently and as often as the occasion therefor may arise. The failure to exercise any of the remedies herein shall not constitute a waiver thereof, nor shall use of any of the remedies hereby provided prevent the subsequent or concurrent use of any other remedy or remedies. It is intended that this clause shall be broadly construed so that all remedies herein provided or otherwise available to the Issuer, the Trustee, Controlling Person or the Issuer Servicer shall continue and be each and all available until all sums due by reason of the Loan Agreement or the Mortgage are paid in full and all obligations incurred by the Borrower in connection with the construction or operation of the Improvements have been fully discharged.

C. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, legal representatives, successors and assigns. The Borrower may be released from obligations and agreements hereunder only by a written instrument of the Trustee and the Issuer specifically providing for such release. The Borrower shall be released from any and all liability hereunder, upon payment of the Loan in full and the expiration of the Qualified Project Period. The Controlling Person shall be an express third party beneficiary hereof.

D. Assignability. This Agreement shall not be assignable by the Borrower or the Issuer Servicer without the prior written consent of the Issuer, the Controlling Person and the Trustee. If the Issuer and the Trustee approve an assignment hereof by the Borrower, the Trustee shall be entitled to make advances to such assignee and such advances shall be secured by the Loan Documents.

E. Governing Law. This Agreement shall be construed under the laws of the State of Florida, regardless of where it may have been executed or delivered.

F. Construction. Whereas this Agreement was negotiated with input from all parties hereto, this Agreement shall not be construed more strongly against any party regardless of who was more responsible for its preparation.

G. [Reserved].

H. Invalid Provisions. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law and are intended to be limited to the extent necessary so that they will not render this Agreement invalid, illegal, or unenforceable under any applicable law. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Agreement shall in no way be affected thereby, nor shall such terms be invalid or unenforceable under other, dissimilar facts and circumstances.

I. Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning, content, or interpretation hereof.

J. Amendments. This Agreement shall not be amended or modified except by an amendment in writing, executed by all parties hereto in the same form as this Agreement.

K. Time of Essence. Time is of the essence of this Agreement.

L. Right to Publicize. The Issuer and the Issuer Servicer shall have the right to publicize its involvement in the financing of the Property and may require the Borrower to name the Issuer as its mortgage lender in all publicity releases and promotional materials issued in connection with the Property.

M. Dealings with the Issuer Servicer. The Issuer Servicer shall be protected and shall incur no liability in acting or proceeding in good faith upon resolution, notice, telegram, consent, wavier, certificate, affidavit, voucher, bond, title insurance commitment or policy or endorsement thereto or other paper or document which it shall in good faith reasonably believe (i) to be genuine and, (ii) to have been passed or prepared and furnished pursuant to the provisions of the Indenture, the Land Use Restriction Agreement, the Mortgage or the Loan Agreement, and the Issuer Servicer shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements unless the instrument on its face reasonably indicated that the Issuer Servicer should inquire further or unless the Issuer Servicer has actual knowledge or information which reasonably should cause the Issuer Servicer to inquire further. The Issuer Servicer shall not be held liable under this Agreement except for its own negligence or willful misconduct or gross negligence. The Borrower shall indemnify and hold the Issuer Servicer harmless from any claim, action or liability of any kind or character whatsoever arising from or in any way related to acts or omissions of the Borrower or any of its agents, employees, consultants, counsel, or independent contractors. This Paragraph shall in no way be construed to relieve the Issuer Servicer of the normal and usual duties of a reasonably prudent loan servicer or monitoring agent.

N. Terms. Wherever used herein, the terms utilized shall include masculine, feminine, neuter, singular and/or plural, as the context admits or requires.

O. Conflicts. Notwithstanding anything herein to the contrary, the terms and conditions of the Notes, the Loan Agreement and the Mortgage shall govern, control and prevail, in the event of any conflict between the terms and conditions hereof and those contained in the Notes, the Loan Agreement and the Mortgage.

20. REMEDIES. Subject to the terms of the Land Use Restriction Agreement and the Subordination Agreement, upon the occurrence of any Event of Default which is not cured within the applicable cure period, the Issuer (or the Trustee or the Issuer Servicer), shall be

entitled to seek specific performance hereof against the Borrower, and/or in addition to any other right or remedy available to it in law or equity. It is specifically agreed by the Borrower that a violation of this Agreement or the Land Use Restriction Agreement could cause harm for which no damages could be calculated, therefore entitling the Issuer to immediate equitable relief, including without limitation a temporary restraining order or mandatory injunction without notice.

21. [RESERVED.]

22. EXERCISE OF RIGHTS BY ISSUER. Notwithstanding any provision herein to the contrary, the Issuer Servicer shall approve or disapprove all advances requested hereunder by the Borrower and in accordance with the Loan Documents and in accordance with the credit underwriting guidelines of the Issuer.

23. INCORPORATION OF LIMITED RECOURSE PROVISIONS. The provisions of Section 10.13 of the Loan Agreement, dated June 1, 2020, are hereby incorporated into and made a part hereof.

24. NOTICES. Any notice required to be given hereunder shall be given by personal delivery, by registered U.S. mail or by 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 of sent by registered U.S. Mail.

The Issuer:	Jacksonville Housing Finance Authority 214 N. Hogan Street, 7th Floor Jacksonville, Florida 32202 Attention: Finance Director Telephone: (904) 255-8200 Facsimile: (904) 255-8244 E-mail: lstagner@coj.net
To the Borrower:	Sydney Trace, Ltd. c/o Vestcor, Inc. 3030 Hartley Road, Suite 310 Jacksonville, Florida 32257 Attention: Jason O. Floyd E-mail: jfloyd@vestcor.com
With copy to:	Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 W. Flagler Street

	Miami, Florida 33130 Attention: Terry Lovell, Esq. E-mail: tlovell@stearnsweaver.com
To the Investor Limited Partner:	Wells Fargo Affordable Housing Community Development Corporation MAC D1053-170 301 S. College Street, 17th Floor Charlotte, North Carolina 28288 Attention: Director of Tax Credit Asset Management
With a copy to:	Cannon Heyman & Weiss, LLP 726 Exchange Street, Suite 500 Buffalo, New York 14210 Attention: Constance Giessert, Esq. Telephone: 716-856-1700 Email: CGiessert@chwattys.com
The Trustee:	The Bank of New York Mellon Trust Company, N.A. 10161 Centurion Parkway, N. Jacksonville, Florida 32256 Attention: Corporate Trust Division Telephone: (904) 645-1900 Facsimile: (904) 645-1998
The Issuer Servicer:	Seltzer Management Group, Inc. 17633 Ashley Drive Panama City, Florida 32413 Attention: Ben Johnson Telephone: (850) 233-3616 ext. 223 Facsimile: (813) 233-1429
To the Controlling Person:	R4 Capital Funding LLC 780 Third Avenue, 16th Floor New York, New York 10017 Attention: Jim Spound E-mail: jspound@R4cap.com
With a copy to:	Kutak Rock LLP 1760 Market St Suite 1100 Philadelphia, Pennsylvania 19103-4104 Attention: Andrew P. Schmutz, Esq. E-mail: Andrew.schmutz@kutakrock.com

25. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement among the Issuer, the Issuer Servicer, the Trustee and the Borrower as to the subject matter hereof, and all prior agreements, negotiations and understandings with respect thereto are merged into and superseded by this Agreement.

26. WAIVER OF TRIAL BY JURY. THE BORROWER, THE ISSUER, THE TRUSTEE AND THE ISSUER SERVICER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER LOAN DOCUMENT AND ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF PARTIES, WHETHER IN CONNECTION WITH THE MAKING OF THE LOAN, COLLECTION OF THE LOAN, OR OTHERWISE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ISSUER TO MAKE THE LOAN EVIDENCED BY THE LOAN AGREEMENT.

(SIGNATURE PAGES TO FOLLOW)

SIGNATURE PAGE TO
CONSTRUCTION LOAN AND MORTGAGE
SERVICING AGREEMENT
(SYDNEY TRACE APARTMENTS)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names by their duly authorized representatives as of the day and year first set forth above.

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Jason O. Floyd, Vice President

SIGNATURE PAGE TO
CONSTRUCTION LOAN AND MORTGAGE
SERVICING AGREEMENT
(SYDNEY TRACE APARTMENTS)

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Bernard E. Smith, Chair

SIGNATURE PAGE TO
CONSTRUCTION LOAN AND MORTGAGE
SERVICING AGREEMENT
(SYDNEY TRACE APARTMENTS)

SELTZER MANAGEMENT GROUP, INC., a Florida corporation

By:_____
Ben Johnson, President

SIGNATURE PAGE TO
CONSTRUCTION LOAN AND MORTGAGE
SERVICING AGREEMENT
(SYDNEY TRACE APARTMENTS)

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

By: _____
Michele R. Shrum, Vice President

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF VILLAGE CENTER, AS RECORDED IN PLAT BOOK 56, PAGES 29 AND 29A, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID POINT BEING SITUATE ON THE SOUTHERLY RIGHT OF WAY LINE OF ARGYLE FOREST BOULEVARD (A 200 FOOT RIGHT OF WAY AS NOW ESTABLISHED); THENCE NORTH 89°27'34" WEST, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 447.20 FEET TO ITS INTERSECTION WITH THE BOUNDARY LINE AS ESTABLISHED BY BOUNDARY LINE AGREEMENT RECORDED IN OFFICIAL RECORDS VOLUME 7546, PAGE 1487, OF SAID CURRENT PUBLIC RECORDS; THENCE SOUTH 27°50'56" WEST, ALONG SAID BOUNDARY LINE, 620.20 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE; THENCE SOUTH 25°55'12" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 26.59 FEET FOR A POINT OF BEGINNING; THENCE, CONTINUE SOUTH 25°55'12" WEST, ALONG SAID BOUNDARY LINE, A DISTANCE OF 519.02 FEET TO A POINT SITUATE ON THE NORTHEASTERLY RIGHT OF WAY LINE OF MERCHANTS WAY, FORMERLY BRANON FIELD ROAD (A 100 FOOT RIGHT OF WAY); THENCE SOUTH 39°18'57" EAST, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 1520.86 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY AROUND AND ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 2.79 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 40°06'56" EAST, 2.79 FEET TO A POINT SITUATE ON THE FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, BEING 100 FEET IN WIDTH; THENCE NORTH 20°59'55" EAST, ALONG SAID FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, A DISTANCE OF 488.97 FEET TO ITS INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, FORMERLY OLD MIDDLEBURG ROAD, A VARIABLE WIDTH RIGHT OF WAY, SAID WESTERLY RIGHT OF WAY LINE BEING A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1560.00 FEET; THENCE NORTHERLY AROUND AND ALONG THE ARC OF SAID CURVE AND ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 279.66 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 15°51'47" EAST, 279.28 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 20°59'55" EAST, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 210.10 FEET TO A POINT WHICH LIES SOUTH 20°59'55" WEST, 301.11 FEET FROM THE SOUTHEAST CORNER OF SAID PLAT OF VILLAGE CENTER, AFOREMENTIONED; THENCE NORTH 68°44'18" WEST, A DISTANCE OF 588.21 FEET; THENCE NORTH 45°20'47" WEST, A DISTANCE OF 727.06 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND CONVEYED TO THE CITY OF JACKSONVILLE BY THE DEED OF DEDICATION RECORDED IN OFFICIAL RECORDS BOOK 9817, PAGE 123, OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

OLD MIDDLEBURG ROAD:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY,

FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 32, OF SAID TOWNSHIP AND RANGE; THENCE NORTH 89°50'06" EAST, ALONG THE SOUTHERLY LINE OF SAID SECTION 32, A DISTANCE OF 1795.95 FEET TO A POINT ON A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, SAID POINT ALSO BEING THE POINT OF BEGINNING.

FROM SAID POINT OF BEGINNING, THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°02'44", AN ARC LENGTH OF 82.92 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 13°01'30" WEST, 82.91 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°08'46" WEST, 34.51 FEET; THENCE NORTH 08°47'24" WEST, 100.00 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 37°33'58" EAST, 34.51 FEET; THENCE NORTHERLY ALONG THE ARC OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, THROUGH A CENTRAL ANGLE OF 27°04'35", AN ARC LENGTH OF 737.21 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 07°27'37" EAST, 730.37 FEET; THENCE NORTH 20°59'55" EAST, 1550.07 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 110°29'43", AN ARC LENGTH OF 48.21 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 34°14'57" WEST, 41.08 FEET; THENCE NORTH 24°16'45" EAST, 218.55 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 69°30'17", AN ARC LENGTH OF 30.33 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°45'03" EAST, 28.50 FEET; THENCE NORTH 20°59'55" EAST, 387.21 FEET; THENCE SOUTH 69°00'05" EAST, 5.00 FEET; THENCE NORTH 20°59'55" EAST, 200.30 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1835.08 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 176.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 18°14'55" EAST, 176.09 FEET; THENCE NORTH 15°29'55" EAST, 2034.93 FEET TO A POINT LYING ON THE NORTHERLY LINE OF THE EAST ONE HALF OF SAID SECTION 32; THENCE NORTH 89°53'54" EAST, ALONG SAID NORTHERLY LINE, 129.78 FEET TO ITS INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, (AS MONUMENTED); THENCE SOUTH 15°29'55" WEST, DEPARTING SAID NORTHERLY LINE AND ALONG SAID EASTERLY RIGHT OF WAY LINE, 2069.83 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1960.08 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 188.15 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 18°14'55" WEST, 188.08 FEET; THENCE SOUTH 20°59'55" WEST, CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, 553.01 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE

SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 92°22'24", AN ARC LENGTH OF 40.31 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 25°11'17" EAST, 36.08 FEET; THENCE SOUTH 21°35'27" WEST, 200.27 FEET, TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 87°37'36", AN ARC LENGTH 38.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT ALSO LYING ON SAID EASTERLY RIGHT OF WAY LINE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 64°48'43" WEST, 34.62 FEET; THENCE SOUTH 20°59'55" WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, 1599.37 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1435.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF 36°49'48", AN ARC LENGTH OF 922.43 FEET, TO A POINT ON SAID CURVE, SAID POINT ALSO LYING ON SAID SOUTHERLY LINE OF SECTION 32, SAID ARC BEING SUBTENDED BY CHORD BEARING AND DISTANCE OF SOUTH 02°35'01" WEST, 906.63 FEET; THENCE SOUTH 89°50'06" WEST, ALONG SAID SOUTHERLY LINE, 129.42 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF OAKLEAF VILLAGE PARKWAY AND MERCHANTS WAY AS LAID OUT AND IN USE.

PARCEL 2:

A PARCEL OF LAND LYING IN SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, CITY OF JACKSONVILLE, DUVAL COUNTY, FLORIDA, BEING ALSO A PORTION OF THE LANDS OF OAKLEAF COLONIAL CAPITAL, AS DESCRIBED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE PUBLIC RECORDS OF SAID DUVAL COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A POINT WHERE THE WEST RIGHT-OF-WAY LINE OF OAKLEAF VILLAGE PARKWAY (A VARIABLE WIDTH RIGHT-OF-WAY, FORMERLY OLD MIDDLEBURG ROAD), INTERSECTS THE SOUTHERLY LINE OF LANDS OF OAKLEAF COLONIAL CAPITAL, AS RECORDED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE RUN NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE, A DISTANCE OF 356.44 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED; THENCE CONTINUE NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE OF SAID OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID LINE ALSO BEING THE NORTHERLY LINE OF A DRAINAGE RETENTION AREA RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, A DISTANCE OF 231.77 FEET; THENCE NORTH 45°21'08" WEST, A DISTANCE OF 78.04 FEET; THENCE SOUTH 69°15'26" EAST, A DISTANCE OF 303.19 FEET TO THE WEST LINE OF ACCESS EASEMENT NO. 2, AS RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 20°53'26" WEST, ALONG SAID WEST LINE, A DISTANCE OF 33.72 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

EASEMENT RIGHTS FOR THE BENEFIT OF PARCELS 1 AND 2 CONTAINED IN THAT CERTAIN DECLARATION BY CHIMNEY LAKES INVESTMENT COMPANY AND JAX, LLC, RECORDED IN

OFFICIAL RECORDS BOOK 10934, PAGE 1928, AS AFFECTED BY THE AMENDMENT TO DECLARATION RECORDED IN OFFICIAL RECORDS BOOK 11807, PAGE 772, AND DECLARATION OF ACCESS AND UTILITY EASEMENTS RECORDED IN OFFICIAL RECORDS BOOK 16644, PAGE 518, AND AMENDMENT RECORDED IN OFFICIAL RECORDS BOOK 16728, PAGE 1806, AND SUPPLEMENT TO DECLARATION RECORDED IN OFFICIAL RECORDS BOOK 18117, PAGE 303; AS AFFECTED BY ASSIGNMENT OF DEVELOPMENT RIGHTS BY CHIMNEY LAKES INVESTMENT COMPANY AND SYDNEY TRACE, LTD. TO BE RECORDED IN THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.

EXHIBIT "B"

BUDGET AND CONSTRUCTION DRAW SCHEDULE

EXHIBIT "C"

PENDING LITIGATION SCHEDULE

None.

EXHIBIT G

FORM OF BOND PURCHASE AGREEMENT

BOND PURCHASE AGREEMENT

by and among

JACKSONVILLE HOUSING FINANCE AUTHORITY,

SYDNEY TRACE, LTD.

and

WESTERN ALLIANCE BUSINESS TRUST

Dated June 30, 2020

Relating to:

$19,000,000
Jacksonville Housing Finance Authority
Multifamily Housing Revenue Bonds
(Sydney Trace Apartments), Series 2020A

BOND PURCHASE AGREEMENT

WESTERN ALLIANCE BUSINESS TRUST, a statutory business trust duly organized and validly existing under the laws of the State of Delaware (together with its successors, assigns or designees hereunder, the "Purchaser"), hereby offers to enter into the following agreement with JACKSONVILLE HOUSING FINANCE AUTHORITY, a public body corporate and politic duly organized and validly existing under the laws of the State of Florida (together with its successors and assigns, the "Issuer") and SYDNEY TRACE, LTD., a limited partnership duly organized and validly existing under the laws of the State of Florida (together with its permitted successors and assigns, the "Borrower"), for the sale by the Issuer and the purchase by the Purchaser or its designee of the Bonds described below, which are being issued by the Issuer for the benefit of the Borrower. Upon the Issuer's and the Borrower's acceptance of this offer and execution and delivery of this Agreement, this Agreement will be binding upon the Issuer, the Borrower and the Purchaser. This offer is made subject to the Issuer's and the Borrower's acceptance, evidenced by execution and delivery of this Agreement to the Purchaser, at or prior to 1 p.m., eastern time, on June 30, 2020 and will expire if not so accepted at or prior to such time (or such later time as the Purchaser may agree in writing).

Section 1. Definitions. The capitalized terms used in this Agreement have the meanings assigned to them in the Glossary of Terms attached as Exhibit A hereto.

Section 2. Purchase and Sale.

2.1 Subject to the terms and conditions set forth in this Agreement, and in reliance on the representations, warranties and covenants contained herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Purchaser when, as and if issued, all (but not less than all) of the Bonds identified in Item 1 in Exhibit B attached hereto in exchange for delivery by the Purchaser of the initial installment of the Purchase Price for the Bonds set forth as Item 2 in Exhibit B attached hereto. By its acknowledgment and consent hereto, the Purchaser agrees to fund all future installments of the Purchase Price to the Trustee on the dates specified in Exhibit B hereto or such other date as provided in Section 12 hereto.

2.2 The Bonds will (i) be issued pursuant to the Resolution and the Indenture and (ii) have the payment related terms (that is, the dated date, maturity date, interest rate, interest payment dates and redemption provisions) set forth in Item 3 in Exhibit B attached hereto and in the Indenture.

Section 3. Closing. The Closing will take place at the time and on the date set forth in Item 5 in Exhibit B or at such other time or on such other date as may be mutually agreed upon by the Issuer, the Borrower and the Purchaser. At the Closing, the Issuer will direct the Trustee to deliver the Bonds to or upon the order of the Purchaser, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer will deliver or cause to be delivered at the offices of Bryant, Miller, Olive in Jacksonville, Florida, the other documents and instruments to be delivered pursuant to this Agreement (the "Closing Documents") and the Purchaser will accept delivery of the Bonds and Closing Documents and simultaneously will deliver the Purchase Price for the Bonds, by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer directs. The Bonds are issued as draw-down Bonds with the Purchase Price as set forth in Section 2.1. The Bonds will be made available to the Purchaser one business day before the Closing at the closing location for purposes of inspection. The Purchaser shall fund the future installments of the Bonds on the dates and in the amounts set forth on Exhibit B attached hereto, subject to Section 15 hereof, the terms and conditions contained in the Indenture, the Loan Agreement and the other Borrower Documents. The Bonds will be prepared and delivered as fully registered Bonds without coupons in the denominations

set forth in the Indenture. The Bonds should be registered by the Trustee in the name of Western Alliance Business Trust.

Section 4. Representations and Warranties of Issuer.

4.1 The Issuer hereby makes the following representations and warranties to the Purchaser, for its benefit and the benefit of the Holders from time to time of the Bonds, all of which will continue in effect subsequent to the purchase of the Bonds:

(a) The Issuer is a public body corporate and politic, duly organized, validly existing and in good standing under the laws of the State and is authorized to execute and deliver this Agreement and the other Issuer Documents and to issue, sell and deliver the Bonds pursuant to the laws of the State, including particularly the Act.

(b) The Issuer has, and as of the Closing Date will have, all necessary power and authority to (i) execute and deliver this Agreement and the Issuer Documents, (ii) issue the Bonds in the manner contemplated by the Resolution, this Agreement and the Indenture, and (iii) otherwise consummate the transactions contemplated by the Resolution, this Agreement and the Issuer Documents.

(c) At the time of its adoption, the Issuer had all necessary power and authority to adopt the Resolution.

(d) The Issuer has duly adopted the Resolution at a meeting or meetings duly called and held in accordance with applicable law and procedures of the Issuer, and since that time the Resolution has not been rescinded, amended or modified.

(e) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized the (i) execution and delivery of this Agreement, the Bonds and the Issuer Documents, (ii) performance by the Issuer of the obligations contained in this Agreement, in the Bonds and in the Issuer Documents, and (iii) consummation by the Issuer of all of the transactions contemplated hereby and by the Issuer Documents.

(f) Assuming the valid authorization, execution and delivery of this Agreement and the Issuer Documents by the other parties hereto and thereto and the authentication of the Bonds by the Trustee, this Agreement is, and the Bonds and the other Issuer Documents will be, the legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(g) All consents, approvals, orders or authorizations of, notices to, or filings, registrations or declarations with any court or governmental authority, board, agency, commission or body having jurisdiction which are required by or on behalf of the Issuer for the execution and delivery by the Issuer of this Agreement, the Issuer Documents or the Bonds, or the consummation by the Issuer of the transactions contemplated hereby or thereby, have been obtained or will be obtained prior to Closing, except for the filing of the IRS Form 8038 (which will be timely filed after Closing).

(h) The execution and delivery by the Issuer of this Agreement, the Bonds and the Issuer Documents, and the consummation by the Issuer of the transactions contemplated hereby and thereby are not prohibited by, do not violate any provision of, and will not result in the breach

of or default under (i) the Act, the Constitution of the State or the organizational documents of the Issuer, (ii) any applicable law, rule, regulation, judgment, decree, order or other requirement applicable to the Issuer, or (iii) any contract, indenture, agreement, mortgage, lease, note, commitment or other obligation or instrument to which the Issuer is a party or by which the Issuer or its properties is bound.

(i) There is no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer or its officials, in their respective capacities as such, (i) which would restrain or enjoin the issuance or delivery of the Bonds or the collection of revenues pledged under the Indenture, (ii) which would in any way contest or affect the organization or existence of the Issuer or the entitlement of any officers of the Issuer to their respective offices or (iii) which may reasonably be expected to contest or have a material and adverse effect upon (A) the due performance by the Issuer of this Agreement or the Issuer Documents or the transactions contemplated hereby or thereby, (B) the validity or enforceability of the Bonds, the Resolution, this Agreement, the Issuer Documents or any other agreement or instrument to which the Issuer is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, or (C) the exclusion of the interest on the Bonds from the gross income of the holders thereof for federal income tax purposes. The Issuer is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

(j) When delivered to the Purchaser after receipt of payment therefor in accordance with the provisions of this Agreement, the Bonds will be duly authorized, executed, issued, and delivered and will constitute the Issuer's legal, valid and binding special, limited obligations, enforceable in accordance with their terms (except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity), and will be entitled to the benefit and security of the Indenture.

(k) Other than the Issuer Documents, the Issuer has not entered into any contract or arrangement that might give rise to any lien or encumbrance on the revenues or other assets, properties, funds or interests pledged pursuant to the Indenture.

(l) The Issuer has not taken or omitted to take on or prior to the date hereof any action, that would adversely affect the exclusion of the interest on the Bonds from the gross income of the holders thereof for federal income tax purposes.

(m) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is an issuer whose arbitrage certifications may not be relied upon.

(n) On the Closing Date, each of the representations and warranties of the Issuer contained herein and in the Issuer Documents shall be true, correct and complete.

(o) The Purchaser has not provided any municipal advisory services to the Issuer within the meaning of Rule 15Ba1-1 of the Securities Exchange Act of 1934, as amended.

4.2 Any certificate signed by any official of the Issuer and delivered to the Purchaser in connection with the delivery of the Bonds will be deemed to be a representation and warranty by the Issuer to the Purchaser for its benefit and for the benefit of the Holders from time to time of the Bonds, as to the statements made therein.

Section 5. Representations and Warranties of Borrower.

5.1 The Borrower makes the following representations and warranties to the Issuer and the Purchaser for its benefit and for the benefit of the Purchaser and the Holders from time to time of the Bonds, as of the date hereof, all of which will continue in effect subsequent to the purchase of the Bonds:

(a) The Borrower is, and at all times will be, a limited partnership duly organized, validly existing and in good standing under the laws of the State. The General Partner is and at all times will be, a limited liability company duly organized, validly existing and in good standing under the laws of the State.

(b) The Borrower has, and on the Closing Date will have, full legal right, power and authority (i) to execute and deliver this Agreement and the Borrower Documents and (ii) to consummate the transactions contemplated by this Agreement and the Borrower Documents. The General Partner has, and on the Closing Date will have, full legal right, power and authority to execute and deliver this Agreement and the Borrower Documents on behalf of the Borrower.

(c) The Borrower has duly authorized the execution and delivery of this Agreement and the performance by the Borrower of the obligations contained herein, and prior to the Closing Date the Borrower will have duly authorized the (i) execution and delivery of the Borrower Documents, (ii) performance by the Borrower of the obligations contained in the Borrower Documents, and (iii) consummation by the Borrower of all transactions contemplated hereby and by the Borrower Documents.

(d) All consents, approvals, authorizations or orders of, notices to, or filings, registrations or declarations with, any court or governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of the Borrower or for the execution and delivery by the Borrower of this Agreement and the Borrower Documents or the consummation by the Borrower of the transactions contemplated hereby or thereby have been obtained or will be obtained prior to the Closing Date.

(e) The Borrower has not taken or omitted to take on or prior to the date hereof any action that would adversely affect the exclusion of the interest on the Bonds from the gross income of the holders thereof for purposes of federal income taxation.

(f) All information concerning the Project, the Borrower, the General Partner and the Guarantor submitted to the Purchaser by the Borrower, the General Partner or the Guarantor, is true and correct in all material respects as of the date hereof and does not omit to state a material fact necessary to make the statements therein not misleading.

(g) There is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or threatened against or affecting the Borrower, the General Partner or the Guarantor or, to the knowledge of the Borrower, any basis therefor (i) in any way affecting the organization and existence of the Borrower, the General Partner or the Guarantor, (ii) contesting or materially affecting the validity or enforceability of this Agreement, the Borrower Documents or the Guarantor Documents, (iii) contesting the powers of the Borrower or its authority with respect to the Borrower Documents, (iv) contesting the authority of the General Partner to act on behalf of the Borrower, (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (A) the operations of the Borrower, the General Partner or the Guarantor, (B) the due performance by the Borrower of the

Borrower Documents to which it is a party or by the Guarantor of the Guarantor Documents to which such Guarantor is a party, (C) the validity or enforceability of any of the Borrower Documents or the transactions contemplated hereby or by any Borrower Document or Guarantor Document, or (vi) in any way contesting the exclusion from the gross income of the holders thereof for purposes of federal income taxation of the interest on the Bonds.

(h) This Agreement is, and, when executed and delivered by the Borrower and the other parties hereto, and the Borrower Documents will be, the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(i) The execution and delivery by the Borrower of this Agreement and the Borrower Documents and the consummation by the Borrower of the transactions contemplated thereby and hereby are not prohibited by, do not violate any provision of, and will not result in a breach of or default under (i) organizational documents of the Borrower, (ii) any applicable law, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental body or other requirement to which the Borrower is subject, or (iii) any contract, indenture, agreement, mortgage, lease, commitment or other obligation or instrument to which the Borrower is a party or by which the Borrower or its properties is bound.

(j) The Purchaser has not provided any municipal advisory services to the Borrower within the meaning of Rule 15Ba1-1 of the Securities Exchange Act of 1934, as amended.

5.2 Each of the representations and warranties set forth in this Section will survive the Closing.

5.3 Any certificate signed by the Borrower or the General Partner and delivered to the Purchaser shall be deemed a representation and warranty by the Borrower to the Purchaser for its benefit and for the benefit of the Holders from time to time of the Bonds, as to the statements made therein.

Section 6. Covenants.

6.1 The Issuer hereby makes the following covenants with the Purchaser:

(a) Prior to the Closing, the Issuer will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interests which will be pledged pursuant to the Indenture and the other Issuer Documents.

(b) After all conditions have been met with respect to the issuance of the Bonds (including without limitation the payment of the Purchase Price), the Issuer will cause the Bonds to be delivered in accordance with this Agreement, and upon receipt of evidence that the Trustee has received the Purchase Price set forth in Section 2.1 hereof, to the address and at the time specified by the Purchaser in conjunction with the Closing.

(c) The Issuer will not knowingly take or omit to take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided

in the Indenture or which would cause the interest on the Bonds to be included in the gross income of the holders thereof for federal income tax purposes.

(d) Prior to the Closing, the Issuer will obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency that would constitute a condition precedent to the performance by it of obligations under the Resolution, this Agreement, the Issuer Documents and the Bonds.

6.2 The Borrower hereby makes the following covenants with the Issuer and the Purchaser:

(a) The Borrower will not take or omit to take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in the gross income of the holders thereof for federal income tax purposes.

(b) Prior to the Closing, the Borrower will obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency, if any, that would constitute a condition precedent to the performance by it of its obligations under this Agreement and the Borrower Documents.

(c) The Borrower will not voluntarily undertake any course of action inconsistent with the satisfaction by the Borrower of the requirements applicable to it, as set forth in this Agreement and the Borrower Documents.

Section 7. Conditions of Closing.

7.1 The Purchaser has entered into this Agreement in reliance upon representations, covenants and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Purchaser's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds will be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations, covenants and agreements of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and will also be subject to the following additional conditions:

(a) There shall not have occurred any material error, misstatement or omission in the representations and warranties made by either of the Issuer or the Borrower in this Agreement, which representations and warranties will be deemed to have been made again at and as of the time of the Closing and will then be true in all material respects.

(b) Each of the Issuer and the Borrower shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by the Issuer and the Borrower at or prior to Closing.

(c) This Agreement, the Issuer Documents, the Borrower Documents and the Guarantor Documents shall have been executed and delivered by each of the parties thereto, shall be in full force and effect on and as of the Closing Date, shall be in form and substance satisfactory to the Originator, and no event of default shall exist under any such documents.

(d) Each of the Subordinate Debt Documents shall have been executed and delivered, shall be in full force and effect, shall be in form and substance acceptable to the Originator, and shall be subject to subordination agreements in form and substance satisfactory to the Originator.

7.2 On the Closing Date, (a) the Originator shall have received from the Borrower, in immediately available funds, an amount equal to the fees set forth in Section 10, and the costs and expenses of the Originator incurred as of the date of the execution and delivery hereof, and (b) the Trustee shall have received the deposits required to be made in the Accounts.

7.3 In addition to the conditions set forth above, the obligations of the Purchaser to consummate at the Closing the transactions contemplated hereby are subject to receipt by the Originator of the following items:

(a) A certificate of the Borrower, dated the Closing Date and reasonably satisfactory to the Originator, signed by the General Partner, that: (1) each of the attached organizational documents, certificate of good standing, and partner consents (if any), is true, correct and complete and has not been amended, modified or rescinded; (2) each of the Borrower's representations and warranties contained herein and in the other Borrower Documents is true and correct in all material respects on and as of the Closing Date; (3) the Borrower has performed and complied in all material respects with all agreements and conditions required of the Borrower by this Agreement to be performed and complied with by it at or prior to the Closing; and (4) such other matters reasonably requested by the Originator;

(b) A certificate of the General Partner, dated the Closing Date and in form and substance reasonably satisfactory to the Originator, signed by an authorized officer of the General Partner, that (1) each of the attached organizational documents, certificate of good standing, authorizing resolution and evidence of incumbency is true, correct and complete and has not been amended, modified or rescinded; (2) the General Partner is a limited liability company duly organized, validly existing and is in good standing under the laws of the State, with full legal right, power and authority to execute and deliver this Agreement and the other Borrower Documents on behalf of the Borrower as its general partner; (3) the General Partner has, by all necessary corporate action, duly authorized the execution and delivery, on its own behalf and on behalf of the Borrower, as its general partner, of this Agreement and the Borrower Documents; (4) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental body is required by or on behalf of the General Partner for the execution and delivery by the General Partner, on behalf of the Borrower, as its general partner, of this Agreement and the Borrower Documents and the performance by the General Partner thereunder; (5) the execution and delivery by the General Partner, on its own behalf and/or on behalf of the Borrower, as its general partner, of this Agreement and the Borrower Documents and the performance by the General Partner thereunder do not violate the organizational documents of the General Partner, any applicable law, rule or regulation, or any court order by which the General Partner is bound, and such actions do not constitute a default under any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the General Partner is a party or by which it or its properties is bound; (6) there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or, to its knowledge, threatened against the General Partner nor, to the best knowledge of the General Partner, any basis therefor (i) in any way contesting the existence of the General Partner, (ii) in any way contesting the authority of the General Partner to act on behalf of the Borrower or the authority of the officers of the General Partner to act on behalf of the General Partner or (iii) which would have a material adverse effect on the financial condition or operations of the General Partner or the consummation of the transactions on

the part of the General Partner or the Borrower contemplated hereby or by any Borrower Document; and (7) such other matters reasonably requested by the Originator;

(c) A certificate of the Guarantor, dated the Closing Date and in form and substance reasonably satisfactory to the Originator, signed by such Guarantor, that, as applicable, (1) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental body is required by or on behalf of the Guarantor for the execution and delivery by the Guarantor of the Guarantor Documents and the performance by the Guarantor thereunder; (3) the execution and delivery by the Guarantor of the Guarantor Documents and the performance by the Guarantor thereunder do not violate any applicable law, rule, or regulation or any court order by which the Guarantor is bound, and such actions do not in any material respect constitute a default under any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the Guarantor is a party or by which it is bound; (4) there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or, to the knowledge of the Guarantor, threatened against the Guarantor, nor any basis therefor, which would have a material adverse effect upon the financial condition of the Guarantor or the consummation of the transactions on the part of the Guarantor contemplated by the Guarantor Documents; and (5) such other matters reasonably requested by the Originator;

(d) Opinions of counsel to the Borrower, the General Partner and the Guarantor(s) dated the date of issuance of the Bonds and addressed to the Issuer, the Trustee and the Purchaser as to the matters on Exhibit C attached hereto;

(e) A tax opinion of Bond Counsel from Bryant Miller Olive, dated the date of issuance of the Bonds and addressed to the Purchaser, the Originator, the Trustee and the Issuer, providing that the interest on the Series 2020A Bonds is excluded from the gross income of the holders thereof for federal income tax purposes;

(f) A disclosure statement submitted in compliance with Section 218.385, Florida Statutes, as amended, executed by Purchaser and Purchaser has been determined to be a party acceptable to the Issuer;

(g) An opinion of counsel to the Issuer, or of Bond Counsel acting in such capacity, dated the date of issuance of the Bonds and addressed to the Trustee, the Purchaser, the Originator and the Purchaser, in form and substance acceptable to the Purchaser and the Originator;

(h) A pro forma mortgagee title insurance policy issued by the Title Company to the Trustee, dated effective as of the date of recording of the Mortgage, in form, scope and substance satisfactory to the Originator, insuring the lien of the Mortgage in an amount equal to the initial face amount of the Bonds, subject only to such liens and encumbrances as the Originator may approve;

(i) Evidence of the insurance required under the Loan Agreement, including, without limitation, flood insurance to the extent that any portion of the Improvements is located in a Special Flood Hazard area as defined by the United States Department of Housing and Urban Development;

(j) A certified legal description and as-built ALTA/ACSM Land Title Survey of the land included in the Project by a surveyor approved by the Originator in form and substance acceptable to the Originator;

(k) Evidence in such form as the Purchaser may reasonably require of (i) satisfactory subdivision of the Project and zoning for all buildings and improvements; (ii) the valid issuance of all necessary permits and licenses to construct, occupy and operate the buildings and improvements, including without limitation all permits and licenses required under applicable law with respect to subdivision, zoning, safety, building, occupancy, fire protection, environmental, energy and similar matters; (iii) the availability of all utility and municipal services required for the operation of the buildings and improvements; and (iv) the availability of means of access to and from such property, by means of public ways or easements benefiting such property;

(l) Evidence reasonably satisfactory to the Originator that building permits have been provided or will be provided upon the payment of fees;

(m) A budget detailing the costs of the proposed construction of the Project, and plans and specifications detailing the scope of such construction, all satisfactory to the Originator;

(n) Copies of contracts with an architect and a general contractor or prime contractors, satisfactory to the Originator, for the performance of the construction, plus consents of the assignments of all such contracts to the Trustee by each professional;

(o) Copies of a contract with a property manager, satisfactory to the Originator, for the management of the property, plus consents of the assignments of all such contracts to the Trustee by such property manager;

(p) A report or written confirmation from the Engineering Consultant that (a) the Engineering Consultant has reviewed the final plans and specifications, (b) the construction contract(s) satisfactorily provide for the construction of the Project, and (c) in the opinion of the Engineering Consultant, construction of the Project can be completed within thirty (30) months following Closing for an amount not greater than the amounts allocated for such purpose on the submitted budget;

(q) An environmental audit satisfactory to the Originator in scope, form and substance, and performed and certified to the Purchaser and the Originator by an environmental engineer satisfactory to the Originator;

(r) Intentionally omitted;

(s) For each of the Borrower, the General Partner and the Guarantors, a certified copy of its organizational documents as in effect on the date of closing, including copies of all filed documents, which shall, with respect to the Borrower and the General Partner, contain provisions denoting its single purpose entity status, and evidence that all action necessary for the valid execution, delivery and performance by the Borrower, the General Partner and the Guarantors of this Agreement and the other Borrower Documents or the Guarantor Documents, as applicable, to which it is or is to become a party shall have been duly and effectively taken;

(t) A certificate of the Borrower, dated the Closing Date and signed by the General Partner, in form and substance reasonably satisfactory to the Originator and Bond Counsel, respecting certain tax matters as may be reasonably required by Bond Counsel to enable it to give its opinion;

(u) A non-arbitrage certificate of the Issuer, in form and substance acceptable to Bond Counsel;

(v) A certificate of the Trustee, dated the Closing Date, in form and substance satisfactory to the Originator, signed by an authorized officer of the Trustee, that (1) the Trustee has all necessary power and authority to accept the trusts granted under the Indenture and to perform its duties under the Trustee Documents; (2) the Trustee Documents have been duly authorized, executed and delivered by an authorized officer of the Trustee; (3) the Bonds have been authenticated by an authorized representative of the Trustee and delivered to or at the direction of the Originator; and (4) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body is required on behalf of the Trustee for the execution and delivery by the Trustee of the Trustee Documents or the performance by the Trustee of its obligations thereunder;

(w) A properly completed and executed IRS Form 8038 as to the Bonds to be filed with the IRS promptly following the Closing Date; and

(x) Such other documents, certificates, approvals, assurances and opinions as the Purchaser or the Originator may reasonably request.

7.4 If any of the conditions set forth in Sections 7.1, 7.2 or 7.3 have not been met on the Closing Date, the Purchaser may, at its sole option, terminate this Agreement or proceed to Closing upon waiving any rights under this Agreement with respect to any such condition (but with the consent of the Purchaser and the Originator as to any condition subject to their approval or receipt). If this Agreement is terminated pursuant to this Section, no party will have any rights or obligations to the other parties hereto, except as provided in Section 10.

Section 8. Actions and Events at the Closing. The following events will take place at the Closing:

(a) The Issuer will deliver the Bonds to or at the direction of the Purchaser. The Bonds so delivered will be in the form required by the Indenture, duly executed on behalf of the Issuer and authenticated by the Trustee, and will be fully registered in the name of the Purchaser.

(b) The Issuer or the Borrower will deliver or cause to be delivered to the Originator at the place set forth in Item 5 in Exhibit B, or at such other place or places as the Issuer, the Borrower and the Originator may mutually agree upon, the materials described in Section 7.3.

(c) The Purchaser will deliver to the Trustee, for the account of the Issuer or as the Issuer directs, an amount equal to the initial installment of the Purchase Price of the Bonds, by wire transfer to the Trustee, in immediately available federal funds, to be deposited in the funds and accounts set forth in the Indenture upon the issuance of the Bonds, and applied as set forth in the Indenture.

Section 9. Termination of Agreement. The Purchaser may terminate this Agreement, without liability therefor, by notifying the Issuer and the Borrower at any time prior to the Closing if:

(a) Any legislation is introduced in, or enacted by, the United States Congress, or shall have been reported out of committee or be pending in committee, or any decision is rendered by any court of competent jurisdiction, or any ruling or regulation, temporary regulation, release or announcement shall have been issued or proposed by the Treasury Department of the United States, the Internal Revenue Service, or any other agency of the government of the United States that, in the

reasonable judgment of the Purchaser, has the purpose or effect of causing interest on the Bonds to be includable in gross income of the holders thereof for purposes of federal income taxation or to be an item of tax preference for purposes of the federal alternative minimum tax; or

(b) Any legislation is introduced in, or enacted by the United States Congress or any action is taken by, or on behalf of, the Securities and Exchange Commission, that, in the opinion of counsel to the Purchaser has the effect of requiring (i) the Bonds or the interests in the Loan Agreement or other financing documents to be registered under the 1933 Act or the Indenture to be qualified under the 1939 Act, or (ii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Agreement, the Issuer Documents, the Borrower Documents or the Guarantor Documents which cannot, without undue expense, be obtained prior to the Closing Date.

Section 10. Fees and Expenses; Costs of Issuance. The Borrower shall pay or cause to be paid all costs of issuance of the Bonds, including all reasonable expenses incident to the performance of the Purchaser's obligations hereunder in connection with its purchase of the Bonds, including, but not limited to, (i) the fees set forth in Section 2.2(a) of the Loan Agreement, (ii) the cost of the preparation, printing or other reproduction of the Resolution, this Agreement, the Issuer Documents, the Borrower Documents and the Guarantor Documents, in reasonable quantities for distribution, (iii) the cost of producing, authenticating and delivering the Bonds, (iv) the fees and disbursements of Bond Counsel, Issuer's counsel, Purchaser's counsel and Trustee's counsel, (v) the fees and expenses, including without limitation all initial and continuing fees and expenses, of the Trustee and all paying agents, transfer agents and bond registrars and (vi) the fees and expenses, including travel expenses, incurred by the Issuer's and the Borrower's representatives in connection with the issuance, sale and delivery of the Bonds.

Section 11. Indemnification.

11.1 The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer, the Trustee, the Purchaser, the Originator, the Purchaser (the "Principal Indemnified Parties") and each affiliate, member, officer, director, official, employee and agent of the Issuer, the Trustee, the Purchaser and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (a "Control Person") (collectively referred to herein as the "Indemnified Parties"), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the "Liabilities") caused by or directly or indirectly arising from or in any way relating to the Bonds, the loan of the proceeds of the Bonds, the Loan Agreement, the Indenture, this Agreement or any document related to the Bonds, the loan of the proceeds of the Bonds (the "Transaction Documents") or any transaction or agreement, written or oral, pertaining to the foregoing; provided the Borrower shall not be required to so indemnify any Indemnified Party to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnified Party.

11.2 The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Trustee, the Purchaser, the Originator, the Purchaser and each affiliate, member, officer, director, official, employee and agent of such parties from and against all Liabilities directly or indirectly arising from or relating to any fraud or misrepresentations or omissions contained in the proceedings of the Issuer pertaining to the financial condition of the Borrower; provided, however that the foregoing indemnity of an Indemnified Party pursuant to Section 11.1 and this Section 11.2 shall not apply to any loss to the extent such damages are caused by the gross negligence or willful misconduct of such

Indemnified Party or any affiliate, member, officer, director, official, employee, agent or Control Person of said Indemnified Party or of the Principal Indemnified Party with which said party is affiliated.

11.3 Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower's expense and with counsel reasonably satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense but not to take any action to settle the same without the approval of the Borrower which approval shall not be unreasonably withheld. Each Indemnified Party shall have the right to engage separate counsel in any such action or proceeding and participate in the investigation and defense of the action or proceeding and the Borrower shall be obligated to pay the reasonable fees and expenses of such separate counsel if the Indemnified Party reasonably determines that a conflict of interest exists between the interests of the Indemnified Party and the interests of the Borrower. If the Borrower shall, after this notice and within a period of time necessary to preserve any and all reasonable defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk, cost and expense of, the Borrower.

11.4 In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in Section 11.1 or 11.2 hereof is for any reason held to be unavailable, the Borrower and the Purchaser shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Parties may be subject, so that the Purchaser is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Purchaser in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Purchaser be responsible for any amount in excess of the fees paid by the Borrower to the Purchaser in connection with the issuance and administration of the Bonds and provided further that the Borrower shall not be required to contribute for Liabilities to an Indemnified Party arising from the gross negligence or willful misconduct of such Indemnified Party. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act of 1933) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

11.5 The Indemnified Parties, other than the Issuer and the Purchaser, shall be considered to be third-party beneficiaries of this Agreement for purposes of this Section 11. The provisions of this Section 11 will be in addition to all liability that the Borrower may otherwise have under law or any other Borrower Document and shall survive any termination of this Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

11.6 The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Loan Agreement or any other Borrower Document.

11.7 The Borrower shall be subrogated to an Indemnified Party's rights of recovery to the extent of any liabilities satisfied by Borrower. Such Indemnified Party shall execute and deliver such instruments and papers as are necessary to assign such rights and assist in the exercise thereof.

Nothing herein shall be construed to create recourse debt to the Borrower or any of its partners for the Loan or the Bonds, except as set forth in Section 10.13 of the Loan Agreement.

Section 12. Miscellaneous.

12.1 All notices, demands and formal actions hereunder will be in writing and mailed, telecopied or delivered to the following addresses or such other address as any of the parties shall specify:

If to the Purchaser:	Western Alliance Business Trust One East Washington Street, Suite 2400 Phoenix, Arizona 85004 Attention: Philipp Smaczny
With a copy to:	R4 Capital Funding LLC 780 Madison Avenue, 10th Floor New York, New York 10023 Attention: James D. Spound
and:	Kutak Rock LLP 1760 Market Street, Suite 1100 Philadelphia, Pennsylvania 19103 Attention: Andrew P. Schmutz, Esquire
If to the Issuer:	Jacksonville Housing Finance Authority 214 N. Hogan Street, 7th Floor Jacksonville, Florida 32202 Attention: Finance Director
If to the Borrower:	Sydney Trace, Ltd. c/o The Vestcor Company, LLC 3030 Hartley Road, Suite 310 Jacksonville, Florida 32257 Attention: Jason O. Floyd
With a copy to:	Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 W. Flagler Street, Suite 2200 Miami, Florida 33130 Attention: Terry M. Lovell, Esq.

12.2 This Agreement will inure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns and will not confer any rights upon any other person except as provided herein with respect to the Purchaser and the Holders of the Bonds.

12.3 This Agreement may not be assigned by the Issuer or the Borrower. This Agreement may be assigned by the Purchaser upon written notice of such assignment from the Purchaser to the Issuer and the Borrower. The Purchaser may designate the entity in whose name the Bonds are to be registered at Closing by providing registration information to the Trustee on or prior to the Closing Date.

12.4 This Agreement may not be amended without the prior written consent of the Issuer, the Borrower and the Purchaser.

12.5 The representations, covenants and agreements of the Issuer and the Borrower will not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of (a) any investigations made by or on behalf of the Purchaser (or statements as to the results of such investigations) concerning such representations, covenants and agreements and (b) delivery of and payment for the Bonds.

12.6 This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument. To the fullest extent permitted by applicable law, electronically transmitted or facsimile signatures shall constitute original signatures for all purposes under this Agreement.

12.7 This Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of the Bonds.

12.8 This Agreement will become effective and binding upon the respective parties hereto upon the execution and delivery hereof by the parties hereto and will be valid and enforceable as of the time of such execution and delivery.

12.9 If any provision of this Agreement is held or deemed to be or is, in fact, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy, or any other reason, such circumstances will not have the effect of rendering the provision in question inoperable or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

12.10 This Agreement will be governed by and construed in accordance with the laws of the State applicable to agreements to be performed wholly therein, without regard to conflict of laws principles.

12.11 The obligations of the Purchaser hereunder shall be without recourse to any shareholder, trustee, officer, employee, agent or manager of the Purchaser and no shareholder, trustee, officer, employee, agent or manager of the Purchaser shall be personally liable for the payment of any obligation of the Purchaser hereunder. In the event any legal actions or proceedings are brought in respect of such obligations, any judgment against the Purchaser shall be enforced only against the assets of the Purchaser and not against any property of any trustee or manager of the Purchaser.

12.12 As an inducement to the agreement of the Purchaser to purchase the Bonds pursuant to the terms of this Agreement, the Borrower agrees not to obtain or seek to obtain financing or credit of any kind or nature whatsoever from any other sources in lieu of the financing to be provided by the issuance of the Bonds by the Issuer and the purchase of the Bonds by the Purchaser. In the event of a breach of this covenant, the Purchaser shall be entitled to all remedies available to it, at law and in equity, including specific performance and damages. As a further inducement, the Borrower agrees to indemnify and hold harmless the Purchaser and the Purchaser from any and all litigation or claims arising out of transactions contemplated herein, except for any litigation or claims directly resulting from the gross negligence or willful misconduct of the Purchaser and the Purchaser.

12.13 The Issuer and the Borrower acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's length commercial transaction between the Issuer and the Purchaser, (ii) in connection with such transaction, the Purchaser is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is

defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Issuer or the Borrower, (iii) the Purchaser has not assumed a fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering of the Bonds or the process leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the Issuer or the Borrower on other matters) or any other obligation to the Issuer or the Borrower except the obligations expressly set forth in this Agreement, (iv) the Purchaser has financial and other interests that differ from those of the Issuer and the Borrower, and (v) each of the Issuer and the Borrower has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

Section 13. Venue. The parties hereto agree that any suit, action or other legal proceeding hereunder shall be brought solely in a federal or state court located in the State of Florida.

Section 14. Definitions. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Indenture.

Section 16. Contingency Draw Down. In the event either the Originator or the Borrower, with the consent of the Originator, determines that legislative, judicial or other developments have occurred or other circumstances have emerged which could result in interest on the Bonds not being excluded from gross income for federal income tax purposes, or otherwise determines that it is in the requesting party's best interest to cause the remaining authorized amount of the Bonds to be fully funded (the "Remaining Authorized Amount") in order to assure that interest on the Bonds will remain excluded from gross income for federal income tax purposes, and, in the case of such determination by the Borrower, such action will resolve the uncertainty with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and will not jeopardize receipt of previously committed unfunded debt or equity funding for the Project, then the Majority Owner may provide a written letter of direction (a "Draw-Down Notice") to the Trustee, with a copy to the Borrower and the Purchaser, to cause the Remaining Authorized Amount of the Bonds to be funded. The Draw-Down Notice, if given, shall take effect on the fifth (5th) Business Day following the date of such notice (or such greater number of Business Days to which the Originator, Borrower and the Purchaser may agree in writing, with written notice to the Trustee) and contain substantially the following words: ***"The Majority Owner elects to fund the Remaining Authorized Amount of the Bonds ($_____) to be funded effective _____ (the "Draw-Down Date")."*** The Draw-Down Notice will be delivered in the manner provided for notices under the Indenture and the Loan Agreement. After the delivery of a Draw-Down Notice, the Purchaser shall advance proceeds of the Bonds in the Remaining Authorized Amount to the Trustee for deposit in the Bond Proceeds Account of the Project Fund and, if applicable, the Capitalized Interest Account of the Project Fund, to be held and disbursed pursuant to the Indenture and the Loan Agreement. The Borrower agrees to pay to the Trustee, on the Draw-Down Date, an amount of funds to be agreed upon by the Originator and the Borrower prior to the Draw-Down Date to cover the expected interest costs for the period between the Draw-Down Date and the date of each expected draw in accordance with the then-approved draw schedule set forth on Exhibit B hereto (the "Capitalized Interest Deposit"), to be deposited by the Trustee into the Capitalized Interest Account of the Project Fund.

{signatures on following pages}

If the foregoing accurately sets forth our mutual understanding concerning the subject matter hereof, kindly indicate acceptance by executing this Agreement and returning this executed Agreement to the undersigned.

WESTERN ALLIANCE BUSINESS TRUST

By:_____
Name: John Radwanski
Title: Treasurer/Senior Vice President

Accepted as of the date first above written:

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Name: Jason O. Floyd
Title: Vice President

EXHIBIT A

Glossary of Terms

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

"1939 Act" means the Trust Indenture Act of 1939, as amended.

"Accounts" means all of the funds and accounts to be established under, and defined in, the Indenture, including the Project Fund (and within such Project Fund, the Bond Proceeds Account, the Costs of Issuance Account, the Equity Account, the Capitalized Interest Account and the Insurance and Condemnation Proceeds Account), the Replacement Reserve Fund, the Tax and Insurance Escrow Fund, the Rebate Fund, the Surplus Fund, the Bond Purchase Fund, and the Redemption Fund.

"Act" means the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Chapter 52 Ordinance Code of the City, as amended, Ordinance 2014-185-E of the City, Resolution No. 2019-832-A of the City adopted on December 10, 2019, a Resolution of the Issuer adopted on September 18, 2019 and a Resolution of the Issuer adopted on June 15, 2020.

"Agreement" means this Bond Purchase Agreement, as amended from time to time.

"Assignment of Capital Contributions" means that certain Assignment of Capital Contributions to be dated as of June 1, 2020, from the Borrower to the Trustee.

"Assignment of Management Agreement and Consent" shall mean that contain Assignment of Management Agreement to be dated as of June 1, 2020, from the Borrower to the Trustee, together with the consent of the manager of the Project.

"Assignment of Project Documents" means that certain Assignment of Project Documents to be dated as of June 1, 2020, from the Borrower to the Trustee.

"Bonds" means $19,000,000 in aggregate principal amount of Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A.

"Borrower" means Sydney Trace, Ltd., a limited partnership duly organized, validly existing and in good standing under the laws of the State, together with its permitted successors and assigns hereunder.

"Borrower Documents" means, collectively, this Agreement, the Loan Agreement, the Regulatory Agreement, the Mortgage, the Note, the Issuer Guaranties, the Environmental Indemnity, the Assignment of Project Documents, Assignment of Capital Contributions, the Assignment of Management Agreement and Consent, the Replacement Reserve, the Continuing Disclosure Agreement, The Subordination Agreement, the Tax Certificate and all other agreements, documents and certificates as may be required to be executed and delivered by the Borrower to carry out, give effect to, and consummate the transactions contemplated by this Agreement or by the other Borrower Documents.

"Closing" means the proceeding at which the actions described in Section 8 are performed.

"Closing Date" means the date on which the Closing takes place.

"Controlling Person" means any entity designated in writing by the Purchaser to act as a Controlling Person, in accordance with Article IX of the Indenture, initially R4 Servicer LLC.

"Engineering Consultant" means an engineering consultant approved by the Controlling Person.

"Environmental Indemnity" means that certain Environmental Indemnity Agreement to be dated as of June 1, 2020, from the Borrower and the Guarantor named therein for the benefit of the Trustee.

"General Partner" means Sydney Trace GP, LLC, a limited liability company duly organized and validly existing under the laws of the State, together with its permitted successors and assigns hereunder.

"General Partner Pledge" means that certain Limited Guaranty, Pledge of Partnership Interests and Security Agreement to be dated as of June 1, 2020 from the General Partner to the Trustee.

"Guarantor" or "Guarantors" shall have the meaning set forth in the Indenture.

"Guarantor Documents" means, collectively, (i) the Guaranty of Recourse Obligations, (ii) the Guaranty of Completion, (iii) the Guaranty of Debt Service and Stabilization, (iv) the Environmental Indemnity, (v) the Environmental Indemnity Agreement (Issuer), (vi) the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, (vii) the Absolute and Unconditional Guaranty of Completion, and (viii) the Absolute and Unconditional Guaranty of Operating Deficits.

"Indenture" means that certain Indenture of Trust to be dated as of June 1, 2020, between the Issuer and the Trustee.

"Issuer" means Jacksonville Housing Finance Authority, a public body corporate and politic duly organized and validly existing under the laws of the State, together with its successors and assigns.

"Issuer Assignment" means, collectively, the Issuer's endorsement of the Note and that certain Assignment of Mortgage Documents to be dated as of June 1, 2020, from the Issuer to the Trustee.

"Issuer Documents" means, collectively, the Indenture, the Loan Agreement, the Regulatory Agreement, the Issuer Assignment and this Agreement.

"Issuer Guaranties" means the Environmental Indemnity Agreement (Issuer), the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, the Absolute and Unconditional Guaranty of Completion and the Absolute and Unconditional Guaranty of Operating Deficits made by the Issuer Guarantors named therein, each for the benefit of the Issuer and the Trustee.

"Loan Agreement" means that certain Loan Agreement to be dated as of June 1, 2020, between the Issuer and the Borrower.

"Mortgage" means that certain Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing to be dated as of June 1, 2020, from the Borrower to the Trustee.

"Note" means the promissory note of the Borrower to be dated the date of issuance of the Bonds from the Borrower to the Issuer and endorsed to the Trustee.

"Originator" means R4 Capital Funding LLC, a Delaware limited liability company.

"Project" means that certain 192-unit multifamily housing facility with related amenities and site improvements and related personal property and equipment located in Jacksonville, Florida, the acquisition, construction and equipping of which are being financed with the proceeds of the Bonds.

"Purchaser" means Western Alliance Business Trust, or its designee or nominee, together with their respective permitted successors and assigns hereunder.

"Regulatory Agreement" means that certain Land Use Restriction Agreement dated as of June 1, 2020, among the Issuer, the Trustee and the Borrower.

"Replacement Reserve" means that certain Replacement Reserve and Security Agreement dated as of June 1, 2020, between the Borrower and the Trustee.

"Resolution" means, collectively, the resolutions adopted by the Issuer on September 18, 2019 and April 15, 2020, relating to the transactions contemplated by this Agreement.

"State" means the State of Florida.

"Subordinate Debt" means, collectively, (i) that certain loan in the original principal amount of $1,500,000 from Jacksonville Housing Finance Authority to the Borrower, (ii) that certain loan in the original principal amount of $1,000,0000 from the City of Jacksonville to Borrower and (iii) that certain $2,500,000 in aggregate principal amount of Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds Series 2020B (Sydney Trace Apartments).

"Subordinate Debt Documents" means all applicable documents evidencing or securing the Subordinate Debt or otherwise executed and delivered by the Borrower in connection therewith or as a condition of the advance of the proceeds thereof, together with a subordination agreement executed by the lender of such Subordinate Debt, all in form and substance acceptable to the Controlling Person and the Issuer with respect to any subordination agreement to be executed by the Issuer.

"Title Company" means Fidelity National Title Insurance Company.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a national banking association, in its capacity as trustee under the Indenture, or its 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 under the Indenture.

"Trustee Documents" means the Indenture, the Regulatory Agreement and all other agreements, documents and certificates as may be required to be executed and delivered by the Trustee to carry out, give effect to, and consummate the transactions contemplated by this Agreement and the other Trustee Documents.

EXHIBIT B

Terms of Bonds

1. Title of Bonds: $19,000,000 Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A

2. Purchase Price of Bonds: $19,000,000

3. Basic Bond Terms:

   (a) Date of the Bonds: June 30, 2020

   (b) Interest Payment Dates: First day of each month commencing August 1, 2020.

   (c) Aggregate Principal Amount of Bonds: $19,000,000

   (d) Maturity Date for Bonds: [July 1, 2063]

   (e) Bondholder right to demand redemption: Bondholders will have a right to require redemption of Bonds in whole at par on or after: [July 1, 2039]

   (f) Interest Rate for Bonds: ___%

   (g) Special Redemption Provisions:

      (i) sinking fund: on a monthly basis to be deposited into the Redemption Fund on the dates and in the amounts shown on the debt service schedule delivered pursuant to the Indenture.

      (ii) optional prepayment: the Bonds are subject to optional redemption in whole but not in part, at the direction of the Borrower upon not less than fifteen (15) days written notice to the Trustee and the Controlling Person (which notice shall be unconditional and irrevocable), in Authorized Denominations on any Interest Payment Date occurring on or after the First Optional Call Date, at a redemption price equal to the percentage of the principal amount thereof set forth below, plus accrued interest thereon to, but not including, the redemption date as follows:

From and Including	To but Excluding	Redemption Price
[July 1, 2033]	[July 1, 2035]	103%
[July 1, 2035]	[July 1, 2037]	102%
[July 1, 2037]	[July 1, 2038]	101%
[July 1, 2038]	Maturity	100%

      (iii) a special mandatory redemption: an amount of $4,250,000 in principal amount of the Bonds will be subject to special mandatory redemption as a condition to Stabilization (as defined in the Indenture)

(iv) mandatory redemption: as set forth in the Indenture.

(h) Expected Draw-down Installments*

Purchase Date	Amount

*The Purchaser shall fund the above draw-down installments on the purchase dates set forth above; provided, however, that the Borrower may elect to increase or decrease the amount of the draw to be paid on such dates by providing at least [ten (10) days'] advance written notice to the Controlling Person, Trustee and Purchaser. Any such notice modifying the amounts to be drawn shall include a replacement schedule of all future draw amounts.

4. Certain Required Funded Accounts:

(a) Tax and Insurance Escrow – deposits to commence upon Closing and thereafter, two (2) Business Days before each Interest Payment Date commencing with the First Interest Payment Date.

(b) Replacement Reserve - deposits to commence upon Stabilization.

(c) Project Fund - funds sufficient to pay all estimated costs of construction shall be deposited into the Indenture at Closing or be paid pursuant to the Assignment of Capital Contributions and/or Subordinate Debt Documents.

5. Time of Closing: 1 p.m., eastern time

(a) Date of Closing: On or before June 30, 2020

(b) Place of Closing: Jacksonville, Florida

(c) Delivery of Bonds: Physical

EXHIBIT C

Matters to be Covered by
Opinions of Counsel to the Borrower, the General Partner and the Guarantors

1. Organization and Qualification. The Borrower is duly formed and validly existing as a limited partnership under the laws of the State of Florida. The General Partner is duly formed and validly existing as a limited liability company under the laws of the State of Florida.

2. Authority and Authorization. Each of the Borrower and the General Partner has all requisite power and authority to execute and deliver the Borrower Documents to which it is a party and to perform its obligations under the Borrower Documents to which it is a party, and all such action has been duly and validly authorized by all necessary action on its part. Each Guarantor has all requisite power and authority to execute and deliver the Guarantor Documents and to perform its obligations under the Guarantor Documents, and all such action has been duly and validly authorized by all necessary action on its part.

3. Execution and Binding Effect. The Borrower Documents to which the Borrower is a party have been duly and validly executed and delivered by the Borrower and constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with the terms thereof, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights. The Guarantor Documents have been duly and validly executed and delivered by the Guarantor and constitute the legal, valid and binding obligation of the Guarantor, enforceable in accordance with the terms thereof, except as such, enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights.

4. Authorization and Filings. No authorization, consent, approval, license, exemption or other action by, and no registration, qualification, designation, declaration or filing with, any governmental authority is or will be necessary in connection with the execution and delivery of the Borrower Documents or the Guarantor Documents, or the consummation of the transactions contemplated or performance of or compliance with the terms and conditions thereof, other than the recordings and filings referred to in paragraphs 7, 8 and 9 below.

5. Absence of Conflicts. Neither the execution and delivery of the Borrower Documents and the Guarantor Documents, nor consummation of the transactions therein contemplated, nor performance of or compliance with the terms and conditions thereof will (a) violate any Legal Requirement, (b) conflict with or result in a breach of or a default under the partnership of the Borrower or the operating agreement of the General Partner, or, to the best of counsel's knowledge after due inquiry, any agreement or instrument to which any of such parties or the Guarantor is a party or by which any of such parties or the Guarantor or any of their properties (now owned or hereafter acquired) may be subject or bound or (c) to the best of counsel's knowledge after due inquiry, result in the creation or imposition of any lien, charge, security interest or encumbrance upon any property (now owned or hereafter acquired) of the Borrower, other than the liens created by the Borrower Documents.

6. Litigation. There is no pending or, to the best of counsel's knowledge after due inquiry, threatened proceeding by or before any governmental authority against or affecting the Borrower, the General Partner, the Guarantor or the Project which, if adversely decided, would have a material adverse effect on the business, operations, condition (financial or otherwise) or prospects of the Borrower, the General Partner or the Guarantor or on the ability of the Borrower or the Guarantor to perform their

respective obligations under the Borrower Documents and the Guarantor Documents, as applicable, or on the operation of the Project.

7. Validity of Mortgage Liens. The Mortgage is in appropriate form for recording and, when recorded in the Official Public Records of Duval County, Florida, will create in favor of the Trustee a valid mortgage lien upon and security interest in the Project.

8. Perfection of Security Interests. The Borrower Documents and, when filed with the Florida Secured Transaction Registry, and in the real estate records of Duval County, the UCC financing statements, will create in the Trustee valid and perfected security interests in the collateral described therein.

9. Remedies. The Borrower Documents and the Guarantor Documents do not omit essential remedies that in the opinion giver's experience are generally found in similar documents for mortgage loans in the State of Florida.

EXHIBIT H

FORM OF ASSIGNMENT OF MORTGAGE DOCUMENTS

(SERIES 2020A BONDS)

ASSIGNMENT OF MORTGAGE DOCUMENTS

from

JACKSONVILLE HOUSING FINANCE AUTHORITY

to

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

with the consent of

SYDNEY TRACE, LTD.

Dated as of June 1, 2020

Relating to:

$19,000,000
Jacksonville Housing Finance Authority
Multifamily Housing Revenue Bonds
(Sydney Trace Apartments), Series 2020A

NOTE TO RECORDER: This Mortgage and the Bonds secured hereby arise out of or are given to secure the repayment of a promissory note executed and delivered in connection with the financing of a housing development by Jacksonville Housing Finance Authority and are exempt from documentary stamps and intangible tax pursuant to Section 159.621, Florida Statutes.

This instrument prepared by and
when recorded return to:

Kutak Rock LLP
1760 Market Street, Suite 1100
Philadelphia, Pennsylvania 19103
Attention: Andrew P. Schmutz, Esquire

ASSIGNMENT OF MORTGAGE DOCUMENTS

This **ASSIGNMENT OF MORTGAGE DOCUMENTS**, dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, "Assignment") from the JACKSONVILLE HOUSING FINANCE AUTHORITY, a public body corporate and politic organized under the laws of the State of Florida (together with its successors and assigns, the "Assignor"), to THE BANK OF NEW YORK MELLON TRUST COMPANY. N.A., a national banking association, as trustee (together with any successor trustee under the Indenture described below and their respective successors and assigns, the "Assignee") under the Indenture of Trust dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Indenture"), between the Assignor as Issuer and the Assignee as Trustee,

WITNESSETH:

WHEREAS, Sydney Trace, Ltd, a limited partnership organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the "Borrower") has:

(i) entered into a Loan Agreement with the Assignor dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"), evidencing indebtedness in the aggregate principal amount of $19,000,000 (the "Loan"); and

(ii) executed and delivered to the Assignor the Promissory Note dated June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Promissory Note") in the principal amount of $19,000,000 and made to the order of the Assignor, as payee, further evidencing the Loan; and

(iii) delivered to the Assignor a Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Mortgage") made to the Assignor, securing the Promissory Note, recorded in the Official Public Records of Duval County, Florida, and relating to the real estate described in Exhibit A hereto; and

WHEREAS, the Loan Agreement, the Promissory Note and the Mortgage, together with all financing and continuation statements to perfect the liens and security interests granted thereby, are collectively referred to herein as the "Mortgage Documents"; and

WHEREAS, the Assignor desires to assign and transfer to the Assignee all its right, title and interest in and to the Mortgage Documents, excluding the Reserved Rights (as defined in the Indenture) of the Assignor, and the Assignee desires to acquire Assignor's rights, title and interest as aforesaid under the Mortgage Documents in accordance with the terms hereof, and the Assignee is joining in the execution of this Assignment in order to evidence its acceptance hereof; and

WHEREAS, the Borrower is joining in the execution of this Assignment in order to evidence its consent hereto and in order to agree that the Mortgage Documents shall be effective to secure the obligations of the Borrower to the Assignee as more fully set forth therein and herein.

NOW THEREFORE, in consideration of issuance of the Bonds and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

Section 1. Definitions. All words and phrases defined in the Indenture have the same meanings in this Assignment, which definitions are incorporated herein by reference, unless a different definition is set forth in this Assignment.

Section 2. Assignment. The Assignor sells, assigns and sets over and transfers to the Assignee all the right, title and interest of the Assignor in, to and under the Mortgage Documents, excluding the Reserved Rights of the Assignor. This Assignment is made and shall be without recourse, warranty or representation of the Assignor.

Section 3. Miscellaneous. In case any one or more of the provisions contained in this Assignment are invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not be affected or impaired thereby.

Section 4. Counterparts; Electronic Signatures. This Assignment may be executed in any number of counterparts, each executed counterpart constituting an original, but all counterparts together constituting only one instrument. To the fullest extent permitted by applicable law, electronically transmitted or facsimile signatures shall constitute original signatures for all purposes under this Assignment.

Section 5. Governing Law. It is the intention of the parties hereto that this Assignment and the rights and obligations of the parties hereunder shall be governed, construed and enforced in accordance with the laws of the State of Florida, without reference to its conflicts of laws and principles.

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

ASSIGNOR:

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chair

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn to and subscribed before me by means of _____ physical presence or _____ online notarization, this ___ day of June, 2020, by Bernard E. Smith, the Chair of the Jacksonville Housing Finance Authority, on behalf of the Authority. He is [ ] personally known to me or [ ] has produced his driver's license as identification.

(NOTARY SEAL)

_____
Signature of Notary Public
Print Name of Notary Public
My Commission Expires:_____
My Commission No.:_____

ASSIGNEE:

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

By:_____
Name: Tamara Klement-Ellis
Title: Director

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn to and subscribed before me by means of _____ physical presence or _____ online notarization, this ___ day of June, 2020, by Tamara Klement-Ellis , as Director of The Bank Of New York Mellon Trust Company, N.A., on behalf of such company. She is [ ] personally known to me or [ ] has produced his driver's license as identification.

(NOTARY SEAL)

_____
Signature of Notary Public
Print Name of Notary Public
My Commission Expires:_____
My Commission No.:_____

The undersigned, being the Borrower referred to in the foregoing Assignment, hereby acknowledges receipt and acceptance thereof and consents and agrees to the Assignment made therein and to the terms and provisions thereof to such Assignment.

OWNER:

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Name: Jason O. Floyd
Title: Vice President

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn to and subscribed before me by means of _____ physical presence or _____ online notarization, this ___ day of June, 2020, by Jason O. Floyd, the Vice President of Vestcor, Inc., a Florida corporation, Manager of Sydney Trace GP, LLC, a Florida limited liability company, the General Partner of Sydney Trace, Ltd., a Florida limited partnership, on behalf of the partnership. He is [ ] personally known to me or [ ] has produced his driver's license as identification.

(NOTARY SEAL)

_____
Signature of Notary Public
Print Name of Notary Public
My Commission Expires:_____
My Commission No.:_____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF VILLAGE CENTER, AS RECORDED IN PLAT BOOK 56, PAGES 29 AND 29A, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID POINT BEING SITUATE ON THE SOUTHERLY RIGHT OF WAY LINE OF ARGYLE FOREST BOULEVARD (A 200 FOOT RIGHT OF WAY AS NOW ESTABLISHED); THENCE NORTH 89°27'34" WEST, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 447.20 FEET TO ITS INTERSECTION WITH THE BOUNDARY LINE AS ESTABLISHED BY BOUNDARY LINE AGREEMENT RECORDED IN OFFICIAL RECORDS VOLUME 7546, PAGE 1487, OF SAID CURRENT PUBLIC RECORDS; THENCE SOUTH 27°50'56" WEST, ALONG SAID BOUNDARY LINE, 620.20 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE; THENCE SOUTH 25°55'12" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 26.59 FEET FOR A POINT OF BEGINNING; THENCE, CONTINUE SOUTH 25°55'12" WEST, ALONG SAID BOUNDARY LINE, A DISTANCE OF 519.02 FEET TO A POINT SITUATE ON THE NORTHEASTERLY RIGHT OF WAY LINE OF MERCHANTS WAY, FORMERLY BRANON FIELD ROAD (A 100 FOOT RIGHT OF WAY); THENCE SOUTH 39°18'57" EAST, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 1520.86 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY AROUND AND ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 2.79 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 40°06'56" EAST, 2.79 FEET TO A POINT SITUATE ON THE FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, BEING 100 FEET IN WIDTH; THENCE NORTH 20°59'55" EAST, ALONG SAID FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, A DISTANCE OF 488.97 FEET TO ITS INTERSECTION WITH THE WESTERLY RIGHT OF WAY LIKE OF OAKLEAF VILLAGE PARKWAY, FORMERLY OLD MIDDLEBURG ROAD, A VARIABLE WIDTH RIGHT OF WAY, SAID WESTERLY RIGHT OF WAY LINE BEING A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1560.00 FEET; THENCE NORTHERLY AROUND AND ALONG THE ARC OF SAID CURVE AND ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 279.66 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 15°51'47" EAST, 279.28 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 20°59'55" EAST, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 210.10 FEET TO A POINT WHICH LIES SOUTH 20°59'55" WEST, 301.11 FEET FROM THE SOUTHEAST CORNER OF SAID PLAT OF VILLAGE CENTER, AFOREMENTIONED; THENCE NORTH 68°44'18" WEST, A DISTANCE OF 588.21 FEET; THENCE NORTH 45°20'47" WEST, A DISTANCE OF 727.06 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND CONVEYED TO THE CITY OF JACKSONVILLE BY THE DEED OF DEDICATION RECORDED IN OFFICIAL RECORDS BOOK 9817, PAGE 123, OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

OLD MIDDLEBURG ROAD:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 32, OF SAID TOWNSHIP AND RANGE; THENCE NORTH 89°50'06" EAST, ALONG THE SOUTHERLY LINE OF SAID SECTION 32, A DISTANCE OF 1795.95 FEET TO A POINT ON A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, SAID POINT ALSO BEING THE POINT OF BEGINNING.

FROM SAID POINT OF BEGINNING, THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°02'44", AN ARC LENGTH OF 82.92 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 13°01'30" WEST, 82.91 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°08'46" WEST, 34.51 FEET; THENCE NORTH 08°47'24" WEST, 100.00 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 37°33'58" EAST, 34.51 FEET; THENCE NORTHERLY ALONG THE ARC OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, THROUGH A CENTRAL ANGLE OF 27°04'35", AN ARC LENGTH OF 737.21 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 07°27'37" EAST, 730.37 FEET; THENCE NORTH 20°59'55" EAST, 1550.07 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 110°29'43", AN ARC LENGTH OF 48.21 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 34°14'57" WEST, 41.08 FEET; THENCE NORTH 24°16'45" EAST, 218.55 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 69°30'17", AN ARC LENGTH OF 30.33 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°45'03" EAST, 28.50 FEET; THENCE NORTH 20°59'55" EAST, 387.21 FEET; THENCE SOUTH 69°00'05" EAST, 5.00 FEET; THENCE NORTH 20°59'55" EAST, 200.30 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1835.08 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 176.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 18°14'55" EAST, 176.09 FEET; THENCE NORTH 15°29'55" EAST, 2034.93 FEET TO A POINT LYING ON THE NORTHERLY LINE OF THE EAST ONE HALF OF SAID SECTION 32; THENCE NORTH 89°53'54" EAST, ALONG SAID NORTHERLY LINE, 129.78 FEET TO ITS INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, (AS MONUMENTED); THENCE SOUTH 15°29'55" WEST, DEPARTING SAID NORTHERLY LINE AND ALONG SAID EASTERLY RIGHT OF WAY LINE, 2069.83 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1960.08 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC

LENGTH OF 188.15 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 18°14'55" WEST, 188.08 FEET; THENCE SOUTH 20°59'55" WEST, CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, 553.01 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 92°22'24", AN ARC LENGTH OF 40.31 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 25°11'17" EAST, 36.08 FEET; THENCE SOUTH 21°35'27" WEST, 200.27 FEET, TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 87°37'36", AN ARC LENGTH 38.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT ALSO LYING ON SAID EASTERLY RIGHT OF WAY LINE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 64°48'43" WEST, 34.62 FEET; THENCE SOUTH 20°59'55" WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, 1599.37 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1435.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF 36°49'48", AN ARC LENGTH OF 922.43 FEET, TO A POINT ON SAID CURVE, SAID POINT ALSO LYING ON SAID SOUTHERLY LINE OF SECTION 32, SAID ARC BEING SUBTENDED BY CHORD BEARING AND DISTANCE OF SOUTH 02°35'01" WEST, 906.63 FEET; THENCE SOUTH 89°50'06" WEST, ALONG SAID SOUTHERLY LINE, 129.42 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF OAKWOOD VILLAGE PARKWAY AND MERCHANTS WAY AS LAID OUT AND IN USE.

PARCEL 2:

A PARCEL OF LAND LYING IN SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, CITY OF JACKSONVILLE, DUVAL COUNTY, FLORIDA, BEING ALSO A PORTION OF THE LANDS OF OAKLEAF COLONIAL CAPITAL, AS DESCRIBED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE PUBLIC RECORDS OF SAID DUVAL COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A POINT WHERE THE WEST RIGHT-OF-WAY LINE OF OAKLEAF VILLAGE PARKWAY (A VARIABLE WIDTH RIGHT-OF-WAY, FORMERLY OLD MIDDLEBURG ROAD), INTERSECTS THE SOUTHERLY LINE OF LANDS OF OAKLEAF COLONIAL CAPITAL, AS RECORDED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE RUN NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE, A DISTANCE OF 356.44 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED; THENCE CONTINUE NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE OF SAID OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID LINE ALSO BEING THE NORTHERLY LINE OF A DRAINAGE RETENTION AREA RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, A DISTANCE OF 231.77 FEET; THENCE NORTH 45°21'08" WEST, A DISTANCE OF 78.04 FEET; THENCE SOUTH 69°15'26" EAST, A DISTANCE OF 303.19 FEET TO THE WEST LINE OF ACCESS EASEMENT NO. 2, AS RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 20°53'26" WEST, ALONG SAID WEST LINE, A DISTANCE OF 33.72 FEET TO THE POINT OF BEGINNING.

EXHIBIT I

FORM OF ASSIGNMENT OF MORTGAGE DOCUMENTS

(SERIES 2020B BONDS)

ASSIGNMENT OF MORTGAGE DOCUMENTS

from

JACKSONVILLE HOUSING FINANCE AUTHORITY

to

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

with the consent of

SYDNEY TRACE, LTD

Dated as of June 1, 2020

Relating to:

$2,500,000
Jacksonville Housing Finance Authority
Multifamily Housing Subordinate Revenue Bonds
(Sydney Trace Apartments), Series 2020B

NOTE TO RECORDER: This Mortgage and the Bonds secured hereby arise out of or are given to secure the repayment of a promissory note executed and delivered in connection with the financing of a housing development by Jacksonville Housing Finance Authority and are exempt from documentary stamps and intangible tax pursuant to Section 159.621, Florida Statutes.

This instrument prepared by and
when recorded return to:

Rhonda Bond-Collins, Esq.
Bryant Miller Olive P.A.
255 South Orange Avenue
Suite 1350
Orlando, Florida 32801

ASSIGNMENT OF MORTGAGE DOCUMENTS

This **ASSIGNMENT OF MORTGAGE DOCUMENTS**, dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, "Assignment") from the JACKSONVILLE HOUSING FINANCE AUTHORITY, a public body corporate and politic organized under the laws of the State of Florida (together with its successors and assigns, the "Assignor"), to THE BANK OF NEW YORK MELLON TRUST COMPANY. N.A., a national banking association, as trustee (together with any successor trustee under the Indenture described below and their respective successors and assigns, the "Assignee") under the Indenture of Trust dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Indenture"), between the Assignor as Issuer and the Assignee as Trustee,

WITNESSETH:

WHEREAS, Sydney Trace, Ltd, a limited partnership organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the "Borrower") has:

(i) entered into a Loan Agreement with the Assignor dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"), evidencing indebtedness in the aggregate principal amount of $2,500,000 (the "Loan"); and

(ii) executed and delivered to the Assignor the Promissory Note dated June 30, 2020 (as the same may be amended, modified or supplemented from time to time, the "Promissory Note") in the principal amount of $2,500,000 and made to the order of the Assignor, as payee, further evidencing the Loan; and

(iii) delivered to the Assignor a Mortgage and Security Agreement ng dated as of June 1, 2020 (as the same may be amended, modified or supplemented from time to time, the "Mortgage") made to the Assignor, securing the Promissory Note, recorded in the Official Public Records of Duval County, Florida, and relating to the real estate described in Exhibit A hereto; and

WHEREAS, the Promissory Note and the Mortgage, together with all financing and continuation statements to perfect the liens and security interests granted thereby, are collectively referred to herein as the "Mortgage Documents"; and

WHEREAS, the Assignor desires to assign and transfer to the Assignee all its right, title and interest in and to the Mortgage Documents, excluding the Reserved Rights (as defined in the Indenture) of the Assignor, and the Assignee desires to acquire Assignor's rights, title and interest as aforesaid under the Mortgage Documents in accordance with the terms hereof, and the Assignee is joining in the execution of this Assignment in order to evidence its acceptance hereof; and

WHEREAS, the Borrower is joining in the execution of this Assignment in order to evidence its consent hereto and in order to agree that the Mortgage Documents shall be effective to secure the obligations of the Borrower to the Assignee as more fully set forth therein and herein.

NOW THEREFORE, in consideration of issuance of the Bonds and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

Section 1. Definitions. All words and phrases defined in the Indenture have the same meanings in this Assignment, which definitions are incorporated herein by reference, unless a different definition is set forth in this Assignment.

Section 2. Assignment. The Assignor sells, assigns and sets over and transfers to the Assignee all the right, title and interest of the Assignor in, to and under the Mortgage Documents, excluding the Reserved Rights of the Assignor. This Assignment is made and shall be without recourse, warranty or representation of the Assignor.

Section 3. Miscellaneous. In case any one or more of the provisions contained in this Assignment are invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not be affected or impaired thereby.

Section 4. Counterparts; Electronic Signatures. This Assignment may be executed in any number of counterparts, each executed counterpart constituting an original, but all counterparts together constituting only one instrument. To the fullest extent permitted by applicable law, electronically transmitted or facsimile signatures shall constitute original signatures for all purposes under this Assignment.

Section 5. Governing Law. It is the intention of the parties hereto that this Assignment and the rights and obligations of the parties hereunder shall be governed, construed and enforced in accordance with the laws of the State of Florida, without reference to its conflicts of laws and principles.

[Remainder of page intentionally left blank]

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

ASSIGNOR:

JACKSONVILLE HOUSING FINANCE AUTHORITY

By:_____
Name: Bernard E. Smith
Title: Chairperson

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn to and subscribed before me by means of _____ physical presence or _____ online notarization, this ___ day of June, 2020, by Bernard E. Smith, the Chairperson of the Jacksonville Housing Finance Authority, on behalf of the Authority. He is _____ personally known to me or _____ has produced his driver's license as identification.

(NOTARY SEAL)

_____
Signature of Notary Public
Print Name of Notary Public
My Commission Expires:_____
My Commission No.:_____

[Counterpart Signature Page - Assignment of Mortgage Documents]

ASSIGNEE:

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

By:_____
Name: Tamara Klement-Ellis
Title: Director

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn to and subscribed before me by means of _____ physical presence or _____ online notarization, this ___ day of June, 2020, by Tamara Klement-Ellis, the Director of The Bank of New York Mellon Trust Company, N.A., on behalf of such company. She is _____ personally known to me or _____ has produced her driver's license as identification.

(NOTARY SEAL)

_____
Signature of Notary Public
Print Name of Notary Public
My Commission Expires:_____
My Commission No.:_____

[Counterpart Signature Page - Assignment of Mortgage Documents]

The undersigned, being the Borrower referred to in the foregoing Assignment, hereby acknowledges receipt and acceptance thereof and consents and agrees to the Assignment made therein and to the terms and provisions thereof to such Assignment.

OWNER:

SYDNEY TRACE, LTD., a Florida limited partnership

By: Sydney Trace GP, LLC, a Florida limited liability company, its General Partner

By: Vestcor, Inc., a Florida corporation, its Manager

By:_____
Name: Jason O. Floyd
Title: Vice President

ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn to and subscribed before me by means of _____ physical presence or _____ online notarization, this ___ day of June, 2020, by Jason O. Floyd, the Vice President of Vestcor, Inc., a Florida corporation, Manager of Sydney Trace GP, LLC, a Florida limited liability company, the General Partner of Sydney Trace, Ltd., a Florida limited partnership, on behalf of the partnership. He is _____ personally known to me or _____ has produced his driver's license as identification.

(NOTARY SEAL)

_____
Signature of Notary Public
Print Name of Notary Public
My Commission Expires:_____
My Commission No.:_____

[Counterpart Signature Page - Assignment of Mortgage Documents]

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF VILLAGE CENTER, AS RECORDED IN PLAT BOOK 56, PAGES 29 AND 29A, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID POINT BEING SITUATE ON THE SOUTHERLY RIGHT OF WAY LINE OF ARGYLE FOREST BOULEVARD (A 200 FOOT RIGHT OF WAY AS NOW ESTABLISHED); THENCE NORTH 89°27'34" WEST, ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 447.20 FEET TO ITS INTERSECTION WITH THE BOUNDARY LINE AS ESTABLISHED BY BOUNDARY LINE AGREEMENT RECORDED IN OFFICIAL RECORDS VOLUME 7546, PAGE 1487, OF SAID CURRENT PUBLIC RECORDS; THENCE SOUTH 27°50'56" WEST, ALONG SAID BOUNDARY LINE, 620.20 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE; THENCE SOUTH 25°55'12" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 26.59 FEET FOR A POINT OF BEGINNING; THENCE, CONTINUE SOUTH 25°55'12" WEST, ALONG SAID BOUNDARY LINE, A DISTANCE OF 519.02 FEET TO A POINT SITUATE ON THE NORTHEASTERLY RIGHT OF WAY LINE OF MERCHANTS WAY, FORMERLY BRANON FIELD ROAD (A 100 FOOT RIGHT OF WAY); THENCE SOUTH 39°18'57" EAST, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 1520.86 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY AROUND AND ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 2.79 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 40°06'56" EAST, 2.79 FEET TO A POINT SITUATE ON THE FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, BEING 100 FEET IN WIDTH; THENCE NORTH 20°59'55" EAST, ALONG SAID FORMER WESTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, A DISTANCE OF 488.97 FEET TO ITS INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, FORMERLY OLD MIDDLEBURG ROAD, A VARIABLE WIDTH RIGHT OF WAY, SAID WESTERLY RIGHT OF WAY LINE BEING A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1560.00 FEET; THENCE NORTHERLY AROUND AND ALONG THE ARC OF SAID CURVE AND ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 279.66 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 15°51'47" EAST, 279.28 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 20°59'55" EAST, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE OF OAKLEAF VILLAGE PARKWAY, A DISTANCE OF 210.10 FEET TO A POINT WHICH LIES SOUTH 20°59'55" WEST, 301.11 FEET FROM THE SOUTHEAST CORNER OF SAID PLAT OF VILLAGE CENTER, AFOREMENTIONED; THENCE NORTH 68°44'18" WEST, A DISTANCE OF 588.21 FEET; THENCE NORTH 45°20'47" WEST, A DISTANCE OF 727.06 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND CONVEYED TO THE CITY OF JACKSONVILLE BY THE DEED OF DEDICATION RECORDED IN OFFICIAL RECORDS BOOK 9817, PAGE 123, OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

OLD MIDDLEBURG ROAD:

A PORTION OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 32, OF SAID TOWNSHIP AND RANGE; THENCE NORTH 89°50'06" EAST, ALONG THE SOUTHERLY LINE OF SAID SECTION 32, A DISTANCE OF 1795.95 FEET TO A POINT ON A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, SAID POINT ALSO BEING THE POINT OF BEGINNING.

FROM SAID POINT OF BEGINNING, THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°02'44", AN ARC LENGTH OF 82.92 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 13°01'30" WEST, 82.91 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°08'46" WEST, 34.51 FEET; THENCE NORTH 08°47'24" WEST, 100.00 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 87°17'16", AN ARC LENGTH OF 38.09 FEET TO A POINT OF REVERSE CURVATURE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 37°33'58" EAST, 34.51 FEET; THENCE NORTHERLY ALONG THE ARC OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1560.00 FEET, THROUGH A CENTRAL ANGLE OF 27°04'35", AN ARC LENGTH OF 737.21 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 07°27'37" EAST, 730.37 FEET; THENCE NORTH 20°59'55" EAST, 1550.07 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 110°29'43", AN ARC LENGTH OF 48.21 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 34°14'57" WEST, 41.08 FEET; THENCE NORTH 24°16'45" EAST, 218.55 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 69°30'17", AN ARC LENGTH OF 30.33 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 55°45'03" EAST, 28.50 FEET; THENCE NORTH 20°59'55" EAST, 387.21 FEET; THENCE SOUTH 69°00'05" EAST, 5.00 FEET; THENCE NORTH 20°59'55" EAST, 200.30 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1835.08 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 176.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 18°14'55" EAST, 176.09 FEET; THENCE NORTH 15°29'55" EAST, 2034.93 FEET TO A POINT LYING ON THE NORTHERLY LINE OF THE EAST ONE HALF OF SAID SECTION 32; THENCE NORTH 89°53'54" EAST, ALONG SAID NORTHERLY LINE, 129.78 FEET TO ITS INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE OF OLD MIDDLEBURG ROAD, (AS MONUMENTED); THENCE SOUTH 15°29'55" WEST, DEPARTING SAID NORTHERLY LINE AND ALONG SAID EASTERLY RIGHT OF WAY LINE, 2069.83 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1960.08 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE AND CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 05°30'00", AN ARC LENGTH OF 188.15 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 18°14'55" WEST, 188.08 FEET; THENCE SOUTH 20°59'55" WEST, CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE, 553.01 FEET TO THE POINT OF CURVATURE OF A

CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 92°22'24", AN ARC LENGTH OF 40.31 FEET TO A POINT ON SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 25°11'17" EAST, 36.08 FEET; THENCE SOUTH 21°35'27" WEST, 200.27 FEET, TO A POINT ON A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 87°37'36", AN ARC LENGTH 38.23 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT ALSO LYING ON SAID EASTERLY RIGHT OF WAY LINE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 64°48'43" WEST, 34.62 FEET; THENCE SOUTH 20°59'55" WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, 1599.37 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1435.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, DEPARTING SAID EASTERLY RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF 36°49'48", AN ARC LENGTH OF 922.43 FEET, TO A POINT ON SAID CURVE, SAID POINT ALSO LYING ON SAID SOUTHERLY LINE OF SECTION 32, SAID ARC BEING SUBTENDED BY CHORD BEARING AND DISTANCE OF SOUTH 02°35'01" WEST, 906.63 FEET; THENCE SOUTH 89°50'06" WEST, ALONG SAID SOUTHERLY LINE, 129.42 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT ANY PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF OAKLEAF VILLAGE PARKWAY AND MERCHANTS WAY AS LAID OUT AND IN USE.

PARCEL 2:

A PARCEL OF LAND LYING IN SECTION 32, TOWNSHIP 3 SOUTH, RANGE 25 EAST, CITY OF JACKSONVILLE, DUVAL COUNTY, FLORIDA, BEING ALSO A PORTION OF THE LANDS OF OAKLEAF COLONIAL CAPITAL, AS DESCRIBED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE PUBLIC RECORDS OF SAID DUVAL COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A POINT WHERE THE WEST RIGHT-OF-WAY LINE OF OAKLEAF VILLAGE PARKWAY (A VARIABLE WIDTH RIGHT-OF-WAY, FORMERLY OLD MIDDLEBURG ROAD), INTERSECTS THE SOUTHERLY LINE OF LANDS OF OAKLEAF COLONIAL CAPITAL, AS RECORDED IN OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE RUN NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE, A DISTANCE OF 356.44 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED; THENCE CONTINUE NORTH 68°44'18" WEST, ALONG SAID SOUTHERLY LINE OF SAID OFFICIAL RECORDS BOOK 15980, PAGE 2183, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, SAID LINE ALSO BEING THE NORTHERLY LINE OF A DRAINAGE RETENTION AREA RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, A DISTANCE OF 231.77 FEET; THENCE NORTH 45°21'08" WEST, A DISTANCE OF 78.04 FEET; THENCE SOUTH 69°15'26" EAST, A DISTANCE OF 303.19 FEET TO THE WEST LINE OF ACCESS EASEMENT NO. 2, AS RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 20°53'26" WEST, ALONG SAID WEST LINE, A DISTANCE OF 33.72 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

EASEMENT RIGHTS FOR THE BENEFIT OF PARCELS 1 AND 2 CONTAINED IN THAT CERTAIN DECLARATION BY CHIMNEY LAKES INVESTMENT COMPANY AND JAX, LLC, RECORDED IN OFFICIAL RECORDS BOOK 10934, PAGE 1928, AS AFFECTED BY THE AMENDMENT TO DECLARATION RECORDED IN OFFICIAL RECORDS BOOK 11807, PAGE 772, AND DECLARATION OF ACCESS AND UTILITY EASEMENTS RECORDED IN OFFICIAL RECORDS BOOK 16644, PAGE 518, AND AMENDMENT RECORDED IN OFFICIAL RECORDS BOOK 16728, PAGE 1806, AND SUPPLEMENT TO DECLARATION RECORDED IN OFFICIAL RECORDS BOOK 18117, PAGE 303; AS AFFECTED BY ASSIGNMENT OF DEVELOPMENT RIGHTS BY CHIMNEY LAKES INVESTMENT COMPANY AND SYDNEY TRACE, LTD. TO BE RECORDED IN THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.

EXHIBIT J

FORM OF BOND PURCHASE AGREEMENT (JDR LENDER, LLC)

JACKSONVILLE HOUSING FINANCE AUTHORITY
MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS
(SYDNEY TRACE APARTMENTS), SERIES 2020B-1

BOND PURCHASE AGREEMENT

This Bond Purchase Agreement (the "Agreement") is entered into as of the 30th day of June, 2020, between the JACKSONVILLE HOUSING FINANCE AUTHORITY, a public body corporate and politic organized under the laws of the State of Florida (the "Issuer"), and JDR LENDER, LLC, a Florida limited liability company and its permitted successors, assigns (the "Purchaser"), as purchaser of the "$1,700,000 Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds, Series 2020B-1" (the "Series 2020B-1 Bond").

In consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in that certain Indenture of Trust by and between the Issuer and The Bank of New York Trust Company, N.A., as Trustee, dated as of June 1, 2020 (the "Indenture").

SECTION 2. Agreement. Subject to the terms and conditions provided herein and in that certain term sheet of the Purchaser, dated February 11, 2020 attached hereto as **Exhibit A** and incorporated herein by reference, the parties hereto agree that on June, 30, 2020, or such other date as shall be agreed upon by the parties, the Series 2020B-1 Bond shall be issued by the Issuer and purchased by the Purchaser, and shall bear interest at a fixed rate of 5.50% per annum and shall be subject to redemption as provided in the Indenture. Interest shall be payable on the first day of each month, commencing on August 1, 2020, subject to available cash flow. The entire principal amount of the Series 2020B-1 Bond shall be due and payable on the Maturity Date.

The proceeds from the sale of the Series 2020B-1 Bond shall be loaned to Sydney Trace, Ltd., a Florida limited partnership (the "Borrower") for the purpose of financing a portion of the costs of the acquisition and construction of a multifamily residential housing facility located at 8575 Merchants Way, Jacksonville, Duval County, Florida, 32222, consisting of a total of 192 units to be commonly known as Sydney Trace Apartments.

The Series 2020B-1 Bond will be issued as a draw-down Bond. The Purchaser shall fund the purchase price of the 2020B-1 Bond from time to time, in accordance with draw-down installments in the amounts and on the dates provided in **Exhibit B** attached hereto and made a part hereof, to provide funds for deposit in Bond Proceeds Account of the Project Fund established under the Indenture for disbursement therefrom pursuant to the Requisitions. The parties acknowledge and agree that any reduction in the amount of a draw down installment or

any delay of the scheduled date for a draw down installment shall require the prior written consent of the Controlling Person.

SECTION 3. Conditions Precedent. Notwithstanding anything herein to the contrary, the issuance of the Series 2020B-1 Bond by the Issuer and the purchase thereof by the Purchaser as provided in Section 2 above shall not occur until and shall be specifically conditioned upon satisfaction of all of the conditions for authentication of the Series 2020B-1 Bond by the Trustee pursuant to Section 2.7 of the Indenture.

SECTION 4. Series 2020B-1 Bond Subordinate. Simultaneously with the issuance of the Series 2020B-1 Bond, the Issuer intends to issue its $19,000,000 Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A (the "Series 2020A Bonds") and its $800,000 Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B-2 (the "Series 2020B-2 Bond" and together with the Series 2020B-1 Bond, the "Series 2020B Bonds"). The Series 2020B Bonds shall be subordinate, junior and inferior in all respects to the Series 2020A Bonds and certain other subordinate loans of the Borrower as provided in the Subordination Agreement, but shall be on parity with each other.

SECTION 5. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, each of which shall be deemed to be an original.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Issuer and the Purchaser have executed this Bond Purchase Agreement by their respective duly authorized representatives, all as of the date first written above.

(SEAL)

ISSUER:
JACKSONVILLE HOUSING FINANCE AUTHORITY, a public body corporate and politic organized under the laws of the State of Florida

By:_____
Bernard E. Smith, Chair

PURCHASER:
JDR LENDER, LLC, a Florida limited liability company

By: John D. Rood Revocable Trust u/a/d 1/26/88, its sole Member

By:_____
John D. Rood, Trustee

[Signature Page | 2020B-1 Bond Purchase Agreement]

EXHIBIT A

Term Sheet

JDR LENDER, LLC

3030 Hartley Road, Suite 310
Jacksonville, Florida 32257
T 904-260-3030
F 904-260-9031

February 11, 2020

Sydney Trace, Ltd.
Attn: James R. Hoover
3030 Hartley Road, Suite 310
Jacksonville, FL 32257

Re: Project: Sydney Trace
Applicant: Sydney Trace, Ltd.
Property Location: Jacksonville, Florida

Dear Mr. Hoover:

We understand Jacksonville Housing Finance Authority ("JHFA") will issue $21,500,000 of tax exempt bonds ("Bonds") to finance the Sydney Trace apartment community. The Bonds will be issued in two tranches. The $19,000,000 senior bonds ("A Bonds") will be purchased under a direct purchase or private placement program by an institutional investor. JDR Lender, LLC has an interest in purchasing $1,700,000 of subordinate bonds ("B Bonds") under the following terms and conditions.

Borrower	Sydney Trace, Ltd.
Property Description	The proposed Property is a 192 unit affordable apartment community located on Merchants Way, west of the intersection of Merchants Way and Oakleaf Village Parkway, Jacksonville
Construction Bond Amount Permanent Bond Amount	$1,700,000 $1,700,000
Bond Interest Rate	5.5% Tax Exempt
Construction Term Permanent Term Construction Amortization Permanent Amortization	Thirty (30) months (co-terminus with A Bonds) Fifteen (15) years (co-terminus with A Bonds) Interest Only Interest Only
Superior Debt	In addition to the B Bonds, the acquisition and construction of the Property shall be funded with a $19,000,000 A Bond, $1,500,000 JHFA Gap Loan, and a $1,000,000 City of Jacksonville HOME Loan.
Payment	Interest shall be due and payable monthly from available cash flow after all Superior Debt payments have been made.

Should the terms provided for herein be acceptable, please indicate by executing below and returning to my attention no later than February 20, 2020.

Regards,

John D. Rood Revocable Trust u/a/d 1/26/88
Sole Member

Accepted this 14th day of February, 2020

By: Sydney Trace, Ltd.
By: Sydney Trace GP, LLC, its general partner
By: Vestcor, Inc., its manager

By: _____
James R. Hoover, Vice President

EXHIBIT B

Expected Draw Down Installments

EXHIBIT K

FORM OF BOND PURCHASE AGREEMENT (CSM LENDER, LLC)

JACKSONVILLE HOUSING FINANCE AUTHORITY
MULTIFAMILY HOUSING SUBORDINATE REVENUE BONDS
(SYDNEY TRACE APARTMENTS), SERIES 2020B-2

BOND PURCHASE AGREEMENT

This Bond Purchase Agreement (the "Agreement") is entered into as of the 30th day of June, 2020, between the JACKSONVILLE HOUSING FINANCE AUTHORITY, a public body corporate and politic organized under the laws of the State of Florida (the "Issuer"), and CSM LENDER, LLC, a Florida limited liability company and its permitted successors, assigns (the "Purchaser"), as purchaser of the "$800,000 Jacksonville Housing Finance Authority Multifamily Housing Subordinate Revenue Bonds, Series 2020B-2" (the "Series 2020B-2 Bond").

In consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in that certain Indenture of Trust by and between the Issuer and The Bank of New York Trust Company, N.A., as Trustee, dated as of June 1, 2020 (the "Indenture").

SECTION 2. Agreement. Subject to the terms and conditions provided herein and in term sheet of the Purchaser, dated February 11, 2020 attached hereto as **Exhibit A** and incorporated herein by reference, the parties hereto agree that on June, 30, 2020, or such other date as shall be agreed upon by the parties, the Series 2020B-2 Bond shall be issued by the Issuer and purchased by the Purchaser, and shall bear interest at a fixed rate of 5.50% per annum and shall be subject to redemption as provided in the Indenture. Interest shall be payable on the first day of each month, commencing on August 1, 2020, subject to available cash flow. The entire principal amount of the Series 2020B-2 Bond shall be due and payable on the Maturity Date.

The proceeds from the sale of the Series 2020B-2 Bond shall be loaned to Sydney Trace, Ltd., a Florida limited partnership (the "Borrower") for the purpose of financing a portion of the costs of the acquisition and construction of a multifamily residential housing facility located at 8575 Merchants Way, Jacksonville, Duval County, Florida, 32222, consisting of a total of 192 units to be commonly known as Sydney Trace Apartments.

The Series 2020B-2 Bond will be issued as a draw-down Bond. The Purchaser shall fund the purchase price of the 2020B-2 Bond from time to time, in accordance with draw-down installments in the amounts and on the dates provided in **Exhibit B** attached hereto and made a part hereof, to provide funds for deposit in Bond Proceeds Account of the Project Fund established under the Indenture for disbursement therefrom pursuant to the Requisitions. The parties acknowledge and agree that any reduction in the amount of a draw down installment or

any delay of the scheduled date for a draw down installment shall require the prior written consent of the Controlling Person.

SECTION 3. Conditions Precedent. Notwithstanding anything herein to the contrary, the issuance of the Series 2020B-2 Bond by the Issuer and the purchase thereof by the Purchaser as provided in Section 2 above shall not occur until and shall be specifically conditioned upon satisfaction of all of the conditions for authentication of the Series 2020B-2 Bond by the Trustee pursuant to Section 2.7 of the Indenture.

SECTION 4. Series 2020B-2 Bond Subordinate. Simultaneously with the issuance of the Series 2020B-2 Bond, the Issuer intends to issue its $19,000,000 Multifamily Housing Revenue Bonds (Sydney Trace Apartments), Series 2020A (the "Series 2020A Bonds") and its $1,700,000 Multifamily Housing Subordinate Revenue Bonds (Sydney Trace Apartments), Series 2020B-1 (the "Series 2020B-1 Bond" and together with the Series 2020B-2 Bond, the "Series 2020B Bonds"). The Series 2020B Bonds shall be subordinate, junior and inferior in all respects to the Series 2020A Bonds and certain other subordinate loans of the Borrower as provided in the Subordination Agreement, but shall be on parity with each other.

SECTION 5. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, each of which shall be deemed to be an original.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Issuer and the Purchaser have executed this Bond Purchase Agreement by their respective duly authorized representatives, all as of the date first written above.

(SEAL)

ISSUER:
JACKSONVILLE HOUSING FINANCE AUTHORITY, a public body corporate and politic organized under the laws of the State of Florida

By:_____
Bernard E. Smith, Chair

PURCHASER:
CSM LENDER, LLC, a Florida limited liability company

By:_____
Clarence S. Moore
Sole Member

[Signature Page | 2020B-2 Bond Purchase Agreement]

EXHIBIT A

Term Sheet

CSM LENDER, LLC

3030 Hartley Road, Suite 310
Jacksonville, Florida 32257
T 904-260-3030
F 904-260-9031

February 11, 2020

Sydney Trace, Ltd.
Attn: James R. Hoover
3030 Hartley Road, Suite 310
Jacksonville, FL 32257

Re:	Project:	Sydney Trace
	Applicant:	Sydney Trace, Ltd.
	Property Location:	Jacksonville, Florida

Dear Mr. Hoover:

We understand Jacksonville Housing Finance Authority ("JHFA") will issue $21,500,000 of tax exempt bonds ("Bonds") to finance the Sydney Trace apartment community. The Bonds will be issued in two tranches. The $19,000,000 senior bonds ("A Bonds") will be purchased under a direct purchase or private placement program by an institutional investor. CSM Lender, LLC has an interest in purchasing $800,000 of subordinate bonds ("B Bonds") under the following terms and conditions.

Borrower	Sydney Trace, Ltd.
Property Description	The proposed Property is a 192 unit affordable apartment community located on Merchants Way, west of the intersection of Merchants Way and Oakleaf Village Parkway, Jacksonville
Construction Bond Amount Permanent Bond Amount	$800,000 $800,000
Bond Interest Rate	5.5% Tax Exempt
Construction Term Permanent Term Construction Amortization Permanent Amortization	Thirty (30) months (co-terminus with A Bonds) Fifteen (15) years (co-terminus with A Bonds) Interest Only Interest Only
Superior Debt	In addition to the B Bonds, the acquisition and construction of the Property shall be funded with a $19,000,000 A Bond, $1,500,000 JHFA Gap Loan, and a $1,000,000 City of Jacksonville HOME Loan.
Payment	Interest shall be due and payable monthly from available cash flow after all Superior Debt payments have been made.

Should the terms provided for herein be acceptable, please indicate by executing below and returning to my attention no later than February 20, 2020.

Regards,

Clarence S. Moore
Sole Member

Accepted this 13th day of February, 2020

By: Sydney Trace, Ltd.
By: Sydney Trace GP, LLC, its general partner
By: Vestcor, Inc., its manager

By: _____
James R. Hoover, Vice President

EXHIBIT B

Expected Draw Down Installments

TAB 6

LGAOF Draft NOFA and Application for RFA 2020-202

Applications Due: OCTOBER 1, 2020
For

JACKSONVILLE HOUSING FINANCE AUTHORITY
NOFA 2020-1

NOTICE OF FUND AVAILABILITY &
REQUEST FOR APPLICATIONS

LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING LOAN REQUESTS In Conjunction with FHFC RFA 2020-202

The Jacksonville Housing Finance Authority (the "Authority") announces the availability of funds and is requesting applications for the consideration of providing local government support for qualified multifamily housing developments which meet the goals of the Authority and comply with applicable federal and state law. The Authority has adopted the following guidelines to set forth the general requirements and procedures that apply to the financing of multifamily housing developments. The Authority may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the Authority, and may require approval by the Jacksonville City Council. In addition, these guidelines may be amended, revised, repealed or otherwise altered by the Authority with or without notice. The Authority specifically welcomes requests for proposed alternative resident programs or development/unit features.

All applications submitted will be reviewed by the Authority's Financial Advisor, who will make recommendations to the Board. The Board will decide whether or not to authorize commitment letters and loans providing Local Government Area of Opporrtunity Funding for developments seeking FHFC Housing Credits in conjunction with FHFC RFA 2020-202. Submission of an application does not entitle the Applicant to financing, even if sufficient funds remain.

The Authority will not consider issuing commitment letters to provide financing for any development unless the applicant has satisfied the general requirements set forth in these guidelines, submits a timely, complete, and acceptable application and complies with all of the procedures and requirements contained within the Authority's application procedures and program guidelines. Copies of the Application are available at the Authority's website or upon request by email to mark@thehendricksoncompany.com

The Authority reserves the right to impose additional requirements on any particular development. Compliance with these guidelines does not and shall not create any right by an applicant to a commitment or assurance that the Authority will provide the requested financing.

The Authority provides local government support to assist in the construction, rehabilitation and permanent financing of multifamily housing developments. The estimated amount of funds available for local government support is the amount needed to meet the requirements of FHFC RFA 2020-202. Up to this amount may be used for multi-family developments seeking Housing Credits from FHFC pursuant to FHFC RFA 2020-202, and Local Government Area of Opportunity Funding from JHFA. The amount utilized may be increased or decreased at the sole discretion of the JHFA.

The maximum amount of the Local Government Support loans funded pursuant to this NOFA is the amount that will allow an Applicant to receive the maximum points or preference for the Local Government Area of Opportunity Funding. One loan made in conjunction with FHFC RFA 2020-202 will be in the dollar amount necessary to score the maximum amount of points for the Local Government Area of Opportunity Funding, while another loan will be in the dollar amount necessary to score the maximum number of points for the Local Government Contribution.

All applications received will compete with each other and be selected by the Authority for the available funding. Applications will be reviewed against the criteria listed below and, if selected, each loan will be subject to the minimum loan terms stated below.

Applications related to FHFC RFA 2020-202 are due no later than 5:00 PM, Eastern Standard Time, **OCTOBER 1, 2020**. The application cycle will be processed according to the Authority's guidelines (which guidelines provide, however, that any remaining allocation-available after the application cycle may be made available to applicants on a first-come, first-served basis). For more information, contact Mark Hendrickson.

Applicants must submit an original and a total of two (2) copies to the Authority as follows:

An original, one (1) hard copy, and a PDF of the entire application, and a $5,000 application fee (check to JHFA) to:

Jacksonville Housing Finance Authority
Laura Stagner, Director of Finance
214 North Hogan Street, 7th Floor
Jacksonville, FL 32202
PDF to be emailed to lstagner@coj.net

One (1) hard copy and a PDF of the entire application, and $3,000 review fee (check made out to The Hendrickson Company) to:

Mark Hendrickson
1404 Alban Avenue
Tallahassee, Florida 32301
Contact: Mark Hendrickson, 850.671.5601 mark@thehendricksoncompany.com

GUIDELINES

1. PROJECT THRESHOLD CRITERIA

- Project must be located within Duval County, Florida;
- Applicant must provide evidence of ownership or other legal control of the project site (e.g., a contract or option to purchase the project site);
- Applicant must provide a set-aside of rental units equal to or greater than the standards for low income Housing Tax Credits or applicable FHFC Program, as the case may be; and,
- Project must have evidence of land use and zoning authorizing the use of the property for multi-family residential uses.

2. PROJECT SELECTION CRITERIA

- Project feasibility as determined by:
  - ✓ Applicant's development and construction experience;
  - ✓ Applicant's management experience; and

- ✓ Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service, coverage ratios, the percentage of public monies requested compared to project cost; leveraging)
- Applicant's performance and/or compliance (including any prior defaults) of any prior loans or contracts with the JHFA or the City;
- The extent to which social services and assistance is offered to occupants (including, but not limited to, job training, computer training, home purchase assistance, health-related support);
- The extent to which there is temporary (for any rehabilitation projects) or permanent displacement of existing tenants (then in which event either shall be scored as a negative factor); and,
- The following shall receive emphasis in scoring:
  - ✓ Existing projects with either expiring Section 8 rental assistance contracts, or
  - ✓ The preservation of projects that have expiring affordable housing land use restrictions.
- **The JHFA established the following funding priorities for Applicants applying for the Local Contribution in conjunction with FHFC RFA 2019-114:**
  - ✓ **Location within TO BE DETERMINED**
  - ✓ **Maximum Economic Impact**
  - ✓ **Developments which provide a lift to the neighborhood, and could lead to additional revitalization and/or neighborhood improvement**
  - ✓ **Projects that result in the adaptive reuse or redevelopment of existing structures or properties**
  - ✓ **Proximity to public transportation**
  - ✓ **Leveraging of JHFA funds with other City resources that could be used to meet the FHFC required contribution level, and leveraging of JHFA funds with other funds to achieve greater impact on the community/neighborhood**
  - ✓ **Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term, and maximum interest rate [proposed].**
  - ✓ **Developments which commit to an affordability period beyond the minimum 50 year period required by FHFC and JHFA**
  - ✓ **Significant difference in number of units produced [proposed]**
  - ✓ **Mixed Use Development [proposed]**
  - ✓ **Mixed income or use of income averaging [proposed]**

Note: The Board directed that the Guidelines include the following notice: Applications for developments serving the FHFC demographic groups of both Family and Elderly will be accepted. However, if the Board determines that a family development equals or exceeds an Elderly development in terms of the Board's evaluation of the criteria and priorities detailed above, the development serving the Family demographic will be selected.

NOTE: IT IS THE INTENT OF THE JHFA TO FUND ONLY ONE LGAOF APPLICANT, SUBJECT TO CHANGE AT THE SOLE DISCRETION OF THE JHFA.

3. LOAN TERMS:

To be determined at time of loan commitment(s). The following will apply to all JFHA loans:

The loan amount for Applicants seeking a Local Government Contribution loan will be determined in FHFC RFA 2020-202. The terms for such loans are anticipated to be:

- ✓ Loan Amount to be determined by development type, as detailed in FHFC RFA 2020-202
- ✓ Term of loan to be the minimum required by FHFC RFA 2020-202 or for development financial feasibility

- ✓ Semi-annual payment schedule
- ✓ Amortizing or non-amortizing, but amortizing preferred
- ✓ 0% interest possible, but not preferred
- ✓ Loan due in full in balloon payment at end of loan period if not already amortized
- ✓ Developer to propose loan structure as part of competitive application process

- The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.
- Each loan shall be evidenced by a promissory note in the full-face amount of the Local Government Support, and secured in its entirety by a subordinate lien mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.
- The loan shall not be disbursed until the following minimum due diligence is received and satisfactory (however, additional requirements may be necessary for the project): mortgagee title insurance policy (or a marked-down commitment for the same), boundary survey certified to the JHFA, environmental site assessments certified to the JHFA, and evidence of concurrency and all permits authorizing construction of the project.
- The loan shall be issued in the name of the JHFA. Such loan shall be reviewed, implemented, and administered by the JHFA.

4. **FEES**

- $5,000 Application fee due with original application, check made out to JHFA
- $3,000 Review fee, due with copies of application, but mailed to and check made out to The Hendrickson Company
- $5,000 Closing Fee, due at loan closing.

5. **DISCLAIMER**

The JHFA is taking no responsibility that FHFC in their initial scoring, or in any scoring revisions that take place due to legal disputes between applicants in FHFC RFA 2020-202, related to the NPV calculation will ultimately agee with this calculation. JHFA is assuming NO LIABILITY if FHFC or any judicial or quasi-judicial body comes to a conclusion that the funding levels or loan terms do not qualify the Applicant for the Local Government Area of Opportunity Funding within the FHFC RFA/Application.

If approved for a loan, and with that understanding, if you would like to have a local government contribution loan form executed by the City, please fill out the form and submit to both Laura Stagner and Mark Hendrickson prior to the submission deadline.

If you dispute the NPV calculation, please contact Mark Hendrickson to discuss.

6. WAIVERS, ERRORS & RIGHT TO OBTAIN ADDITIONAL INFORMATION FROM APPLICANTS

The JHFA reserves the right to waive any provision of the NOFA and/or the accompanying application. The JHFA reserves the right to waive any minor irregularity in the application, with the JHFA to be the sole entity to determine what constitutes a “minor irregularity”. The JHFA also reserves the right to seek additional and/or clarifying information from any Applicant and to use that information in its evaluation and decision making process.

JACKSONVILLE HOUSING FINANCE AUTHORITY

Local Government Area of Opportunity Funding Loan Application
NOFA 2020-1

THIS APPLICATION IS SOLELY FOR THE USE OF APPLICANTS SEEKING LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING IN CONJUNCTION WITH FHFC RFA 2020-202

SUBMIT THE ORIGINAL, ONE COPY AND A PDF OF THE ENTIRE APPLICATION
& APPLICATION FEE OF $5,000 (CHECK MADE TO JHFA) TO:

JACKSONVILLE HOUSING FINANCE AUTHORITY
LAURA STAGNER, DIRECTOR OF FINANCE
214 N. HOGAN ST., 7TH FLOOR
lstagner@coj.net
JACKSONVILLE, FLORIDA 32202
904.255.8279

SUBMIT ONE (1) COPY AND A PDF OF THE ENTIRE APPLICATION
& REVIEW FEE OF $3,000 (CHECK MADE TO THE HENDRICKSON COMPANY)

THE HENDRICKSON COMPANY
1404 ALBAN AVENUE
TALLAHASSEE, FLORIDA 32301
mark@thehendricksoncompany.com
850.671.5601

REVISED June 17, 2020

GENERAL INFORMATION

NOTE: Please see The City Council of the City of Jacksonville's Ordinance 2014-185-E, which establishes minimum Project Threshold Criteria, Project Selection Criteria, and Loan Terms, all for local government support as set forth in this application. If any of the four Project Threshold Criteria are not met (e.g., Project located in Duval County; Site control; Sufficient number of rental units per applicable FHFC program; and Project presently zoned and has appropriate land use designation permitting multi-family residential for the proposed Project), then the application will not be considered by the JHFA. If an application is approved, then the JHFA will determine the loan terms for the local government support, including the minimum requirements set forth in Ordinance 2014-185-E and including any other terms required by the JHFA (including, but not limited to, the applicant paying the JHFA's legal fees and all costs related to the local government support loan).

Please indicate if Applicant will use these funds in conjunction with (check one)

☐ FHFC HOUSING CREDIT RFA # 2020-202

<u>LOCAL GOVERNMENT CONTRIBUTION LOAN REQUEST</u>: Please provide the details of your request for a Local Government Area of Opportunity Funding loan, including the requested loan amount and loan terms, including interest rate, maturity date, amortization, and balloon (if any). <u>The maximum amount of the Local Government Area of Opportunity Funding loans funded pursuant to this NOFA is the amount that will allow an Applicant to receive the maximum points or preference for the Local Government Area of Opportunity Funding. One loan made in conjunction with FHFC RFA 2020-202 will be in the dollar amount necessary to score the maximum amount of points for the Local Government Area of Opportunity Funding, while another loan will be in the dollar amount necessary to score the maximum number of points for the Local Government Contribution.</u>

LOAN AMOUNT REQUESTED: _____
MATURITY OF LOAN IN YEARS: _____
INTEREST RATE: _____
AMORTIZATION: _____
BALLOON, IF ANY: _____
VALUE OF CONTRIBUTION FOR FHFC APPLICATION PURPOSES: _____
EXPLANATION AND CALCULATION: _____
_____
_____
_____
_____

I. DEVELOPMENT SUMMARY AND TIMELINE

A. Provide a short narrative description of the Development, including all amenities, unit features and scope of work to be performed. MAJOR DEVELOPMENT AMENITIES WILL BE INCLUDED IN THE LAND USE RESTRICTION AGREEMENT AND/OR THE LOW INCOME HOUSING AGREEMENT, IF APPLICABLE. Also attach as Exhibit 1 a timeline for the completion of the development which includes all key dates, including anticipated timing of permits and credit underwriting, bond closing date, completion of construction, rent up, and stabilization.

_____

_____

_____

_____

_____

_____

_____

B. Attach as Exhibit 2 a narrative description of how this application meets all selection criteria for Local Government Contribution Funding, as detailed in the associated NOFA. Include as an addendum to the narrative your anticipated score related to meeting the threshold criteria in the FHFC RFA 2020-202 related to proximity and provide a written narrative that explains the anticipated score in detail. Please provide the location of the public transportation/bus stop, and the type of stop it is, and the distance that you calculate from the development to the public transportation.

C. SUMMARY OF PROPOSED DEVELOPMENT

Name of Development	
Location of Development, by street address, or if no address, by mileage from nearest cross streets. Also, attach a map showing the development's location. The Project must be located in Duval County. (PROJECT THRESHOLD CRITERIA)	
City Council District Name and District Number	
Developer/ Location (name of controlling company, not of LP or LLC).	
Contact person for application, including name, email, and phone numbers	
JHFA Local Contribution Amount Requested	
Development Construction Type Garden, Mid-Rise, High-Rise, Other (explain)	
Development Construction Type New Construction or Rehabilitation	
Concrete, Wood or other (explain)	
Development Demographic Family, Elderly, or other	
Number of Units, by Bedrooms	
Number of Stories in Each Building	
Total Development Cost	
Cost per unit	
Land Cost	
Acquisition of Building Cost if applicable	
Hard Rehab Cost or Construction Cost	
General Contractor	
Set Aside Period (minimum of 50 years)	
Set Aside Levels (PROJECT THRESHOLD CRITERIA)	
Current Zoning (PROJECT THRESHOLD CRITERIA)	
Evidence of Site Control (PROJECT THRESHOLD CRITERIA)	
Geographic Area of Opportunity (Yes or No)	

II. APPLICANT INFORMATION

A. Applicant Name: _____

Must be a legally formed entity (i.e., limited partnership, corporation, etc.) qualified to do business in the State of Florida at the time of submission of Application.

B. If partnership, name of general partner(s):_____

_____

If corporation, name and title of executive officer:_____

_____

Address:_____

_____

Telephone: _____ Facsimile: _____

III. PROPOSED PROJECT FINANCING

A. Proposed Finance Summary: Please provide as Exhibit 3 a permanent loan period detailed sources and uses that is in a format acceptable to FHFC as part of RFA 2020-202.

IV. ABILITY TO PROCEED

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Development.

A. Site Control (PROJECT THRESHOLD CRITERIA)

Site Control must be demonstrated by the APPLICANT. At a minimum, a Contract for Purchase and Sale must be held by the Applicant for the proposed site. The buyer **MUST** be the Applicant. Indicate which form of site control is provided:

___ Contract for Purchase & Sale

___ Recorded Deed

___ Long-Term Lease: If site control is demonstrated by long-term lease, a copy of the executed lease must be provided.

IMPORTANT: If site control is not held by the Applicant, a fully executed, enforceable **contract for purchase and sale or assignment of contract** must be provided which obligates the seller or assignor to transfer the site to the Applicant contingent **ONLY** upon the award of Financing from the Authority or FHFC. . Attach Evidence of Site Control as Exhibit 4.
Note: Use of the FHFC form **will NOT** meet this requirement

B. Zoning and Land Development Regulations (PROJECT THRESHOLD CRITERIA)

1. a. Is the site appropriately zoned for the proposed Development: No ___ Yes ____

   b. Indicate zoning designation (s) _____

   c. Current zoning permits ___units per acre, or ___ for the site (PUD).

   d. Total Number of Units in Development:

   Note: at a minimum, the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions <u>must</u> permit the proposed Development. (PROJECT THRESHOLD CRITERIA)

2. New Construction Zoning and Land Development Regulation Development Requirements:

   Applicant must provide a letter from the appropriate local government official that the Development is consistent with zoning and land development regulations, which verify that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use. **To meet minimum requirements, attach a letter from the appropriate local government official verifying that the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions permit the proposed Development.** Attach the local government verification letter as <u>Exhibit 5.</u>

3. Rehabilitation Zoning and Land Development Regulation Development Requirements:

   Applicant must provide a letter from the appropriate local government official that the Development is consistent with zoning and land development regulations, which verify that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use. **To meet minimum requirements, attach a letter from the appropriate local government official verifying that the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions permit the proposed Development.** Attach the local government verification letter as <u>Exhibit 5.</u>

Note: Provision of the zoning form from FHFC RFA 2020-202 will meet this requirement. Provide evidence that the proposed use is permitted and attach as **<u>Exhibit 5</u>**.

V. CERTIFICATION (Original Signatures Required)

The undersigned Applicant certifies that the information in this Application is true, correct and authentic.

THE APPLICANT FURTHER ACKNOWLEDGES HAVING READ ALL APPLICABLE AUTHORITY RULES GOVERNING THE PROGRAM AND ACKNOWLEDGE HAVING READ THE INSTRUCTIONS FOR COMPLETING THIS APPLICATION.

THE APPLICANT UNDERSTANDS AND AGREES TO ABIDE BY THE PROVISIONS OF THE APPLICABLE FLORIDA STATUTES AND AUTHORITY PROGRAM POLICIES, RULES AND GUIDELINES.

THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND ACCURATE. THE PERSON EXECUTING THIS DOCUMENT REPRESNTS THAT HE OR SHE HAS THE AUTHORITY TO BIND THE APPLICANT AND ALL INDIVIDUALS AND ENTITIES NAMED HEREIN TO THIS WARRANTY OF TRUTHFULNESS AND COMPLETENESS OF THE APPLICATION.

THE APPLICANT ACKNOWLEDGES THAT THE AUTHORITY'S INVITATION TO SUBMIT AN APPLICATION DOES NOT CONSTITUTE A COMMITMENT TO FINANCE THE PROPOSED DEVELOPMENT. **BEFORE THE AUTHORITY CAN CLOSE A LOAN THE PROPOSED DEVELOPMENT MUST RECEIVE AN ALLOCATION OF HOUSING CREDITS AND APPLICANTS MUST SUCCESSFULLY COMPLETE CREDIT UNDERWRITING AND OBTAIN ALL NECESSARY APROVALS FROM THE BOARD OF DIRECTORS, AUTHORITY COUNSEL, BOND COUNSEL, THE CREDIT UNDERWRITER AND CITY COMMISSION AND STAFF.**

_____		_____
Applicant	Date	Signature of Witness
_____		_____
Name and Title ((typed or printed)		Name (typed or printed)

NOTE: ORIGINAL APPLICATION MUST CONTAIN AN <u>ORIGINAL</u> SIGNATURE, OR THE APPLICATION WILL BE <u>REJECTED AUTOMATICALLY</u>

TAB 7

Draft NOFA and Application for Bond & SAIL

Applications Due: October 1, 2020
for Loans Made in Conjunction with FHFC RFA 2020-205
or any other FHFC Housing RFA EXCEPT FHFC RFA 2020-202

JACKSONVILLE HOUSING FINANCE AUTHORITY
NOFA 2020-2

NOTICE OF FUND AVAILABILITY & REQUEST FOR APPLICATIONS

LOCAL GOVERNMENT SUPPORT LOANS
(1) FOR DEVELOPMENTS APPLYING FOR JHFA BONDS & FHFC SAIL SEEKING THE REQUIRED LOCAL GOVERNMENT CONTRIBUTION,
(2) FOR DEVELOPMENTS APPLYING FOR JHFA BONDS & OTHER FHFC GAP FINANCING SEEKING THE REQUIRED LOCAL GOVERNMENT CONTRIBUTION &
(3) FOR DEVELOPMENTS APPLYING FOR 9% HOUSING CREDITS IN RFA'S (OTHER THAN RFA 2020-202) SEEKING A REQUIRED LOCAL GOVERNMENT CONTRIBUTION

The Jacksonville Housing Finance Authority (the "Authority") announces the availability of funds and is requesting applications for the consideration of providing local government support for qualified multifamily housing developments which meet the goals of the Authority and comply with applicable federal and state law. The Authority has adopted the following guidelines to set forth the general requirements and procedures that apply to the financing of multifamily housing developments. The Authority may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the Authority, and may require approval by the Jacksonville City Council. In addition, these guidelines may be amended, revised, repealed or otherwise altered by the Authority with or without notice. The Authority specifically welcomes requests for proposed alternative resident programs or development/unit features.

All applications submitted will be reviewed by the Authority's Financial Advisor, who will make recommendations to the Board. The Board will decide whether or not to authorize commitment letters and loans providing Local Government Support for developments seeking FHFC funding. Submission of an application does not entitle the Applicant to financing, even if sufficient funds remain.

The Authority will not consider issuing commitment letters to provide financing for any development unless the applicant has satisfied the general requirements set forth in these guidelines, submits a timely, complete, and acceptable application and complies with all of the procedures and requirements contained within the Authority's application procedures and program guidelines. Copies of the Application are available at the Authority's website or by request by email to mark@thehendricksoncompany.com

The Authority reserves the right to impose additional requirements on any particular development. Compliance with these guidelines does not and shall not create any right by an applicant to a commitment or assurance that the Authority will provide the requested financing.

The Authority provides local government support to assist in the construction, rehabilitation and permanent financing of multifamily housing developments. The estimated amount of funds available for local government support is approximately $1,000,000. Up to this amount can be used for multi-family developments seeking SAIL from FHFC pursuant to FHFC RFA 2020-205 and/or seeking FHFC gap financing or housing credits through another RFA **EXCEPT FHFC RFA 2020-202.**

The maximum amount of the Local Government Support loans funded pursuant to this NOFA is the amount that will allow local projects to score the maximum number of points for local government contribution (not Local Government Area of Opportunity Funding) under FHFC RFA 2020-205, or other FHFC Housing Credit or Gap Financing RFA. Loans will be structured to achieve a net present value contribution of the amount necessary to score the maximum amount of points.

All applications received will compete with each other and be selected by the Authority for the available funding. Applications will be reviewed against the criteria listed below and, if selected, each loan will be subject to the minimum loan terms stated below.

Applications are due no later than 5:00 PM, Eastern Daylight Time, **October 1, 2020**. The application cycle will be processed according to the Authority's guidelines (which guidelines provide, however, that any remaining allocation-available after the application cycle may be made available to applicants on a first-come, first-served basis). For more information, contact Mark Hendrickson.

Applicants must submit an original and a total of two (2) copies to the Authority as follows:

An original, one (1) hard copy, and a PDF of the entire application, a $5,000 application fee, and a $500 bond application fee (checks to JHFA) to:

SUBMIT ORIGINAL (WITH $500 BOND APPLICATION FEE & $5,000 LOCAL CONTRIBUTION FEE), 1 COPY & PDF of ENTIRE APPLICATION TO:

Laura Stagner
Director of Finance
Housing and Community Development
214 N. Hogan St., 7th Floor
Jacksonville, Florida 32202
Contact: Laura Stagner, 904.255.8279 lstagner@coj.net

One (1) hard copy, a PDF of the entire application & Review Fee of $3,000 (Check made payable to the Hendrickson Company) to:

Mark Hendrickson
1404 Alban Avenue
Tallahassee, Florida 32301
Contact: Mark Hendrickson, 850.671.5601 mark@thehendricksoncompany.com

NOTE: THE APPLICATION FOR LOCAL CONTRIBUTION FUNDING IS THE BONDS WITH SAIL & LOCAL CONTRIBUTION APPLICATION

GUIDELINES

1. PROJECT THRESHOLD CRITERIA

- Project must be located within Duval County, Florida;
- Applicant must provide evidence of ownership or other legal control of the project site (e.g., a contract or option to purchase the project site);
- Applicant must provide a set-aside of rental units equal to or greater than the standards for low income Housing Tax Credits or applicable FHFC Program, as the case may be; and,
- Project must have evidence of land use and zoning authorizing the use of the property for multi-family residential uses.

2. PROJECT SELECTION CRITERIA

- Project feasibility as determined by:
  - ✓ Applicant's development and construction experience;
  - ✓ Applicant's management experience; and
  - ✓ Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service, coverage ratios, the percentage of public monies requested compared to project cost; leveraging)
- Applicant's performance and/or compliance (including any prior defaults) of any prior loans or contracts with the JHFA or the City;
- The extent to which social services and assistance is offered to occupants (including, but not limited to, job training, computer training, home purchase assistance, health-related support);
- The extent to which there is temporary (for any rehabilitation projects) or permanent displacement of existing tenants (then in which event either shall be scored as a negative factor); and,
- The following shall receive emphasis in scoring:
  - ✓ Existing projects with either expiring Section 8 rental assistance contracts, or
  - ✓ The preservation of projects that have expiring affordable housing land use restrictions.
- **The JHFA established the following funding priority for Applicants applying for the local government contribution in conjunction with a SAIL or other FHFC gap financing application:**
  - ✓ **Utilizing JHFA Bonds**

3. LOAN TERMS:

To be determined at time of loan commitment(s). The following will apply to all JFHA loans:

- ✓ The following loan terms shall apply: (a) the JHFA may charge interest at a rate it determines (including zero percent interest); (b) the term of the loan may vary but shall not exceed forty (40) years; and, (c) the JHFA shall provide for the manner of amortization, and payment to the JHFA, of principal and interest (including, but not limited to, a balloon payment of the entire principal amount of the loan, together with any then accrued and unpaid interest, at maturity or sooner in the event of an uncured event of default. The preferred loan amount and terms for loans made in conjunction with FHFC SAIL applications or Housing Credit applications other than the Local Government Area of Opportunity Funding loan made in conjunction with FHFC RFA 2017-113 are:
- ✓ $115,000 loan amount
- ✓ 20 year term
- ✓ Monthly payment schedule
- ✓ Non-amortizing
- ✓ 0% interest
- ✓ Loan due in full in balloon payment at end of 20 year loan period

- The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.

- Each loan shall be evidenced by a promissory note in the full-face amount of the Local Government Support, and secured in its entirety by a subordinate lien mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.
- The loan shall not be disbursed until the following minimum due diligence is received and satisfactory (however, additional requirements may be necessary for the project): mortgagee title insurance policy (or a marked-down commitment for the same), boundary survey certified to the JHFA, environmental site assessments certified to the JHFA, and evidence of concurrency and all permits authorizing construction of the project.
- The loan shall be issued in the name of the JHFA. Such loan shall be reviewed, implemented, and administered by the JHFA.

4. **FEES**

- $5,000 Application fee due with original application, check made out to JHFA
- $3,000 Review fee, due with copies of application, but mailed to and check made out to The Hendrickson Company
- $5,000 Closing Fee, due at loan closing.
- $500 Bond Application fee due with original application, check made out to JHFA

5. DISCLAIMER

The JHFA will determine the NPV of the loan/contribution at the time of the loan commitment.

The JHFA is taking no responsibility that FHFC in their initial scoring, or in any scoring revisions that take place due to legal disputes between applicants in FHFC RFA 2020-205 or any other FHFC RFA, will ultimately agree with this calculation. It is our best estimate of the NPV, but we are assuming NO LIABILITY if FHFC or any judicial or quasi-judicial body comes to another conclusion.

If approved for a loan, and with that understanding, if you would like to have a local government contribution loan form executed by the City, please fill out the form and submit to both Laura Stagner and Mark Hendrickson prior to the submission deadline.

If you dispute the NPV calculation, please contact Mark Hendrickson to discuss.

6. **WAIVERS, ERRORS & RIGHT TO OBTAIN ADDITIONAL INFORMATION FROM APPLICANTS**

The JHFA reserves the right to waive any provision of the NOFA and/or the accompanying application. The JHFA reserves the right to waive any minor irregularity in the application, with the JHFA to be the sole entity to determine what constitutes a “minor irregularity”. The JHFA also reserves the right to seek additional and/or clarifying information from any Applicant and to use that information in its evaluation and decision making process.

7. **COMMITMENT TO ABIDE BY PROVISIONS OF JHFA MULTI-FAMILY HANDBOOK**

THE APPLICANT UNDERSTANDS AND AGREES TO ABIDE BY THE PROVISIONS OF THE APPLICABLE FLORIDA STATUTES AND AUTHORITY PROGRAM POLICIES, RULES AND GUIDELINES, INCLUDING THOSE DETAILED IN THE NOFA, THIS APPLICATION & THE JHFA MULTI-FAMILY HANDBOOK.

JACKSONVILLE HOUSING FINANCE AUTHORITY

2020 Bonds with SAIL & Local Contribution Application

2020 Bonds with Gap Financing from FHFC & Local Contribution Application
2020 FHFC RFA's for Housing Credits other than RFA 2020-202 Application

NOFA 2020-2

THIS APPLICATION IS SOLELY FOR THE USE OF APPLICANTS SEEKING BOND FINANCING FROM THE JACKSONVILLE HOUSING FINANCE AUTHORITY WHO ARE ALSO SEEKING SAIL FUNDING VIA FHFC RFA 2020-205 OR OTHER GAP FINANCING VIA AN FHFC RFA

THIS APPLICATION IS ALSO FOR ANY REQUIRED LOCAL GOVERNMENT CONTRIBUTION WITHIN ANY OTHER FHFC RFA OTHER THAN FHFC RFA 2020-202

SUBMIT:

SUBMIT ORIGINAL (WITH $500 BOND APPLICATION FEE & $5,000 LOCAL CONTRIBUTION FEE) AND 1 COPY TO:

Laura Stagner
Director of Finance
Housing and Community Development
214 N. Hogan St., 7th Floor
Jacksonville, Florida 32202
Contact: Laura Stagner, 904.255.8279 lstagner@coj.net

One (1) hard copy, a PDF of the entire application & Review Fee of $3,000 (Check made payable to the Hendrickson Company) to:

Mark Hendrickson
1404 Alban Avenue
Tallahassee, Florida 32301
Contact: Mark Hendrickson, 850.671.5601 mark@thehendricksoncompany.com

REVISED: June 17, 2020

GENERAL INFORMATION

NOTE: BY COMPLETING THIS APPLICATION, THE APPLICANT CERTIFIES AND AGREES THAT IT WILL COMPLY WITH ALL REQUIREMENTS OF THE JACKSONVILLE HFA MULTI-FAMILY HANDBOOK AND WILL SUBMIT ANY ADDITIONAL REQUIRED DOCUMENTATION AND FEES RELATED TO THAT COMPLIANCE

Please indicate if Applicant will use these funds in conjunction with (check one)

☐ FHFC SAIL RFA 2020-205

☐ OTHER FHFC RFA—IDENTIFY _____

JACKSONVILLE HOUSING FINANCE AUTHORITY BOND REQUEST:

BOND AMOUNT REQUESTED: _____

I. DEVELOPMENT SUMMARY AND TIMELINE

A. Provide a short narrative description of the Development, including all resident programs, amenities, unit features and scope of work to be performed. If more space is needed, provide the information as **Exhibit 1.** MAJOR DEVELOPMENT AMENITIES WILL BE INCLUDED IN THE LAND USE RESTRICTION AGREEMENT. Also attach as **Exhibit 2** a timeline for the completion of the development which includes all key dates, including anticipated timing of permits and credit underwriting, Housing Credit closing date, completion of construction, rent up, and stabilization.

_____

_____

_____

_____

_____

_____

_____

B. SUMMARY OF PROPOSED DEVELOPMENT

Name of Development	
Location of Development, by street address, or if no address, by mileage from nearest cross streets. Also, attach a map showing the development's location. The Project must be located in Duval County (PROJECT THRESHOLD CRITERIA)	
City Council Member Name and District Number	
Developer/Location (name of controlling company, not of LP or LLC).	
Contact person for application, including name, email, and phone numbers	
JHFA Bond Amount Requested	
JHFA Local Contribution Amount Requested	
Development Construction Type Garden, Mid-Rise, High-Rise, Other (explain)	
New Construction or Rehabilitation	
Concrete, Wood or other (explain)	
Development Demographic Family, Elderly or Other (identify)	
Number of Units, by Bedrooms	
Number of Stories in Each Building	
Total Development Cost	
Cost per unit	
Land Cost	
Acquisition of Building Cost if applicable	
Hard Rehab Cost or Construction Cost	
General Contractor	
Set Aside Period (50 year minimum)	
Set Aside Levels (PROJECT THRESHOLD CRITERIA)	
Current Zoning (PROJECT THRESHOLD CRITERIA)	
Evidence of Site Control (PROJECT THRESHOLD CRITERIA)	

II. APPLICANT INFORMATION

A. Applicant Name: _____

Must be a legally formed entity (i.e., limited partnership, corporation, etc.) qualified to do business in the State of Florida at the time of submission of Application.

B. If partnership, name of general partner(s):_____

_____

If corporation, name and title of executive officer:_____

_____

Address:_____

_____

Telephone: _____ Facsimile: _____

III. PROPOSED PROJECT FINANCING

A. Proposed Finance Summary: Please provide a permanent loan period detailed sources and uses that is in a format acceptable to FHFC as part of the upcoming SAIL or other RFA process. Attach as **Exhibit 3**.

IV. ABILITY TO PROCEED

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Development.

A. Site Control (PROJECT THRESHOLD CRITERIA)

Site Control must be demonstrated by the APPLICANT, in a manner consistent with the requirements of FHFC RFA 2020-205, or other RFA identified under "General Information":

___ Eligible Contract

___ Deed or Certificate of Title

___ Lease

Provide evidence of Site Control and attach as **Exhibit 4**. Use of the FHFC form **will NOT** meet this requirement.

B. Zoning and Land Development Regulations (PROJECT THRESHOLD CRITERIA)

1. a. Is the site appropriately zoned for the proposed Development: No ___ Yes ____

   b. Indicate zoning designation (s) _____

   c. Current zoning permits ___units per acre, or ___ for the site (PUD).

   d. Total Number of Units in Development:

Note: Provision of the zoning form from FHFC RFA 2020-205 (or if not available, RFA 2020-202 or other FHFC RFA) will meet this requirement. Provide evidence that the proposed use is permitted and attach as **Exhibit 5**.

V. SELF-SCORING OF FHFC SAIL OR OTHE APPLICATION INCLUDING PROXIMITY TO PUBLIC TRANSPORTATION

Provide the score expected to be received on the application for SAIL or other FHFC funding, including point score and all tiebreakers, assuming the Applicant receives the points for the Local Government Contribution Funding. Attach your response as **Exhibit 6**. BE SURE TO ADDRESS YOUR ANTICIPATED SCORE RELATED TO MEETING THE THRESHOLD CRITERIA IN THE FHFC RFA RELATED TO PROXIMITY TO PUBLIC TRANSPORTATION, AND PROVIDE A WRITTEN NARRATIVE THAT EXPLAIN THE ANTICIPATED SCORE IN DETAIL. PLEASE PROVIDE THE LOCATION OF THE PUBLIC TRANSPORTATION/BUS STOP, AND THE TYPE OF STOP IT IS, AND THE DISTANCE THAT YOU CALCULATE FROM THE DEVELOPMENT TO THE PUBLIC TRANSPORTATION.

VI. LOCAL GOVERNMENT LOAN REQUEST: Please provide the details of your request for a local government contribution, including the requested loan amount and loan terms, including interest rate, maturity date, amortization, and balloon (if any). The maximum amount of the Local Government Support loan for projects funded by FHFC is the minimum amount that will allow local projects meet FHFC's threshold guidelines. This exact amount will be noticed in each FHFC RFA.

LOAN AMOUNT REQUESTED: _____
MATURITY OF LOAN IN YEARS: _____
INTEREST RATE: _____
AMORTIZATION: _____
BALLOON, IF ANY: _____
VALUE OF CONTRIBUTION FOR FHFC APPLICATION PURPOSES: _____
EXPLANATION AND CALCULATION:

_____
_____
_____
_____
_____

VII. CERTIFICATION (Original Signatures Required)

The undersigned Applicant certifies that the information in this Application is true, correct and authentic.

THE APPLICANT FURTHER ACKNOWLEDGES HAVING READ ALL APPLICABLE AUTHROITY RULES GOVERNING THE PROGRAM AND ACKNOWLEDGE HAVING READ THE NOFA AND THIS APPLICATION.

THE APPLICANT UNDERSTANDS AND AGREES TO ABIDE BY THE PROVISIONS OF THE APPLICABLE FLORIDA STATUTES AND AUTHORITY PROGRAM POLICIES, RULES AND GUIDELINES, INCLUDING THOSE DETAILED IN THE NOFA, THIS APPLICATION & THE JHFA MULTI-FAMILY HANDBOOK.

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_____		_____
Applicant	Date	Signature of Witness
_____		_____
Name and Title ((typed or printed)		Name (typed or printed)

NOTE: ORIGINAL APPLICATION MUST CONTAIN AN <u>ORIGINAL</u> SIGNATURE, OR THE APPLICATION WILL BE <u>REJECTED AUTOMATICALLY</u>