AGENDA

1. **CALL TO ORDER**
   Reflection and Pledge of Allegiance

2. **PUBLIC COMMENTS**

3. **APPROVAL OF MINUTES**
   A. November minutes

4. **TREASURER’S REPORTS**
   A. October 2017
      1. General Fund
      2. Housing Trust Fund
      3. Land Assembly Fund

5. **COMMUNICATIONS TO THE AUTHORITY**
   A. Tampa Bay CDC usage report - $200,000 loan
   B. Clearwater Neighborhood Housing Services usage report - $60,000 loan

6. **REPORTS BY STAFF**
   A. HFA Operations and Special Projects Update – Kathryn Driver
   B. Multi-Family Update – Kathryn Driver
      1. Occupancy Report
   C. Single Family Update – Karmen Lemberg

7. **NEW BUSINESS**
   A. Oceanside Estates
      1. Credit Underwriting Report
      2. Resolution
         a. Trust Indenture
         b. Loan Agreement
         c. Compliance Monitoring Agreement
         d. Land Use Restriction Agreement
         e. Fee Guaranty and Environmental Indemnity Agreement
         f. Preliminary Official Statement
         g. Bond Purchase Agreement
   B. Barbara Clark & Co. Contract Amendment
      1. Memo
      2. Proposed Amendment

8. **ADJOURNMENT**

    **Upcoming...**
    Next Meeting January 3, 2018 – 315 Court St., 4th Floor, Clerks Large Conference Room

Persons are advised that, if they decide to appeal any decision made at this meeting/hearing, they will need a record of the proceedings, and, for such purposes, they may need to ensure that a verbatim record of the proceedings is made, which includes testimony and evidence upon which the appeal is to be based.
The Housing Finance Authority (HFA) Board of Pinellas County (as created by the Code of Ordinances of Pinellas County, Section 2-386) met in regular session in the Clerk’s Fourth Floor Conference Room, Pinellas County Courthouse, 315 Court Street, Clearwater, Florida, at 3:00 P.M. on this date with the following members present:

Casey Cane, Chairman
Robyn Fiel, Vice-Chairman
Dennis Long, Assistant Secretary

Not Present
Norris E. Counts, Secretary/Treasurer
Steven Beal, Assistant Secretary/Treasurer

Also Present
Kathryn Driver, Executive Director, HFA
Karmen Lemberg, Director of Homeownership Programs and Operations, HFA
Michael T. Cronin, Attorney, Johnson, Pope, Bokor, Ruppel & Burns, PA
Debbie Berner, RBC Capital Markets
Barbara Clark, Barbara Clark & Company
Helen Feinberg, RBC Capital Markets
David Jones, CSG Advisors
Shadai Simmons, Ready for Life
Tim Wranovix, Raymond James
Other Interested Individuals
Jenny Masinovsky, Board Reporter, Deputy Clerk

AGENDA

1. CALL TO ORDER

2. PUBLIC COMMENTS

3. APPROVAL OF MINUTES
   A. September minutes
   B. July minutes

4. TREASURER’S REPORTS
   A. September 2017 (draft)
      1. General Fund
      2. Housing Trust Fund
      3. Land Assembly Fund
November 1, 2017

B. August 2017
   1. General Fund
   2. Housing Trust Fund
   3. Land Assembly Fund

5. COMMUNICATIONS TO THE AUTHORITY
   A. Tampa Bay CDC Usage Report – $200,000 loan
   B. Clearwater Neighborhood Housing Services usage report – $60,000 loan

6. REPORTS BY STAFF
   A. HFA Operations and Special Projects Update – Kathryn Driver
   B. Multi-Family Update – Kathryn Driver
      1. Occupancy Report
   C. Single Family Update – Karmen Lemberg

7. NEW BUSINESS
   A. Ready for Life, Inc.
      1. Memo
      2. Flyer
         (Action Item – Kathryn Driver)
   B. Clearwater Neighborhood Housing Services – DPA
      (Action Item – Kathryn Driver)

8. ADJOURNMENT

CALL TO ORDER

Chairman Cane called the meeting to order at 3:00 P.M. and asked for a moment of silence and reflection; whereupon, he led the Pledge of Allegiance and, at his request, those in attendance introduced themselves. A sign-in sheet and agenda packet have been filed and made a part of the record.

PUBLIC COMMENTS

No one appeared in response to the Chairman’s call for citizens wishing to be heard.

MINUTES OF THE SEPTEMBER 6, 2017 AND JULY 5, 2017 HFA MEETINGS – APPROVED

Upon presentation by Chairman Cane, Ms. Fiel moved, seconded by Mr. Long and carried unanimously, that the minutes of the September 6, 2017 meeting be approved; whereupon, Ms.
Fiel moved, seconded by Mr. Long and carried unanimously, that the minutes of the July 5, 2017 meeting be approved.

**TREASURER’S REPORTS – APPROVED**

**General Fund – August and September 2017**

Ms. Fiel presented the HFA General Fund financial statements for the months of August and September 2017; whereupon, she reviewed the September Cash Roll Report and moved, seconded by Mr. Long, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

**Housing Trust Fund – August and September 2017**

Ms. Fiel presented the HFA Housing Trust Fund financial statements for the months of August and September 2017; whereupon, she reviewed the September Cash Roll Report and moved, seconded by Mr. Long, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

**Land Assembly Fund – August and September 2017**

Ms. Fiel presented the Land Assembly Fund financial statements for the months of August and September 2017; whereupon, she reviewed the September Cash Roll Report and moved, seconded by Mr. Long, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

**COMMUNICATIONS TO THE AUTHORITY**

Tampa Bay Community Development Corporation (CDC) Usage Report – $200,000 loan and Clearwater Neighborhood Housing Services Usage Report – $60,000 loan

Ms. Driver indicated that the monthly reports detailing usage of the above-referenced loans are included in the agenda packet; and that both organizations utilize the loans for down payment assistance.
REPORTS BY STAFF

HFA Operations and Special Projects Update

Ms. Driver reported on the following activities:

• The Board of County Commissioners (BCC) approved the HFA budget amendments for Fiscal Year 2017 and the proposed budget for Fiscal Year 2018. The $400,000 allocated for Fiscal Year 2017 for the Housing Trust Fund has recently been received, and the $500,000 allocated for Fiscal Year 2018 has been requested.

• The HFA audit is scheduled to be finalized next week.

• The HFA has an open-door policy; visitors and callers are welcome.

Responding to query by Chairman Cane, Ms. Driver indicated that the anticipated $500,000 would be applied toward a multi-family deal or a special project; whereupon, she noted that the HFA administers the funds provided by the County instead of them being divided among the participating jurisdictions as in the past; that the jurisdictions are involved in the discussion pertaining to the most appropriate use of the funds; and that receiving a larger allocation than what has been provided before will be very helpful.

Multi-Family Program Update

Ms. Driver related that a number of applications have been received in connection with the Land Assembly Fund; that some applicants would be utilizing multi-family bonds; and that the August occupancy report is included in the agenda packet; whereupon, she provided an update regarding the following projects and responded to queries by the members.

• Palms of Pinellas
• Preserves at Clam Bayou
• Tieman Village
• Woodlawn Trail Apartments
• Ranch at Pinellas Park
• McLaughlin Project
• Delmar Terrace South
• Oceanside Estates
• Sumter Gardens Apartments
• Palmetto Point
Ms. Driver expressed enthusiasm with regard to many affordable housing units potentially becoming available; whereupon, Mr. Long noted that he has observed the rise in affordable housing projects toward the end of the ten-year Penny for Pinellas funding cycles; and that a presentation by the Pinellas County Community Development Department would be helpful in learning about the Land Assembly Fund allocation, specifically, the amounts distributed and remaining, project selection priorities, and opportunities to land bank properties.

During discussion and responding to queries by the members, Ms. Driver related that County staff has expressed interest in preparing a joint presentation with the HFA; and that she has requested that any unused funds set aside for other Penny projects be allocated to affordable housing, since it has been a very successful program. Ms. Driver pointed out that funds utilized for the above-listed projects have been expended from the current Penny; and that there will be two more years until the new Penny funds may become available, at which time there may be a large fluctuating pool of money to be used for economic development and affordable housing; whereupon, she urged all County residents to vote in the upcoming Penny referendum.

Single Family Program Update

Ms. Lemberg related that September and October have brought good results, with three loans closing in each month; and that a total of 26 loans have closed in the last year. She indicated that the program may be significantly affected and potentially modified, given the sunset of the Hardest Hit Fund program and the changes occurring with regard to Freddie Mac and the down payment assistance programs, as well as in the market place.

Ms. Lemberg noted that the Down Payment Assistance Program has generated a lot of interest over the last two weeks; and that she is hopeful to see loan originations increase; whereupon, she indicated that the November radio show, airing tomorrow, will focus on crime prevention through environmental design; and that it can be found under the No Place Like Home link on the HFA website.

NEW BUSINESS

Ready for Life, Inc.

Referring to her memorandum dated November 1, 2017, included in the agenda packet, Ms. Driver indicated that staff is recommending formal approval of the Fiscal Year 2018 grant to Ready for Life, Inc. in the approved budgeted amount of $100,000, noting that the pilot program has been very successful in its first year. She related that by partnering with Pinellas County and the Pinellas
County Housing Authority, the organization was able to open the Tasker Beal Jr. Hope House for young men aged out of foster care, and is currently looking for similar housing for young women and young mothers; and that the HFA’s managed IT provider, IGTech, has expressed interest in providing used laptops, as well as free computer training to the Ready for Life youth.

Ms. Driver introduced Shadai Simmons, noting that she runs the program; and that her full-time position is provided through the HFA grant; whereupon, Ms. Simmons discussed her outreach work, stressing the value of stable housing, prevention of the generational foster care cycle, and productive relationships with the participants. She related that 44 youths have been assisted during the last year and shared stories about how they were able to get off the streets, learn financial literacy, obtain and maintain housing, and keep their families together.

During discussion and responding to query by Mr. Long, Ms. Simmons indicated that the HFA grant is the sole financial resource, confirming that the program does not receive any funding from Pinellas County Government; whereupon, Mr. Long remarked that the Commissioners need to know that the HFA funds this type of program in addition to multi-million-dollar projects and recommended that Ms. Simmons make a presentation to the BCC.

Chairman Cane noted that Ready for Life is a testament to the HFA striving to assist the community with available funds; that the Board and the County should note that those youth need help; and that he is pleased with the organization’s success and will continue to support it; whereupon, Ms. Simmons expressed her gratitude to the HFA for its sponsorship.

Mr. Long moved, seconded by Ms. Fiel and carried unanimously, that the grant in the amount of $100,000 be approved.

Ms. Driver pointed out that only $80,300 of the $100,000 grant was used last year due to the time spent to set up the Financial Literacy Program, without successful completion of which the participants cannot take advantage of the financial assistance. Responding to query by Chairman Cane, she indicated that the remaining funds are set aside and, if needed, can be used this year in addition to the new grant.

Clearwater Neighborhood Housing Services (CNHS) – Down Payment Assistance (DPA)

Ms. Driver provided background information regarding the Pinellas County DPA Program, through which Tampa Bay CDC and CNHS provide down payment assistance loans to home buyers utilizing the HFA loans discussed earlier. She related that the program has been so successful that it had to be shut down due to the depletion of funds; that it is being revamped by
the County; and that in the meantime, there are 20 pre-approved unfunded DPA loans in the pipeline to close, for which CNHS has requested a loan in the amount of $90,000 from the HFA.

Ms. Driver noted that $90,000 would not be enough to fund the 20 loans totaling $290,000; and that she prefers not to provide additional loans to CNHS before the program is revamped; whereupon, she discussed the HFA’s proposal to “table fund” the total amount, stating that it would be the best and the easiest way to pay for the loans, since no other funding sources are available. She explained the reimbursement process involving the County and CNHS, noting that the County cannot reimburse the HFA directly; that while reimbursement may take approximately two months, the public purpose of the HFA is to provide housing assistance; and that an agreement with CNHS would include penalties for reimbursement delays.

During discussion and responding to concerns voiced by Chairman Cane, Messes. Driver, Fiel, and Lemberg discussed doing business with CNHS, reliability of the organization, and the timeframe and potential reimbursement delay causes; whereupon, responding to queries by Chairman Cane regarding penalties, Attorney Cronin advocated for a secured reimbursement agreement with CNHS in order to protect interests of the HFA, in view of the substantial funding amount, and Mr. Long provided input.

Attorney Cronin related that he has reviewed the matter of whether Ms. Fiel’s employment with Synovus Bank, where she originates loans, including some of the aforementioned pipeline loans, creates an impermissible conflict of interest with regard to her ability to vote on the present item. He referred to his memorandum to Ms. Driver dated November 1, 2017, and discussed the applicable statutes and the corresponding opinions, concluding that no such conflict preventing Ms. Fiel from voting on the item exists, based on her relationship with Synovus Bank, CNHS, and the HFA, because she would not receive any compensation or special benefits from the down payment assistance provided by CNHS, the promissory note between the HFA and CNHS, or the proposed table funding loan program.

Attorney Cronin pointed out that upon Ms. Fiel joining the Board, it was decided that Synovus Bank could not directly participate in the HFA’s first mortgage bond program; and that in the instant case, there is no direct contractual privity; whereupon, Chairman Cane encouraged Ms. Fiel to use discretion and suggested that the item may need to be tabled until another meeting in order to establish a quorum.

Ms. Driver stated that if the HFA and CNHS cannot come to a mutual agreement, the HFA would not move forward with the proposal; that she would not put HFA interests at risk; and that funding would not be provided until the loans are approved by the County, and discussion ensued
concerning pertinent deadlines, the reimbursement process, the urgency of the situation, the effect on the HFA budget, and protecting the HFA interests.

Mr. Long and Chairman Cane expressed their displeasure with regard to the Pinellas County Community Development Department’s closing of the DPA program with loans in the pipeline, noting that individuals will not be able to get housing if the HFA does not help; whereupon, the members agreed that due to the loans’ closing deadlines, the item cannot be delayed; and that Chairman Cane should be authorized to sign the required paperwork, which will be ratified at the December meeting of the Board.

Thereupon, Mr. Long moved, seconded by Ms. Fiel and carried, that the documents be prepared with CNHS, authorizing table fund loans up to a maximum amount of $290,000, provided such loans have been pre-approved and reviewed by the Pinellas County Community Development Department; that documentation be prepared by Counsel, consisting of a funding term sheet, a security agreement, and a form UCC-1; and that Chairman Cane be delegated authority to execute such documents on behalf of the Board.

Chairman Cane indicated for the record that, as entrusted by the Board, he will execute the aforesaid documents upon being provided as much information as possible by Counsel to ensure execution of binding and enforceable documents.

**ADJOURNMENT**

Upon motion by Ms. Fiel, seconded by Mr. Long and carried, the meeting was adjourned at 4:11 P.M.


**HFA of Pinellas County**  
**Cash Roll**  
**October 2017**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>Balance Beginning of Month</strong></td>
<td>$ 2,730,850.14</td>
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<tr>
<td><strong>Disbursements:</strong></td>
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<tr>
<td>A Top Dog Property Services, Inc.</td>
<td>(2,440.00)</td>
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<tr>
<td>ADP</td>
<td>(192.68)</td>
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<tr>
<td>AFLAC</td>
<td>(918.36)</td>
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<tr>
<td>City of Dunedin</td>
<td>(15.50)</td>
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<tr>
<td>City of Tarpon Springs</td>
<td>(63.88)</td>
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<td>CSG Advisors Incorporated</td>
<td>(2,311.82)</td>
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<td>Dufresne &amp; Associates, CPA, PA</td>
<td>(9,000.00)</td>
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<td>Duke Energy</td>
<td>(18.96)</td>
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<tr>
<td>FedEx</td>
<td>(19.32)</td>
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<tr>
<td>Florida ALHFA</td>
<td>(1,000.00)</td>
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<td>Florida Department of Economic Opportunity</td>
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<td>FRS</td>
<td>(2,974.09)</td>
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<td>GNP Service, CPA, PA</td>
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<td>HFA Pinellas County 2nd Mortgages</td>
<td>(15,000.00)</td>
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<td>IGTECH365, LLC</td>
<td>(551.00)</td>
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<td>ImageNet Consulting of Vero Beach LLC</td>
<td>(214.79)</td>
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<tr>
<td>J2 Efax Services</td>
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<td>Johnson, Pope, Bokor, Ruppel &amp; Burns LLP</td>
<td>(5,537.00)</td>
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<tr>
<td>Karmen Lemberg</td>
<td>(95.50)</td>
</tr>
<tr>
<td>Kathryn Driver</td>
<td>(56.49)</td>
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<tr>
<td>MegaPath</td>
<td>(458.37)</td>
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<tr>
<td>Microsoft</td>
<td>(103.80)</td>
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<tr>
<td>Neighborhood Lending Partners</td>
<td>(11,580.29)</td>
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<tr>
<td>Payroll</td>
<td>(28,772.34)</td>
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<tr>
<td>Pinellas County BOCC</td>
<td>(13,353.68)</td>
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<tr>
<td>Plymouth Plaza</td>
<td>(2,549.53)</td>
</tr>
<tr>
<td>Publix</td>
<td>(3.20)</td>
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<tr>
<td>ReadyRefresh by Nestle</td>
<td>(16.93)</td>
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<tr>
<td>Ready for Life, Inc.</td>
<td>(6,333.60)</td>
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<td>Sadowski Education Effort</td>
<td>(15,000.00)</td>
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<td>Spectrum Business</td>
<td>(263.28)</td>
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<tr>
<td>Staples Advantage</td>
<td>(72.20)</td>
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<tr>
<td>Tampa Bay Newspapers, Inc</td>
<td>(250.00)</td>
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<tr>
<td>Verizon Wireless</td>
<td>(102.18)</td>
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<tr>
<td>WRXB Radio</td>
<td>(175.00)</td>
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<tr>
<td><strong>Total Cash Out</strong></td>
<td>(120,585.74)</td>
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<tr>
<td>Graceful Solutions</td>
<td>79,100.00</td>
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<tr>
<td>HFA Savings Account</td>
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<tr>
<td>Housing Trust Fund</td>
<td>199.95</td>
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<tr>
<td>Interest Earned</td>
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<td>Issuer Fees</td>
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<td>Lealman Asset Management</td>
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<tr>
<td>Mortgage Payments</td>
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<tr>
<td>NSP SF Mortgage Payments</td>
<td>5,365.57</td>
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<td>Norton Mortgage Payments</td>
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<tr>
<td>Sunrise Mortgage Payments</td>
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<tr>
<td>NSP 1 Reimbursement</td>
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<td><strong>Total Cash In</strong></td>
<td>377,870.78</td>
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<tr>
<td><strong>Balance End of Month</strong></td>
<td>$ 2,988,135.18</td>
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**Bank Accounts**

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<thead>
<tr>
<th>Account</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>01-101.0021 General Fund 7158</td>
<td>$ 2,988,135.18</td>
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<tr>
<td><strong>Subtotal - Operating</strong></td>
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</tr>
<tr>
<td>01-105.001 Fed Home Loan Bank DIA</td>
<td>1,352,995.99</td>
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<tr>
<td>01-106.001 US Bank Custody Account</td>
<td>3,876,243.15</td>
</tr>
<tr>
<td><strong>Total Bank Accounts</strong></td>
<td>$ 8,217,374.32</td>
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## HFA of Pinellas County
### Balance Sheet
#### As of October 31, 2017

<table>
<thead>
<tr>
<th>Total</th>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Assets</td>
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<tr>
<td></td>
<td>Bank Accounts</td>
<td></td>
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<tr>
<td></td>
<td>101.021 01-101.0021 General Fund 7158</td>
<td>2,988,135.18</td>
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<tr>
<td></td>
<td>105.001 01-105.001 Fed Home Loan Bank DIA</td>
<td>1,352,995.99</td>
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<tr>
<td></td>
<td>106.001 01-106.001 US Bank Custody Account</td>
<td>3,876,243.15</td>
</tr>
<tr>
<td></td>
<td><strong>Total Bank Accounts</strong></td>
<td><strong>$ 8,217,374.32</strong></td>
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<tr>
<td></td>
<td>Accounts Receivable</td>
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<tr>
<td></td>
<td>115.000 Accounts Receivable</td>
<td>1,219,911.96</td>
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<td><strong>Total Accounts Receivable</strong></td>
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<tr>
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<td>Other Current Assets</td>
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<tr>
<td></td>
<td>01-131.008 Due from LAF</td>
<td>4,437.03</td>
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<td>01-131.002 Due From PCHF, Inc.</td>
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<td>01-131.003 NSP I Rec</td>
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<td>01-131.004 NSP II Rec</td>
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<td>01-133.005 GNMA Prin/Int Due from Bond Fund</td>
<td>1,388,257.22</td>
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<td>111.001 01-111.001 FHLB Pledged Investments</td>
<td>4,370,656.26</td>
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<td><strong>Total Other Current Assets</strong></td>
<td><strong>$ 5,785,801.06</strong></td>
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<td></td>
<td><strong>Total Current Assets</strong></td>
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<td>Fixed Assets</td>
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<td>01-128.901 Fixed Assets</td>
<td>9,030.27</td>
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<td><strong>Total Fixed Assets</strong></td>
<td><strong>$ 9,030.27</strong></td>
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<tr>
<td></td>
<td>Other Assets</td>
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<tr>
<td></td>
<td>01-128-901 2nd Mortgage Port</td>
<td>4,722,599.74</td>
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<td></td>
<td>01-128.902 MF Mort Portfolio</td>
<td>2,336,234.21</td>
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<tr>
<td></td>
<td>01-128.903 TBCDC Revolving Cred</td>
<td>200,000.00</td>
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<tr>
<td></td>
<td>01-128.903.2 Clearwater Neighborhood Housing Services Revolving Loan Receivable</td>
<td>60,000.00</td>
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<tr>
<td></td>
<td>01-128.905 Notes &amp; Mortg NSP I</td>
<td>451,527.24</td>
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<tr>
<td></td>
<td>01-128.906 Notes &amp; Mortg NSP II</td>
<td>1,812,305.00</td>
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<td>01-128.907 Notes &amp; Mortg NSP 3</td>
<td>96,277.42</td>
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<tr>
<td></td>
<td>01-129.001 Temporary holding account</td>
<td>(200.24)</td>
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<tr>
<td></td>
<td>01-134.001 Non Depreciable Asset</td>
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<td></td>
<td>01-155.001 Long-term Prepaid Exp</td>
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<tr>
<td></td>
<td>01-156.901 HFA Bond Program</td>
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<td>01-156.902 SHIP Bond Program</td>
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<td>01-156.903 GSE Program Multi-Co</td>
<td>1,229,160.15</td>
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<td></td>
<td>01-170.000 Deferred Outflows</td>
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<td></td>
<td><strong>Total Other Assets</strong></td>
<td><strong>$ 12,120,305.20</strong></td>
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<tr>
<td></td>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 27,352,422.81</strong></td>
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## LIABILITIES AND EQUITY

### Liabilities

#### Current Liabilities

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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<td>01-202.001 Accounts Pay - Other</td>
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<tr>
<td>01-202.002 Accounts Payable</td>
<td>(1,016.35)</td>
</tr>
<tr>
<td><strong>Total Accounts Payable</strong></td>
<td><strong>$18,692.70</strong></td>
</tr>
</tbody>
</table>

#### Other Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>01-202.006 Salaries and Fringes Payable</td>
<td>3,070.43</td>
</tr>
<tr>
<td>01-203.200 Capital Lease-Current Portion</td>
<td>2,548.57</td>
</tr>
<tr>
<td><strong>Total Other Current Liabilities</strong></td>
<td><strong>$5,619.00</strong></td>
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</table>

**Total Current Liabilities**

- $24,311.70

#### Long-Term Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-206.001 Capital Lease Payable</td>
<td>6,502.50</td>
</tr>
<tr>
<td>01-208.000 SHIP Liability</td>
<td>729,940.83</td>
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<tr>
<td>01-208.009 NSP I Oblig Pinel Co</td>
<td>95,686.76</td>
</tr>
<tr>
<td>01-208.13 Oblig NSP II NLP</td>
<td>3,765,941.59</td>
</tr>
<tr>
<td>01-210.001 Payments (after SunTrust)</td>
<td>148.00</td>
</tr>
<tr>
<td>01-210.002 Deferred Revenue Mortgage Rec.</td>
<td>1,609,221.92</td>
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<tr>
<td>01-270.000 Deferred Inflows</td>
<td>1,695.00</td>
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<tr>
<td>01-280.000 Net Pension Liability</td>
<td>259,678.00</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td><strong>$6,468,814.60</strong></td>
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</table>

**Total Liabilities**

- $6,493,126.30

### Equity

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<td>3000 01-250.001 Opening Bal Equity</td>
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<tr>
<td>3900 01-272.001 Retained Earnings</td>
<td>18,964,566.21</td>
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<td><strong>Net Loss</strong></td>
<td>(16,277.17)</td>
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**Total Equity**

- $20,859,296.51

**TOTAL LIABILITIES AND EQUITY**

- $27,352,422.81
### HFA of Pinellas County
#### Profit and Loss

**October 2017**

<table>
<thead>
<tr>
<th>Income</th>
<th>Oct 2017</th>
<th>Oct 2017 (YTD)</th>
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<tbody>
<tr>
<td>01-344.003 NSP II Grant Inc</td>
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<td></td>
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<tr>
<td>Maintenance</td>
<td>73.36</td>
<td>73.36</td>
</tr>
<tr>
<td>Total 01-344.003 NSP II Grant Inc</td>
<td><strong>$73.36</strong></td>
<td><strong>$73.36</strong></td>
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<tr>
<td>01-345.100 Single Family Issuer Fees</td>
<td>24,529.39</td>
<td>24,529.39</td>
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<tr>
<td>01-345.803 Gain on Sale of FHLB Securities</td>
<td>5,492.62</td>
<td>5,492.62</td>
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<tr>
<td>01-345.900 Interest Income</td>
<td>36,254.55</td>
<td>36,254.55</td>
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<tr>
<td>FHFC13 DPA Loans</td>
<td>55.81</td>
<td>55.81</td>
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<tr>
<td>Total 01-345.900 Interest Income</td>
<td><strong>$36,310.36</strong></td>
<td><strong>$36,310.36</strong></td>
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<tr>
<td>01-361.101 Bank Interest</td>
<td>3,080.31</td>
<td>3,080.31</td>
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<tr>
<td>Total Income</td>
<td><strong>$69,486.04</strong></td>
<td><strong>$69,486.04</strong></td>
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<tr>
<td>Gross Profit</td>
<td><strong>$69,486.04</strong></td>
<td><strong>$69,486.04</strong></td>
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<table>
<thead>
<tr>
<th>Expenses</th>
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<tbody>
<tr>
<td>01-554. 01-554.0241 NSP III Non Reimb Exp</td>
<td>26.89</td>
<td>26.89</td>
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<td>01-554.004 Memberships</td>
<td>1,175.00</td>
<td>1,175.00</td>
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<td>01-554.005 Contract Services</td>
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<tr>
<td>00503 Network Services</td>
<td>1,558.36</td>
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<tr>
<td>554.00501 Contract Other</td>
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<td>01-554.006 Depreciation</td>
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<td>01-554.011 Lease -Building</td>
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<td>01-554 .01101 Common Area Maintenance</td>
<td>50.00</td>
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<td>Lease - HFA</td>
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<td>01-554.012 Office Supplies</td>
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<tr>
<td>554.01201 Office Supplies</td>
<td>90.98</td>
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<tr>
<td>554.01202 Postage</td>
<td>66.92</td>
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<td>554.01203 Printing</td>
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<td><strong>$158.59</strong></td>
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<td>01-554.014 Promotional Expense</td>
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<td>01-554.016 Salaries and Fringes</td>
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<td>.016.002 Salaries Expense</td>
<td>28,585.20</td>
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<td>.016.004 Payroll Tax Expense</td>
<td>1,004.18</td>
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<td>.016.006 Pension Expense</td>
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<td>.016.008 Insurance Expense</td>
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<td>918.36</td>
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<td>Total 01-554.016 Salaries and Fringes</td>
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<td>01-554.017 Telephone</td>
<td>378.25</td>
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<td>01-554.021 Grants to Organizat</td>
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<tr>
<td>Ready for Life, Inc.</td>
<td>12,500.00</td>
<td>12,500.00</td>
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<td>Sadowsky Education Efforts</td>
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<tr>
<td>Description</td>
<td>Amount</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
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<tr>
<td>Total 01-554.021 Grants to Organizat</td>
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<td>01-554.027 NSP II Prog Exp Maintenance</td>
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<td>01-591.001 Bank Fees</td>
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<td>01-594.001 Capital Lease Interest Expense</td>
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<td>Total Expenses</td>
<td>$ 67,472.08</td>
<td>$ 67,472.08</td>
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<td>Net Operating Income</td>
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<td>$ 2,013.96</td>
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<tr>
<td>Other Income/(Loss)</td>
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<tr>
<td>01-395.001 Unrealized Market Loss - FHLB Securities</td>
<td>(18,291.13)</td>
<td>(18,291.13)</td>
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<tr>
<td>Total Other Income/(Loss)</td>
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<td>$ (18,291.13)</td>
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<tr>
<td>Net Other Income/(Loss)</td>
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<td>$ (18,291.13)</td>
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<tr>
<td>Net Loss</td>
<td>$ (16,277.17)</td>
<td>$ (16,277.17)</td>
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</table>

Thursday, Nov 09, 2017 08:12:30 AM GMT-8 - Accrual Basis
## Housing Finance Authority of Pinellas County Trust Fund
### Trust Fund - Cash Roll

**October 2017**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance Operating</strong></td>
<td>$1,069,032.08</td>
</tr>
<tr>
<td><strong>Disbursements:</strong></td>
<td></td>
</tr>
<tr>
<td>HTF Pinellas County 2nd Mortgages</td>
<td>$(25,000.00)</td>
</tr>
<tr>
<td>Housing Finance Authority</td>
<td>$(199.95)</td>
</tr>
<tr>
<td><strong>Total Cash Out</strong></td>
<td>$(25,199.95)</td>
</tr>
<tr>
<td><strong>Deposits:</strong></td>
<td></td>
</tr>
<tr>
<td>Mortgage Payments</td>
<td>38,000.00</td>
</tr>
<tr>
<td>Pinellas Co Housing Authority (Redwood)</td>
<td>1,298.36</td>
</tr>
<tr>
<td>HTF Savings Account</td>
<td>51,640.05</td>
</tr>
<tr>
<td>Pinellas Co Board of County Commissioners</td>
<td>400,000.00</td>
</tr>
<tr>
<td><strong>Total Cash In</strong></td>
<td>$490,938.41</td>
</tr>
<tr>
<td><strong>Ending Balance Operating</strong></td>
<td>$1,534,770.54</td>
</tr>
</tbody>
</table>
## Balance Sheet

**Housing Finance Authority of Pinellas County Trust Fund**  
**As of October 31, 2017**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Bank Accounts</td>
<td></td>
</tr>
<tr>
<td>10-101.001 Regions Bank 66356</td>
<td>$1,534,770.54</td>
</tr>
<tr>
<td>Total Bank Accounts</td>
<td>$1,534,770.54</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
</tr>
<tr>
<td>115.003 DPA Loans</td>
<td>$341,996.03</td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td>$341,996.03</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>$1,876,766.57</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
</tr>
<tr>
<td>10-137.000 Due from Lealman Properties Operating Funds Account</td>
<td>$41,155.00</td>
</tr>
<tr>
<td>10-138.000 Advances to Lealman Trustee Trust Account</td>
<td>$338,474.50</td>
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<tr>
<td>10-140.001 Second Mortgages Receivable-DPA</td>
<td>$1,720,428.00</td>
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<tr>
<td>10-145.000 Second Mortgages Receivable-MF</td>
<td>$285,074.66</td>
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<tr>
<td><strong>Total Other Assets</strong></td>
<td>$2,385,132.16</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$4,261,898.73</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND EQUITY</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Long-Term Liabilities</td>
<td></td>
</tr>
<tr>
<td>10-209.000 Due to Other Gov.</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
</tr>
<tr>
<td>10-250.001 Opening Bal Equity</td>
<td>$(4,999.31)</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>$2,866,386.53</td>
</tr>
<tr>
<td>Net Income</td>
<td>$400,511.51</td>
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<tr>
<td><strong>Total Equity</strong></td>
<td>$3,261,898.73</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td>$4,261,898.73</td>
</tr>
</tbody>
</table>

Wednesday, Nov 08, 2017 02:52:32 PM GMT-8 - Accrual Basis
### Housing Finance Authority of Pinellas County Trust Fund
#### Profit and Loss
#### October 2017

<table>
<thead>
<tr>
<th></th>
<th>Oct 2017</th>
<th>Oct 2017 (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-345.100 Distribution Juris</td>
<td>400,000.00</td>
<td>400,000.00</td>
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<tr>
<td>10-345.104 Program Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>361.006 Redwood Apts</td>
<td>711.46</td>
<td>711.46</td>
</tr>
<tr>
<td>Total 10-345.104 Program Income</td>
<td>$ 711.46</td>
<td>$ 711.46</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>$ 400,711.46</td>
<td>$ 400,711.46</td>
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<tr>
<td><strong>Gross Profit</strong></td>
<td>$ 400,711.46</td>
<td>$ 400,711.46</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-554.006 Admin Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>199.95</td>
<td>199.95</td>
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<tr>
<td>Total Non Billed Admin Expenses</td>
<td>$ 199.95</td>
<td>$ 199.95</td>
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<tr>
<td>Total 10-554.006 Admin Expenses</td>
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<td>$ 199.95</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
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<td>$ 199.95</td>
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<tr>
<td><strong>Net Operating Income</strong></td>
<td>$ 400,511.51</td>
<td>$ 400,511.51</td>
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<tr>
<td><strong>Net Income</strong></td>
<td>$ 400,511.51</td>
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Wednesday, Nov 08, 2017 02:52:41 PM GMT - Accrual Basis
Beginning Balance Operating $ 10,413.36

Disbursements:

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Bank Fees</td>
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</tbody>
</table>

Total Cash Out (28.04)

Deposits:

Total Cash In -

Ending Balance Operating $ 10,385.32

20-101 Regions Bank 20811 10,385.32

Ending Balance Operating $ 10,385.32
### Housing Finance Authority of Pinellas County Land Assembly Fund

#### Statement of Financial Position

**As of October 31, 2017**

<table>
<thead>
<tr>
<th>Total</th>
<th>ASSETS</th>
<th>Current Assets</th>
<th>Total Bank Accounts</th>
<th>$</th>
<th>10,385.32</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Bank Accounts</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>20-101 Regions Land Assembly-20811</td>
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<td></td>
<td></td>
<td>Other Current Assets</td>
<td>20-134 Due from Pinellas BOCC</td>
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<td></td>
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<td></td>
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<td>Total Current Assets</td>
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<tr>
<td></td>
<td>Fixed Assets</td>
<td>20-150 Capital Assets-Land Trust-Garden Trail</td>
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<td>4,826,321.92</td>
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<td>20-154 Capital Assets-Land Trust-Palms of Pinellas</td>
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<td>937,796.96</td>
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<td>20-156 Capital Assets-Land Trust-3920 57th Ave N</td>
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<td>99,437.82</td>
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<td>20-158 Capital Assets-Land Trust-3998 57th Ave N</td>
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<td>116,317.00</td>
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<td>20-162 Capital Assets-Land Trust-Clam Bayou 34th Ave. S.</td>
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<td>20-170 Accumulated Depreciation</td>
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<td></td>
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<td>TOTAL ASSETS</td>
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<table>
<thead>
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<th>Total</th>
<th>LIABILITIES AND EQUITY</th>
<th>Liabilities</th>
<th>Current Liabilities</th>
<th>Total 20-208 Assembly Land Distributions</th>
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<td>Other Current Liabilities</td>
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<td>Total 20-208 Assembly Land Distributions</td>
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<td>Total Other Current Liabilities</td>
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<tr>
<td></td>
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<td>Total Current Liabilities</td>
<td></td>
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Wednesday, Nov 08, 2017 02:40:00 PM GMT-8 - Accrual Basis
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<tr>
<td>10/12/2017</td>
<td>J. Paolillo</td>
<td>Pin Sh</td>
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<tr>
<td>10/13/2017</td>
<td>T. Bellier</td>
<td>Pin Sh</td>
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<tr>
<td>10/25/2017</td>
<td>L. Baksha</td>
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<tr>
<td>10/27/2017</td>
<td>J. Wilson</td>
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<td>10/27/2017</td>
<td>S. Alvaredo</td>
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<tr>
<td>10/4/2017</td>
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Unused $ 10/1/17 $ 1,798.00
## Pinellas County Housing Finance Authority
### Revolving Loan Usage Report
#### Clearwater Neighborhood Housing Services, Inc
**October 01, 2016 thru October 31, 2017**

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
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<th>Debit</th>
<th>Fund Balance</th>
<th>Comments</th>
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<td>60,000.00</td>
<td>Received in operating account</td>
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<td>07/31/17</td>
<td>No Loan Activity</td>
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<td></td>
<td>60,000.00</td>
<td></td>
</tr>
<tr>
<td>08/16/17</td>
<td>No Loan Activity</td>
<td></td>
<td></td>
<td>60,000.00</td>
<td>Transferred to separate account</td>
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<tr>
<td>08/24/17</td>
<td>No Loan Activity</td>
<td></td>
<td></td>
<td>60,000.00</td>
<td></td>
</tr>
<tr>
<td>08/24/17</td>
<td>Iskandar, M</td>
<td>C</td>
<td>SHIP</td>
<td>20,000.00</td>
<td>40,000.00</td>
</tr>
<tr>
<td>09/28/17</td>
<td>Green, Joyce</td>
<td>C</td>
<td>SHIP</td>
<td>10,000.00</td>
<td>30,000.00</td>
</tr>
<tr>
<td>09/29/17</td>
<td>Chidinma, T</td>
<td>C</td>
<td>SHIP</td>
<td>10,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>10/04/17</td>
<td>Santamaria, N</td>
<td>C</td>
<td>SHIP</td>
<td>10,000.00</td>
<td>10,000.00</td>
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<tr>
<td>11/01/17</td>
<td>Funds from PCBOCC</td>
<td></td>
<td></td>
<td>30,000.00</td>
<td>Iskandar and Green</td>
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<tr>
<td>11/10/17</td>
<td>Funds from PCBOCC</td>
<td></td>
<td></td>
<td>10,000.00</td>
<td>Chidinma</td>
</tr>
<tr>
<td>11/16/17</td>
<td>Sager, B</td>
<td>C</td>
<td>SHIP</td>
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<td>40,000.00</td>
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<tr>
<td>11/17/17</td>
<td>Jones, C</td>
<td>C</td>
<td>SHIP</td>
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<td>30,000.00</td>
</tr>
<tr>
<td>Dec</td>
<td>Adbelshaheid Dem</td>
<td>P</td>
<td>SHIP</td>
<td>20,000.00</td>
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</tr>
<tr>
<td>Dec</td>
<td>Ashlee Bush</td>
<td>P</td>
<td>SHIP</td>
<td>20,000.00</td>
<td></td>
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<tr>
<td>Dec</td>
<td>Brian Shriner</td>
<td>P</td>
<td>SHIP</td>
<td>20,000.00</td>
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<tr>
<td>Dec</td>
<td>Ed Scott Craighead</td>
<td>P</td>
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<tr>
<td>Dec</td>
<td>Kristy Paulick</td>
<td>P</td>
<td>SHIP</td>
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<tr>
<td>Dec</td>
<td>Makar E. Sadallah</td>
<td>P</td>
<td>SHIP</td>
<td>20,000.00</td>
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<tr>
<td>Dec</td>
<td>Robin Alfred</td>
<td>P</td>
<td>SHIP</td>
<td>20,000.00</td>
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<tr>
<td>Dec</td>
<td>Sergio Comighod</td>
<td>P</td>
<td>SHIP</td>
<td>20,000.00</td>
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</table>
### Pinellas County Projects Status As Of 9/30/2017

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<tr>
<th>Projects</th>
<th>Units</th>
<th>OCC (Act)</th>
<th>LOW OCC (Act)</th>
<th>% LOW INCL VAC LOW</th>
<th>% OCC (Act)</th>
<th>% OCC CHANGE</th>
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</thead>
<tbody>
<tr>
<td>Alta Largo*</td>
<td>288</td>
<td>266</td>
<td>66</td>
<td>23% VL</td>
<td>92%</td>
<td>-1%</td>
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<tr>
<td>Ashley Place**</td>
<td>55</td>
<td>50</td>
<td>30</td>
<td>55%</td>
<td>91%</td>
<td>Annual</td>
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<tr>
<td>Bayside Court</td>
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<td>137</td>
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<td>41%</td>
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<td>Boardwalk***</td>
<td>36</td>
<td>34</td>
<td>18</td>
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<td>94%</td>
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<td>Boca Ciega Townhomes</td>
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<td>+2%</td>
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<td>Clearwater Apts</td>
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<td>89</td>
<td>89</td>
<td>100%</td>
<td>99%</td>
<td>0%</td>
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<td>Cypress Pointe****</td>
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<td>21</td>
<td>9</td>
<td>42%</td>
<td>81%</td>
<td>Annual</td>
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<td>HEP West *****</td>
<td>32</td>
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<tr>
<td>James Park</td>
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<td>80</td>
<td>80</td>
<td>100%</td>
<td>98%</td>
<td>-1%</td>
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<tr>
<td>Magnolia Court*****</td>
<td>26</td>
<td></td>
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<td>Palmetto Park (Greenwood)</td>
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<td>170</td>
<td>154</td>
<td>84%</td>
<td>95%</td>
<td>-1%</td>
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<td>Pinellas Heights</td>
<td>153</td>
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<td>151</td>
<td>100%</td>
<td>99%</td>
<td>+1%</td>
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<td>UNITS</td>
<td>LOW OCC ACT</td>
<td>OCC</td>
<td>% LOW OCC ACT</td>
<td>VAC LOW OCC ACT</td>
<td>CHANGE</td>
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<td>Oak Ridge Estates*******</td>
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</tr>
<tr>
<td>Santo's Isle********</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tarpon Village***********</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>aka Sunrise Place</td>
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<tr>
<td>Transfiguration Manor*******</td>
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<td></td>
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<tr>
<td>Viridian (Columbian)</td>
<td>188</td>
<td>185</td>
<td>185</td>
<td>100%</td>
<td>98%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

* Alta Largo is required to have a minimum of 20% Very Low Income Adjusted to Family Size.
** Ashley Place reports Annually (September)
*** Boardwalk reports Annually (September)
**** Cypress Pointe reports Annually (September)
***** HEP West (December) and only required to have 28 certified units
****** Magnolia Court reports Annually (December)
******* Oak Ridge Estates reports Annually (March) and only required to have 8 certified units
******** Santo's Isle reports Annually (June)
********* Tarpon Village reports Annually (September)
********** Transfiguration Manor reports Annually (June) and only required to have 5 certified units
TO: Casey Cane, Chairman 
And Members of the Housing Finance Authority

FROM: Karmen Lemberg, Director of Homeownership Programs and Operations

SUBJECT: Single Family Program Update

DATE: December 6, 2017

Below are the numbers for the continuous lending program 2016B as of November 27, 2017

<table>
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<th>Stage</th>
<th>August</th>
<th># of Loans</th>
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<tr>
<td>Sold in TBA Program</td>
<td>$4,089,587</td>
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<tr>
<td>Held by Trustee</td>
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<tr>
<td>Pooled</td>
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<td>0</td>
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<tr>
<td>Purchased by Servicer</td>
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<td>2</td>
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<td>eHP Compliance</td>
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<tr>
<td>Reserved</td>
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<td>0</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$4,586,395</strong></td>
<td><strong>26</strong></td>
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</table>

The numbers for the program remain the same as November. The loans have been moving through compliance and we have one left in the compliance stage. We anticipate making some changes to the program at the end of December or beginning of January. At that time, we will be adjusting the amount of the assistance and will review the rate as well.

We currently have 18 Lenders in the program. Three more have been approved and once they finish training they will be added to the list.

The December radio show, about home warranties and home inspections, airs December 7th at 10:35 am on WRXB 96.5 FM and 1590 AM. You can view this show and past shows by visiting the link, No Place Like Home, on our home page.
HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY

Credit Underwriting Report

Tax-Exempt Multifamily Mortgage Revenue Bonds ("MMRB" or "Bonds")

Oceanside Estates

Section A: Report Summary
Section B: MMRB Loan Conditions
Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

FINAL REPORT

December 5, 2017
# Oceanside Estates

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section A</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Summary</td>
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</tr>
<tr>
<td>Recommendation</td>
<td>A1-A7</td>
</tr>
<tr>
<td>Overview</td>
<td>A8-A11</td>
</tr>
<tr>
<td>Use of Funds</td>
<td>A12-A17</td>
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<td>Operating Pro Forma</td>
<td>A18-A19</td>
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<td>MMRB Loan Conditions</td>
<td>B1-B4</td>
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<tr>
<td>Supporting Information &amp; Schedules</td>
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<tr>
<td>Additional Development &amp; Third Party Information</td>
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<td>C6-C11</td>
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<td>C15</td>
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<td>15 Year Pro Forma</td>
<td>Exhibit 1</td>
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<tr>
<td>50% Test</td>
<td>Exhibit 2</td>
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</table>

December 5, 2017
Section A

Report Summary
Recommendation

First Housing Development Corporation (“First Housing” or “FHDC”) recommends Multifamily Mortgage Revenue Tax-Exempt Bonds in the amount of $11,000,000, to finance the acquisition/rehabilitation of Oceanside Estates (“Development”).

<table>
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<th>DEVELOPMENT &amp; SET-ASIDES</th>
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<td>Development Name:</td>
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<tr>
<td>Address:</td>
</tr>
<tr>
<td>City:</td>
</tr>
<tr>
<td>Zip Code:</td>
</tr>
<tr>
<td>County:</td>
</tr>
<tr>
<td>County Size:</td>
</tr>
<tr>
<td>Development Category:</td>
</tr>
<tr>
<td>Development Type:</td>
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<tr>
<td>Construction Type:</td>
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</table>

Demographic Commitment:
Primary: Elderly: 55+ or 62+ for 100% of the Units

Pinellas County, Tampa-St. Petersburg-Clearwater MSA

<table>
<thead>
<tr>
<th>Bed Rooms</th>
<th>Bath Rooms</th>
<th>Units</th>
<th>Square Feet</th>
<th>AMI%</th>
<th>Low HOME Rents</th>
<th>High HOME Rents</th>
<th>Gross HC Rent</th>
<th>Utility Allow.</th>
<th>Net Restricted Rents</th>
<th>PBRA Contr Rents</th>
<th>Applicant Rents</th>
<th>Appraiser Rents</th>
<th>CU Rents</th>
<th>Annual Rental Income</th>
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<tbody>
<tr>
<td>1</td>
<td>1.0</td>
<td>104</td>
<td>667</td>
<td>60%</td>
<td>$673</td>
<td>$86</td>
<td>$587</td>
<td>$587</td>
<td>$797</td>
<td>$1,025</td>
<td>$1,025</td>
<td>$1,025</td>
<td>$1,025</td>
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<tr>
<td>104</td>
<td></td>
<td>69,368</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,279,200</td>
</tr>
</tbody>
</table>

Notes:

1. CU Rents are those “as renovated” rents based on a Rent Comparability Study (“RCS”) completed by Novogradac & Company, effectively dated May 4, 2017. The study concluded that the “as renovated” rents would be $1,025 for the one-bedroom units.

2. The utility allowances utilized in the above chart reflect those allowances allowed within the current HUD HAP Contract.

3. Verification that the RCS rents are approved by HUD is a condition to disbursement of the funds.
Absorption Rate: 25 units per month for 4.2 months.

Occupancy Rate at Stabilization: 96%  
Economic Occupancy: 95%

Occupancy Comments: 98% Occupied as of October 25, 2017

DDA: Yes  
QCT: No  
Multi-Phase Boost: No  
QAP Boost: No

Site Acreage: 4.12  
Density: 25.2  
Flood Zone Designation: X

Zoning: RPUD (Residential Planned Unit Development)  
Flood Insurance Required?: No

### DEVELOPMENT TEAM

<table>
<thead>
<tr>
<th>Role</th>
<th>Name/Company</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant/Borrower</td>
<td>Oceanside Housing Partners, LP</td>
<td></td>
</tr>
<tr>
<td>General Partner</td>
<td>AOF Oceanside Affordable Housing Corp.</td>
<td>0.001%</td>
</tr>
<tr>
<td>Limited Partner</td>
<td>Raymond James Tax Credit Funds, Inc. (&quot;RJTCF&quot;)</td>
<td>99.99%</td>
</tr>
<tr>
<td>Special LP</td>
<td>Oceanside Housing Management, LLC</td>
<td>0.0090%</td>
</tr>
<tr>
<td>Bond Purchaser</td>
<td>RBC Capital Markets, LLC (&quot;RBC&quot;)</td>
<td></td>
</tr>
<tr>
<td>Developer</td>
<td>Vitus Group</td>
<td></td>
</tr>
<tr>
<td>Principal 1</td>
<td>Stephen R. Whyte</td>
<td></td>
</tr>
<tr>
<td>General Contractor 1</td>
<td>Sauer Incorporated (&quot;Sauer&quot;)</td>
<td></td>
</tr>
<tr>
<td>Management Company</td>
<td>Arco Management Corp. (&quot;Arco&quot;)</td>
<td></td>
</tr>
<tr>
<td>Syndicator</td>
<td>RJTCF</td>
<td></td>
</tr>
<tr>
<td>Bond Issuer</td>
<td>Housing Finance Authority of Pinellas County (&quot;HFAPC&quot;)</td>
<td></td>
</tr>
<tr>
<td>Architect</td>
<td>Architectonics Studio, Inc.</td>
<td></td>
</tr>
<tr>
<td>Market Study Provider</td>
<td>Colliers International (&quot;Colliers&quot;)</td>
<td></td>
</tr>
<tr>
<td>Appraiser</td>
<td>Novogradac &amp; Company LLP (&quot;Novogradac&quot;)</td>
<td></td>
</tr>
</tbody>
</table>

HFAPF will require a Fee Guaranty and First Housing recommends the following guarantors: Oceanside Housing Partners, LP, AOF Oceanside Affordable Housing Corp., Oceanside Housing Management, LLC, Vitus Group IV, LLC, Vitus Group, LLC, and Stephen R. Whyte.
### PERMANENT FINANCING INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>1st Source</th>
<th>2nd Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lien Position</strong></td>
<td>First</td>
<td>Second</td>
</tr>
<tr>
<td><strong>Lender/Grantor</strong></td>
<td>Hunt Mortgage Group &quot;Hunt&quot;/FHA</td>
<td>Land Assembly Program Funds/HFAPC</td>
</tr>
<tr>
<td><strong>Amount</strong></td>
<td>$11,375,000</td>
<td>$1,600,000</td>
</tr>
<tr>
<td><strong>Underwritten Interest Rate</strong></td>
<td>3.74%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>All In Interest Rate</strong></td>
<td>3.74%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Loan Term</strong></td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td><strong>Market Rate/Market Financing LTV</strong></td>
<td>81%</td>
<td>93%</td>
</tr>
<tr>
<td><strong>Restricted Market Financing LTV</strong></td>
<td>228%</td>
<td>260%</td>
</tr>
<tr>
<td><strong>Loan to Cost - Cumulative</strong></td>
<td>54%</td>
<td>62%</td>
</tr>
<tr>
<td><strong>Debt Service Coverage</strong></td>
<td>1.18</td>
<td>1.18</td>
</tr>
<tr>
<td><strong>Operating Deficit Reserve</strong></td>
<td>$370,000</td>
<td></td>
</tr>
<tr>
<td><strong># of Months covered by the Reserves</strong></td>
<td>8.30</td>
<td></td>
</tr>
</tbody>
</table>

Deferred Developer Fee $1,837,179  
As-Is Land Value $1,600,000  
As-Is Value (Land & Building) $11,000,000  
Market Rent/Market Financing Stabilized Value $14,000,000  
Rent Restricted Market Financing Stabilized Value $5,000,000  
Projected Net Operating Income (NOI) - Year 1 $687,550  
Projected Net Operating Income (NOI) - Year 15 $820,409  
Year 15 Pro Forma Income Escalation Rate 2.00%  
Year 15 Pro Forma Expense Escalation Rate 3.00%  
Bond Structure Public Offering  
Housing Credit (HC) Syndication Price $0.97  
HC Annual Allocation - Equity Letter of Interest $634,135

### CONSTRUCTION/PERMANENT SOURCES:

<table>
<thead>
<tr>
<th>Source</th>
<th>Lender</th>
<th>Construction</th>
<th>Permanent</th>
<th>Perm Loan/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>Hunt/FHA</td>
<td>$11,375,000</td>
<td>$11,375,000</td>
<td>$109,375</td>
</tr>
<tr>
<td>Land Assembly Program</td>
<td>HFAPC</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>$15,385</td>
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<tr>
<td>Housing Credit Equity</td>
<td>RJTCF</td>
<td>$4,858,890</td>
<td>$6,150,494</td>
<td>$59,139</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>Vitus Group</td>
<td>$2,758,783</td>
<td>$1,837,179</td>
<td>$17,665</td>
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<tr>
<td>Deferred Reserves</td>
<td>N/A</td>
<td>$370,000</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>$20,962,673</td>
<td>$20,962,673</td>
<td>$201,564</td>
</tr>
</tbody>
</table>

Oceanside Estates  
December 5, 2017
Strengths:

1. The Principals, Developer, and Management Company are experienced in affordable multifamily housing.

2. The Principals have sufficient experience and substantial financial resources to renovate and operate the proposed Development.

3. The scope of renovations will enhance the Development to continue to compete with new and/or existing affordable housing rental stock in the primary market area.

Waiver Requests/Special Conditions:

None

Additional Information:

1. The rehabilitation of the Development will include improvements to the general site such as replacement of damaged walks, repair and restriping of asphalt, and landscaping. Building exterior upgrades will include masonry repairs and painting. The interior renovation will include accessibility upgrades, installation of new energy efficient appliances, upgrades to elevators, new cabinets and counter tops, flooring replacement in units and common areas, and the installation of new low flow plumbing fixtures. The rehabilitation will be completed without long term temporary (greater than thirty days) or permanent relocation of the residents.

2. The HFAPC tax-exempt MMRB will be cash collateralized and repaid at the completion of rehabilitation when the development is placed-in-service. The term of the Bonds is twenty-four (24) months from issuance. HFAPC is not involved in the permanent first mortgage loan which will be provided by Hunt via the Federal Housing Administration (“FHA”) and guaranteed as to timely payment of principal and interest due under Government National Mortgage Association mortgage-backed (“GNMA”) securities.

3. The method of sale of the MMRB is via public offering with underwriting by RBC. The Bond proceeds will be held in the Project Fund until certain requirements set forth by bond counsel have been satisfied and the Applicant closes on the Hunt FHA mortgage, which is anticipated to occur in the beginning of 2018.
4. First Housing received a Final Buyer’s Statement (“Statement”), dated September 15, 2017, which indicates Oceanside Housing Partners, LP has purchased the Development for a contract sales price of $11,000,000. Based on the Statement, a portion of the funds came from a loan from Hunt Finance Company. First Housing received a Promissory Note, dated September 15, 2017, where Oceanside Housing Partners, LP, promises to pay Hunt Finance Company, LLC the principal sum of $8,800,000. This loan will be repaid at the FHA closing and bond disbursement.

5. The Applicant will be utilizing the Affordable Housing Land Assembly Program fund (which is offered on behalf of HFAPC) for the land acquisition. The land portion of the property will be subject to a long-term ground lease for 99 years. At the end of the 99 years, the Applicant will have the option to renew the ground lease for an additional 99 years.

6. Based on the Site Plan, the Development currently has 89 parking spaces (including 23 accessibility spaces), the parking lot will be re-striped to include a total of 105 parking spaces (including 8 accessibility spaces).

Other Considerations:

1. Disbursement of bond funds is conditioned upon HUD’s approval of the RCS rents, confirmation of ad valorem tax exemption, and HUD’s approval of the ground lease.

Issues and Concerns:

Pursuant to Florida Housing Finance Corporation’s (“Florida Housing or “FHFC”) Rule 67-21, unless the Credit Underwriter determines that mitigating factors exist, or that underwriting conditions can be imposed, sufficient to mitigate or offset the risk, the existence of the following shall result in a negative recommendation of the proposed Development by the Credit Underwriter: Considering all affordable housing developments in which any party named above has been involved, if: a) During the period prior to August 1, 2010, 5 percent or more of that party’s developments 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, or b) During the period beginning on or after August 1, 2010, any of that party’s developments 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 is uncured at the present or, if cured, remained uncured for a period of 60 days or more.
First Housing reviewed a Statement of Financial/Credit Affairs for Vitus Group, LLC and Stephen R. Whyte, individually. Both were executed by Stephen R. Whyte on November 20, 2017. The statements indicate that Vitus Group, LLC and Stephen R. Whyte have had a loan restructured by lender due to a negative cash flow or similar problem, have been involved in loan workouts, and have had principal or interest payments deferred. The statement however states that there are no loans that are currently in arrears for principal, interest, taxes or insurance.

Mitigating Factors:

First Housing has considered mitigating factors, which allows for a positive recommendation even though there were material defaults since the review did not meet the above criteria of the Rule. We believe it is important to note that these events were predicated on financial stresses and reduced vacancy levels that started occurring prior to 2010 and were primarily the result of the recession of 2007.

Stephen R. Whyte has funded approximately $12.8 million to support these deals as further detailed in the Applicant section of this report. As far as we are aware, there are no other arrearages or material defaults outstanding at this time. The current Vitus Group portfolio represents total estimated property values of $1,003,585,317. These developments are supported with $820,028,255 in first mortgage and subordinate mortgage debt. This amount represents an approximate 82% loan to value ratio for the total portfolio. According to Vitus Group the combined portfolio has an average 96% occupancy rate and provides an average overall senior debt service coverage (“DSC”) of 1.41. The expected annual cash flow to ownership is approximately $18,291,050 on NOI calculations from June 30, 2017.
Recommendation:

First Housing recommends Tax-Exempt MMRB in an amount not to exceed $11,000,000 to finance the acquisition/rehabilitation and permanent financing of the Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the MMRB Loan Conditions (Section B).

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

The reader is cautioned to refer to these sections for complete information.

Prepared by:

Stephanie Petty
Credit Underwriter

Reviewed by:

Ed Busansky
Senior Vice President
Overview

Construction Financing Sources:

<table>
<thead>
<tr>
<th>Construction Sources</th>
<th>Lender</th>
<th>Application</th>
<th>Revised Applicant</th>
<th>Underwriter</th>
<th>Construction Interest Rate</th>
<th>Annual Construction Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>Hunt/FHA</td>
<td>$11,375,000</td>
<td>$11,375,000</td>
<td>$11,375,000</td>
<td>3.74%</td>
<td>$425,425</td>
</tr>
<tr>
<td>Land Assembly Program</td>
<td>HFAPC</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>Housing Credit Equity</td>
<td>RJTCF</td>
<td>$6,169,403</td>
<td>$4,858,890</td>
<td>$4,858,890</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>Vitus Group</td>
<td>$1,722,894</td>
<td>$2,918,393</td>
<td>$2,758,783</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Capitalized Interest Paid from Operations</td>
<td>Input</td>
<td>$31,329</td>
<td>$0</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Deferred Reserves</td>
<td>Input</td>
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<td>$474,000</td>
<td>$370,000</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Total</td>
<td></td>
<td>$20,898,626</td>
<td>$21,226,283</td>
<td>$20,962,673</td>
<td>$425,425</td>
<td></td>
</tr>
</tbody>
</table>

Tax-Exempt Bonds:

The Applicant has requested $11,000,000 in tax-exempt bonds to be issued by HFAPC for the acquisition and rehabilitation of the Development. First Housing reviewed Proposed Terms from RBC, dated November 16, 2017, where RBC anticipates to purchase up to $11,280,000 (First Housing estimates a final bond amount of $11,000,000) in tax-exempt short term cash collateralized bonds (“Construction Bonds”). The Construction Bonds will be issued and remain outstanding until project completion and all units have been placed in service. The Construction Bonds will be secured by cash collateral and/or eligible investments on deposit in the Trust Indenture sufficient to fully pay principal and interest on the bonds through the mandatory tender date or maturity date, as applicable. The cash collateral account will be funded from proceeds from the Hunt permanent loan. The Construction Bonds are expected to have a term of 24 months. Based on the current market conditions, RBC estimates the interest rate will be approximately 1.95% (per an email, dated November 30, 2017). The method of sale of the MMRB is via public offering with underwriting by RBC. The MMRB will be issued as fully registered bonds in book entry form and will be issued in denominations of $5,000 or any integral multiple thereof. The bonds will be fully drawn at closing and will be held in the Project Fund until certain requirements set forth by bond counsel have been satisfied and the Applicant closes on the Hunt FHA mortgage.

First Mortgage:

First Housing reviewed an Engagement Application, dated June 22, 2017, from Hunt. The construction/permanent first mortgage is anticipated to be in the amount up to $12,000,000;
however the maximum loan will be the lesser of: Applicant’s request, 90% loan-to-value, FHA statutory loan limit, 1.11 Debt Service Coverage Ratio (“DSCR”), or 90% of acquisition cost. The term will be the lesser of thirty-five (35) years or 75% of the remaining economic life, amortization to begin at closing. Based on an email dated, November 20, 2017, Hunt estimates an interest rate of 3.49%, inclusive of Mortgage Insurance Premium (“MIP”). The interest is calculated based upon the estimated interest rate of 3.24%, plus a MIP of 0.25%, and a 0.25% credit underwriting cushion, for an “all-in” interest rate of 3.74%. Since this is an acquisition and rehabilitation, with tenants in place, monthly payments of principal, interest, and MIP will be required. The HFAPC issued bonds will be in a second mortgage position during the construction period behind the FHA first mortgage.

Land Assembly Program:

First Housing has reviewed a Letter, dated August 23, 2017, from Housing Finance Authority of Pinellas County, which indicates the Development has been determined to be eligible for a tentative reservation of Land Assembly Program funds in an amount up to $1,600,000. By utilizing the Affordable Housing Land Assembly Program funds for the land acquisition, the land portion of the property will be subject to a long-term ground lease of 99 years, with an annual lease fee of $16,162.

Housing Credit Equity:

First Housing has reviewed an Agreement, dated November 30, 2017, indicating RJTCF will acquire a 99.99% ownership interest in the Applicant. Based on the Agreement, the annual HC allocation is estimated to be in the amount of $634,135, based upon a syndication rate of $0.97 per dollar. RJTCF anticipates a net capital contribution of $6,150,494 and has committed to make available $1,722,138 or 28.00% of the total net equity at closing. A total of $4,858,890 will be available during the construction period.

Deferred Reserves:

The Syndicator is requiring an Operating Reserve in the amount of $370,000 which will be funded from the stabilization capital contribution.

Deferred Developer Fee:

During construction, the Developer will be required to defer $2,758,783 or 98.3% of the total Developer Fee of $2,806,577.
Permanent Financing Sources:

<table>
<thead>
<tr>
<th>Permanent Sources</th>
<th>Lender</th>
<th>Application</th>
<th>Revised Applicant</th>
<th>Underwriter</th>
<th>Term Yrs.</th>
<th>Amort. Yrs.</th>
<th>Interest Rate</th>
<th>Annual Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>Hunt/FHA</td>
<td>$11,375,000</td>
<td>$11,375,000</td>
<td>$11,375,000</td>
<td>35</td>
<td>35</td>
<td>3.74%</td>
<td>$593,286</td>
</tr>
<tr>
<td>Land Assembly Program</td>
<td>HFAPC</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>Housing Credit Equity</td>
<td>RJTCF</td>
<td>$6,169,403</td>
<td>$6,150,494</td>
<td>$6,150,494</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>Vitus Group</td>
<td>$1,722,893</td>
<td>$1,976,193</td>
<td>$1,837,179</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Capitalized Interest Paid from Operations</td>
<td>N/A</td>
<td>$31,329</td>
<td>$0</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Total</td>
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<td>$21,101,687</td>
<td>$20,962,673</td>
<td></td>
<td></td>
<td></td>
<td>$593,286</td>
</tr>
</tbody>
</table>

First Mortgage:

First Housing reviewed an Engagement Application, dated June 22, 2017, from Hunt. The construction/permanent first mortgage is anticipated to be in the amount of $12,000,000; however the maximum loan will be the lesser of: Applicant’s request, 90% loan-to-value, FHA statutory loan limit, 1.11 Debt Service Coverage Ratio (“DSCR”), 90% of acquisition cost. The term will be the lesser of thirty-five (35) years or 75% of the remaining economic life, amortization to begin at closing. Based on an email dated, November 20, 2017, Hunt estimates an interest rate of 3.49%, inclusive of Mortgage Insurance Premium (“MIP”). The interest is calculated based upon the estimated interest rate of 3.24%, plus a MIP of 0.25%, and a 0.25% credit underwriting cushion, for an “all-in” interest rate of 3.74%. Since this is an acquisition and rehabilitation, with tenants in place, monthly payments of principal, interest, and MIP will be required. The HFAPC issued bonds will be in a second mortgage position during the construction period behind the FHA first mortgage.

Land Assembly Program:

First Housing has reviewed a Letter, dated August 23, 2017, from Housing Finance Authority of Pinellas County, which indicates the Development has been determined to be eligible for a tentative reservation of Land Assembly Program funds in an amount up to $1,600,000. By utilizing the Affordable Housing Land Assembly Program funds for the land acquisition, the land portion of the property will be subject to a long-term ground lease of 99 years, with an annual lease fee of $16,162.

Housing Credit Equity:
The Applicant has applied to Florida Housing to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax-exempt financing.

Based on an Agreement, dated November 30, 2017, RJTCF or its designee will provide HC equity as follows:

<table>
<thead>
<tr>
<th>Capital Contributions</th>
<th>Amount</th>
<th>Percentage of Total</th>
<th>When Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Installment</td>
<td>$1,722,138</td>
<td>28.00%</td>
<td>Closing</td>
</tr>
<tr>
<td>2nd Installment</td>
<td>$1,722,138</td>
<td>28.00%</td>
<td>50% Construction Completion</td>
</tr>
<tr>
<td>3rd Installment</td>
<td>$1,414,614</td>
<td>23.00%</td>
<td>75% Construction Completion</td>
</tr>
<tr>
<td>4th Installment</td>
<td>$1,041,604</td>
<td>16.94%</td>
<td>Stabilization</td>
</tr>
<tr>
<td>5th Installment</td>
<td>$250,000</td>
<td>4.06%</td>
<td>Receipt of 8609's</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,150,494</strong></td>
<td><strong>100.00%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Annual Credit Per Syndication Agreement  \[ $634,135 \]

Calculated HC Exchange Rate  \[ $0.97 \]

Limited Partner Ownership Percentage  \[ 99.99\% \]

Proceeds Available During Construction  \[ $4,858,890 \]

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent phase, the Developer is required to defer $1,837,179 or 65.46% of the total Developer Fee of $2,806,577.
Uses of Funds

<table>
<thead>
<tr>
<th>CONSTRUCTION COSTS:</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab of Existing Rental Units</td>
<td>$3,224,000</td>
<td>$3,224,000</td>
<td>$3,224,000</td>
<td>$31,000</td>
</tr>
<tr>
<td>Constr. Contr. Costs subject to GC Fee</td>
<td>$3,224,000</td>
<td>$3,224,000</td>
<td>$3,224,000</td>
<td>$31,000</td>
</tr>
<tr>
<td>General Conditions</td>
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<td>$451,360</td>
<td>$451,360</td>
<td>$4,340</td>
</tr>
<tr>
<td>Total Construction Contract/Costs</td>
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<td>$3,675,360</td>
<td>$3,675,360</td>
<td>$35,340</td>
</tr>
<tr>
<td>Hard Cost Contingency</td>
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<td>$367,536</td>
<td>$367,536</td>
<td>$3,534</td>
</tr>
<tr>
<td>PnP Bond paid outside Constr. Contr.</td>
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<td>$36,754</td>
<td>$36,754</td>
<td>$353</td>
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<tr>
<td><strong>Total Construction Costs:</strong></td>
<td>$4,129,650</td>
<td>$4,079,650</td>
<td>$4,079,650</td>
<td>$39,227</td>
</tr>
</tbody>
</table>

Notes to the Total Construction Costs:

1. The Applicant has indicated that the General Contractor will be Sauer Incorporated. A GC Contract has not been executed at this time, an executed GC Contract is a condition prior to disbursement of Bond funds from the Project Fund.

2. The project General Contractor fee is within the maximum 14% of hard costs allowed. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process.

3. Hard Cost Contingency is estimated at 10% of the total construction costs, which is within the allowable 15% of total hard costs per FHFC’s Rule for rehabilitation developments.
## GENERAL DEVELOPMENT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Fees</td>
<td>$35,000</td>
<td>$35,000</td>
<td>$35,000</td>
<td>$337</td>
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<tr>
<td>Appraisal</td>
<td>$7,500</td>
<td>$7,500</td>
<td>$7,500</td>
<td>$72</td>
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<tr>
<td>Architect's Fee - Site/Building Design</td>
<td>$150,000</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$1,154</td>
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<tr>
<td>Architect's Fee - Supervision</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$30,000</td>
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<tr>
<td>Building Permits</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$481</td>
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<tr>
<td>Builder's Risk Insurance</td>
<td>$36,753</td>
<td>$36,754</td>
<td>$36,754</td>
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<tr>
<td>Capital Needs Assessment/Rehab</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$2,390</td>
<td>$23</td>
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<tr>
<td>Environmental Report</td>
<td>$20,000</td>
<td>$45,000</td>
<td>$45,000</td>
<td>$433</td>
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<tr>
<td>FHFC Administrative Fees</td>
<td>$57,248</td>
<td>$57,005</td>
<td>$57,005</td>
<td>$548</td>
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<tr>
<td>FHFC Application Fee</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>FHFC Credit Underwriting Fee</td>
<td>$40,000</td>
<td>$0</td>
<td>$11,883</td>
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<td>FHFC Compliance Fee</td>
<td>$105,066</td>
<td>$105,066</td>
<td>$108,781</td>
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<td>Lender Inspection Fees / Const Admin</td>
<td>$68,754</td>
<td>$68,754</td>
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<td>Insurance</td>
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<td>$74,149</td>
<td>$74,149</td>
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<td>Legal Fees - Organizational Costs</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$200,000</td>
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<tr>
<td>Market Study</td>
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<td>$0</td>
<td>$3,500</td>
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<tr>
<td>Plan and Cost Review Analysis</td>
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<td>$0</td>
<td>$2,070</td>
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<tr>
<td>Survey</td>
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<td>$10,000</td>
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<td>Tenant Relocation Costs</td>
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<td>$52,000</td>
<td>$52,000</td>
<td>$500</td>
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<tr>
<td>Title Insurance and Recording Fees</td>
<td>$218,630</td>
<td>$218,630</td>
<td>$218,630</td>
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<td>Soft Cost Contingency</td>
<td>$25,000</td>
<td>$50,000</td>
<td>$56,970</td>
<td>$548</td>
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<tr>
<td>Other: Rent Comp Study</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$29</td>
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<tr>
<td><strong>Total General Development Costs:</strong></td>
<td><strong>$1,161,100</strong></td>
<td><strong>$1,170,858</strong></td>
<td><strong>$1,196,386</strong></td>
<td><strong>$11,504</strong></td>
</tr>
</tbody>
</table>

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.

2. First Housing has utilized actual costs for: FHFC Credit Underwriting, Capital Needs Assessment, Market Study, and Plan and Cost Review.

3. Lender Inspections Fees of $68,754 includes a HUD Inspection Fee of $36,754 and in lender inspection fees of $32,000.

4. The FHFC Administrative Fee is based on 9% of the expected annual HC allocation of $634,135. This amount is subject to change based on credit underwriting for FHFC.

5. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the contingency, as allowed by FHFC’s Rule for acquisition/rehabilitation developments.
### Financial Costs:

<table>
<thead>
<tr>
<th></th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Loan Application Fee</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
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<tr>
<td>Permanent Loan Origination Fee</td>
<td>$151,313</td>
<td>$151,313</td>
<td>$151,313</td>
<td>$1,455</td>
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<tr>
<td>Permanent Loan Closing Costs</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$1,154</td>
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<tr>
<td>Local HFA Application Bond Fee</td>
<td>$0</td>
<td>$0</td>
<td>$22,000</td>
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<tr>
<td>Local HFA Bond Underwriting Fee</td>
<td>$40,000</td>
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<td>Local HFA Bond Trustee Fee</td>
<td>$10,000</td>
<td>$22,900</td>
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<tr>
<td>Local HFA Bond Cost of Issuance</td>
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<td>$232,750</td>
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<tr>
<td>Local HFA Bond Closing Costs</td>
<td>$0</td>
<td>$0</td>
<td>$121,000</td>
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<tr>
<td>Local HFA Bond Interest</td>
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<td>$0</td>
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<tr>
<td>Local HFA Legal - Bond Counsel</td>
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<td>$100,000</td>
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<td>$587</td>
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<td>Local HFA Legal - Issuer's Counsel</td>
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<td>$36,000</td>
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<tr>
<td>Local HFA Legal - U/W's Counsel</td>
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<td>$20,000</td>
<td>$192</td>
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<tr>
<td>Misc Loan Interest</td>
<td>$31,981</td>
<td>$31,981</td>
<td>$31,981</td>
<td>$308</td>
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<tr>
<td>Negative Arbitrage</td>
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<td>$41,250</td>
<td>$41,250</td>
<td>$397</td>
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<tr>
<td>Placement Agent/Underwriter Fee</td>
<td>$70,866</td>
<td>$68,530</td>
<td>$69,960</td>
<td>$673</td>
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<td>FHA MIP (Prepayment)</td>
<td>$28,438</td>
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<td>$28,438</td>
<td>$273</td>
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<tr>
<td>FHA Exam Fee</td>
<td>$34,125</td>
<td>$34,125</td>
<td>$34,125</td>
<td>$328</td>
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<tr>
<td>Other: Equity Underwriter/Due Diligence</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$33,000</td>
<td>$337</td>
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<tr>
<td>Other: Closing Prorations</td>
<td>$10,400</td>
<td>$10,400</td>
<td>$10,400</td>
<td>$100</td>
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<tr>
<td><strong>Total Financial Costs:</strong></td>
<td><strong>$969,015</strong></td>
<td><strong>$968,786</strong></td>
<td><strong>$916,060</strong></td>
<td><strong>$8,808</strong></td>
</tr>
<tr>
<td><strong>Dev. Costs before Acq., Dev. Fee &amp; Reserves</strong></td>
<td><strong>$6,259,765</strong></td>
<td><strong>$6,219,294</strong></td>
<td><strong>$6,192,096</strong></td>
<td><strong>$59,539</strong></td>
</tr>
</tbody>
</table>

Notes to the Financial Costs:

1. The Permanent Loan Origination Fee of $151,313 consists of an Origination Fee of 0.75% on the short-term acquisition loan in the amount $8,800,000 and an Origination Fee of 0.75% on the FHA loan in the amount of $11,375,000.

2. The FHA Application Bond Fee of $22,000 consists of an Application Fee of 0.01% on the total bond amount of $11,000,000 plus an Inducement Fee of 0.01% on the total bond amount of $11,000,000.

3. Based on the Application Procedures and Program Guidelines for Multi-Family Mortgage Revenue Bonds, First Housing estimates a Trustee Fee of $22,900 for the term of the Bonds.

4. The Bond Cost of Issuances of $91,500 consists of an Annual Administration Fee of 0.25% per annum (for 2 years), a Disclosure Reporting Service Fee of $5,000 and a Compliance Monitoring Fee of $31,500.
5. Bond Closing Costs of $121,000 consists of a Bond Closing Fee of 0.01% on the total bond amount of $11,000,000 and a Short-Term Bond Issue Closing Fee of 1.0% of the total bond amount of $11,000,000.

6. The Bond Counsel Fee is equal to $50,000 for up to $10 million in the tax-exempt bonds issued plus 0.10% of the amount of bonds issued over $10 million for a total of $61,000.

7. The Issuer’s Counsel Fee of $36,000 consists of the Issuer’s Counsel Fee payable at closing of $22,500 and an Issuer Financial Advisor Fee of 0.15% of the first $5 million and 0.10% in excess of $5 million for its services.

8. The Bonds will have an estimated interest rate of 1.95%, however, the collateral securing the Bonds will be reinvested at the same rate as the bonds so there will be almost no capitalized interest required. The Applicant included $41,250 in Negative Arbitrage which First Housing found acceptable and was in line with RBC estimates.

9. RBC’s underwriting fee of $69,960 is based on 0.636% of the total bond amount of $11,000,000.

10. Based on the RJ TCF Agreement, dated November 30, 2017, the Applicant shall pay $35,000 for the costs associated with the due diligence process and preparation of Partnership documents and legal opinions.

11. The FHA MIP is based on 0.25% of the FHA loan in the amount of $11,375,000.

12. The FHA Exam Fee is based on 0.30% of the FHA loan in the amount of $11,375,000.

<table>
<thead>
<tr>
<th>NON-LAND ACQUISITION COSTS</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Acquisition Cost</td>
<td>$9,450,000</td>
<td>$9,400,000</td>
<td>$9,400,000</td>
<td>$90,385</td>
</tr>
<tr>
<td>Developer Fee on Non-Land Acq. Costs</td>
<td>0</td>
<td>0</td>
<td>$1,692,000</td>
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</tr>
<tr>
<td>Other: Brokerage Fees</td>
<td>$440,000</td>
<td>$440,000</td>
<td>$440,000</td>
<td>$4,231</td>
</tr>
<tr>
<td>Other: Extension Fees</td>
<td>0</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$481</td>
</tr>
<tr>
<td><strong>Total Non-Land Acquisition Costs:</strong></td>
<td><strong>$9,890,000</strong></td>
<td><strong>$9,890,000</strong></td>
<td><strong>$11,582,000</strong></td>
<td><strong>$111,365</strong></td>
</tr>
</tbody>
</table>

Notes to the Non-Land Acquisition Costs:

1. First Housing reviewed a Purchase and Sale Agreement between Oceanside Affordable Housing LLC ("Seller") and Vitus Development IV, LLC ("Buyer"), dated April 20, 2017 ("Effective Date"). The purchase price for the Development is $11,000,000 with a closing
date of on or before 120 day of the Effective Date. First Housing reviewed a First Amendment to Purchase and Sale Agreement, which extended the closing date to September 15, 2017, for an extension fee of $50,000.

2. First Housing reviewed an Assignment and Assumption of Purchase and Sale Agreement, dated June 19, 2017, between Oceanside Housing Partners, LP (“Assignee”) and Vitus Development IV, LLC (“Assignor”), where the Assignor transfers all rights and interests in the Purchase Agreement to the Assignee.

3. First Housing received a Final Buyer’s Statement which indicates the Buyer purchased the Development on September 15, 2017 for a contract sales price of $11,000,000.

4. The Development’s fee simple market value assuming current Section 8 encumbrances “As Is” as of November 28, 2017 is $11,000,000.

<table>
<thead>
<tr>
<th>DEVELOPER FEE ON NON-ACQUISITION COSTS</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Fee - Unapportioned</td>
<td>$2,674,861</td>
<td>$2,918,393</td>
<td>$1,114,577</td>
<td>$10,717</td>
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<tr>
<td>Total Other Development Costs:</td>
<td>$2,674,861</td>
<td>$2,918,393</td>
<td>$1,114,577</td>
<td>$10,717</td>
</tr>
</tbody>
</table>

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of total development cost before developer fee, operating deficit reserves and escrows.

<table>
<thead>
<tr>
<th>LAND ACQUISITION COSTS</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition Cost</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>$15,385</td>
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<tr>
<td>Total Acquisition Costs</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
<td>$15,385</td>
</tr>
</tbody>
</table>

Notes to Acquisition Costs:

1. Based a letter, dated August 23, 2017, HFAPC has determined that the Applicant is eligible for a tentative reservation of funds through the Affordable Housing Land Assembly Program. Funds in an amount up to $1,600,000 are being reserved for land acquisition to assist in the acquisition and rehabilitation of the Development.

2. The land acquisition cost is based on the Appraiser’s indicated “as is” land value of $1,600,000.
### Reserve Accounts

<table>
<thead>
<tr>
<th></th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Deficit Reserve (Syndicator)</td>
<td>$474,000</td>
<td>$370,000</td>
<td>$370,000</td>
<td>$3,558</td>
</tr>
<tr>
<td>Replacement Reserves (Syndicator)</td>
<td>$0</td>
<td>$104,000</td>
<td>$104,000</td>
<td>$1,000</td>
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<tr>
<td><strong>Total Reserve Accounts:</strong></td>
<td><strong>$474,000</strong></td>
<td><strong>$474,000</strong></td>
<td><strong>$474,000</strong></td>
<td><strong>$4,558</strong></td>
</tr>
</tbody>
</table>

**Notes to Reserve Accounts:**

1. The Syndicator is requiring the Operating Deficit Reserve (“ODR”) in the amount of $370,000 which will be funded from the stabilization capital contribution. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay HFAPC loan debt; if there is no HFAPC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding HFAPC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the FHFC Rule. Any and all terms and conditions of the ODR must be acceptable to HFAPC, its Servicer and its legal counsel.

2. The Syndicator is requiring a Replacement Reserve account be funded at or prior to stabilization contribution.

### Total Development Costs

<table>
<thead>
<tr>
<th></th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Development Costs:</strong></td>
<td><strong>$20,898,626</strong></td>
<td><strong>$21,101,687</strong></td>
<td><strong>$20,962,673</strong></td>
<td><strong>$201,564</strong></td>
</tr>
</tbody>
</table>

**Notes to Total Development Costs:**

1. The Total Development Costs have increased by $64,047 or 0.31%, from $20,898,626 to $20,962,673 since the Application.
### Operating Pro Forma – Oceanside Estates

<table>
<thead>
<tr>
<th>Financial Costs:</th>
<th>Year 1</th>
<th>Year 1 Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Pro Forma</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Potential Rental Income</td>
<td>$1,279,200</td>
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<tr>
<td>Other Income</td>
<td>$7,800</td>
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<tr>
<td>Ancillary Income</td>
<td>$1,287,000</td>
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<tr>
<td><strong>Less:</strong></td>
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<tr>
<td>Physical Vac. Loss Percentage: 4.00%</td>
<td>$51,480</td>
<td>$495</td>
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<tr>
<td>Collection Loss Percentage: 1.00%</td>
<td>$12,870</td>
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<tr>
<td><strong>Total Effective Gross Income</strong></td>
<td>$1,222,650</td>
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<td><strong>Fixed:</strong></td>
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<tr>
<td>Ground Lease</td>
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<td>Real Estate Taxes</td>
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<td>Insurance</td>
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<tr>
<td><strong>Variable:</strong></td>
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<tr>
<td>Management Fee Percentage: 5.00%</td>
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<td>General and Administrative</td>
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<td>Payroll Expenses</td>
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<td>Maintenance and Repairs/Pest Control</td>
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<tr>
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<td>Reserve for Replacements</td>
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<td><strong>Total Expenses</strong></td>
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<tr>
<td><strong>Net Operating Income</strong></td>
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<td><strong>Debt Service Payments</strong></td>
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<tr>
<td>First Mortgage - HUNT/FHA</td>
<td>$583,286</td>
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<td>Compliance Monitoring Fees - HFAPC</td>
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<tr>
<td><strong>Total Debt Service Payments</strong></td>
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<td><strong>Cash Flow after Debt Service</strong></td>
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<td><strong>Debt Service Coverage Ratios</strong></td>
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<tr>
<td>DSC - First Mortgage plus Fees</td>
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<tr>
<td>DSC - First Mortgage &amp; Compliance Monitoring Fee</td>
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<tr>
<td><strong>Financial Ratios</strong></td>
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<tr>
<td>Operating Expense Ratio</td>
<td>43.77%</td>
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</tr>
<tr>
<td>Break-even Economic Occupancy Ratio (all debt)</td>
<td>87.49%</td>
<td></td>
</tr>
</tbody>
</table>

**Notes to the Operating Pro Forma and Ratios:**

1. The MMRB program does not impose any rent restrictions. However, this Development will be utilizing Housing Credits in conjunction with the tax-exempt Bond financing which will impose rent restrictions. However, the rent levels are based on “as renovated” rents contained in the Rent Comparability Study minus the already HUD approved utility allowances. Below is the rent roll for the Development:
2. According to the historical financial statements, the Development has operated with an economic vacancy and collection loss of less than 2% and the Appraisal concluded to a Vacancy and Collection loss of 3%. However, First Housing estimated a Vacancy and Collection loss rate of 5.00%.

3. Other Income includes fees for late rent fees, damages and cleaning fees, and other miscellaneous fees. Total other income of $75 per unit/per year is supported by the appraisal.

4. The ground lease payment is estimated at $16,162/year for 99 years.

5. The Development will be exempt from Ad Valorem Taxes per proposed real estate counsel’s opinion letter.

6. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and the First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.

7. The Applicant has submitted a Management Agreement which reflects a management fee of 4% of gross collections and miscellaneous income. The Credit Underwriter has utilized an industry standard 5.0% management fee, which is supported by the appraisal.

8. The tenant is responsible for electric, cable, phone and internet. The landlord is responsible for water, sewer, trash expenses and pest control.

9. Replacement Reserves reflect $450 per unit per year as required by the Syndicator.

10. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses are increasing at an annual rate of 3%.
Section B

MMRB Loan Conditions
General Conditions:

The Tax-Exempt Bonds recommendation contained within this Credit Underwriting Report is contingent upon receipt and satisfactory review of the following items by the HFAPC or its Servicer prior to disbursement of Bond Funds from the Project Fund. Failure to submit and to receive approval of these items may result in postponement of disbursement.

1. Developer to successfully secure allocation of Housing Credits.

2. Receipt and satisfactory review of a Final Physical Needs Assessment.

3. Receipt and satisfactory review of a Final Plan and Cost Review ("PCR").

4. Receipt and satisfactory review of a Final Appraisal.

5. Receipt and satisfactory review of an executed GC Contract.

6. Confirmation that the Applicant will obtain an ad valorem tax exemption.

7. Confirmation of HUD’s approval of the ground lease and satisfactory review by First Housing and HFAPC.

8. Verification that the RCS rents are approved by HUD.

9. Receipt and satisfactory review Final "as permitted" (signed and sealed) site plans, building plans & specifications. Geotechnical report must be bound within the final plans and specifications, if applicable.

10. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant (GLE) and the Servicer.

11. Satisfactory receipt and review of updated financials for the Guarantors, the Developer, and General Contractor dated within 90 days of closing.

12. Signed and sealed survey, dated within 90 days of loan closing, unless otherwise approved by HFAPC, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Housing Finance Authority of Pinellas County, 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 HFAPC.

13. 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; requested by HFAPC and its legal counsel.

14. Borrower to comply with all recommendations noted in the PCR.

15. UCC Searches for the Borrower, its partnerships, as requested by counsel.

16. Any other reasonable conditions established by HFAPC and/or its Legal Counsel.

17. Updated Phase I and Reliance Letter within six months of closing.

18. During construction, the developer is only allowed to draw a maximum of 50% of the total developer fee but in no case more than the payable developer fee during construction/rehabilitation, which is determined to be "developer's overhead". No more than 35% of "developer's overhead" will be funded at closing. The remainder of the "developer's overhead" will be disbursed during construction on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by HFAPC and the Servicer. The remaining unpaid developer fee (if applicable) shall be considered attributable to "developer's profit", and may not be funded until the development has achieved 100% lien free completion, and only after retainage has been released.

19. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or a letter from the local permitting and approval authority stating 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.

20. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, 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.
21. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw must include appropriate backup and ACH wiring instructions.

22. If the development is not 100% lien-free completed, a 100% Payment and Performance Bond or a Letter of Credit (LOC) in an amount not less than 20% of the construction contract is required in order to secure the construction contract between the GC and the Borrower. In either case, HFAPC 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. HFAPC 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 include "evergreen" language and be in a form satisfactory to HFAPC, its Servicer and its Legal Counsel.

23. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay HFAPC loan debt; if there is no HFAPC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding HFAPC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the FHFC Rule. Any and all terms and conditions of the ODR must be acceptable to HFAPC, its Servicer and its legal counsel.

24. HFAPC and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. HFAPC shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.

25. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to HFAPC, FHDC, and HFAPC’s legal counsel.

26. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRB Loan in form and substance satisfactory to HFAPC and its Servicer, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security
agreement(s), and the Land Use Restriction Agreement(s) and/or Extended Land Use Agreement(s).

27. Replacement Reserves in the amount of $450 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee, HFAPC or the Servicer. An inflation Factor based upon the Consumer Price Index will be applied to the Replacement Reserve Deposit beginning in year 11, unless waived or reduced in the event the Obligor provides a Physical Needs Assessment prepared by an independent third party acceptable to HFAPC that evidences an increase in the Replacement Reserve Deposit is excessive or unnecessary.

28. Guarantors to provide the Standard Fee Guaranty.
Section C

Supporting Information & Schedules
Additional Development &
Third Party Supplemental Information

<table>
<thead>
<tr>
<th>Site Inspection:</th>
<th>First Housing plans to conduct a site inspection prior to December 31, 2017.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraised Value:</td>
<td>First Housing reviewed a draft appraisal of the Development, effectively dated November 28, 2017, prepared by Novogradac. The appraisal was performed for Hunt, the first mortgage lender and named First Housing Development Corporation as agent to Florida Housing Finance Corporation and Housing Finance Authority of Pinellas County as intended users. In order for a property to be at its highest and best use, it must be legally permissible, physically possible, financially feasible and maximally productive. Based on Novogradac’s analysis, the highest and best use of the property, as improved, is the existing use, as a HUD Section 8 development. The as is land value “as if vacant and unencumbered” is $1,600,000. The As Is value assuming current Section 8 Encumbrances is $11,000,000. The Hypothetical Market Value as Complete/Stabilized assuming Section 8 Rents is $14,000,000. The Hypothetical Restricted Value as Complete/Stabilized assuming LIHTC rents is $5,000,000. The Market Valuation was signed and certified by Brian Neukam. His Temporary Florida Real Estate Appraiser license number is RZ476 valid through December 31, 2018.</td>
</tr>
<tr>
<td>Market Study:</td>
<td>Colliers prepared a Market Study for Oceanside Estates, effectively dated November 15, 2017. The Development is a senior (62+) Multi-Family Low Income Housing Tax Credit (“LIHTC”) property totaling 104 units located on a 4.12-acre site at the 6700 102nd Avenue North in Pinellas Park, Florida. The Development was originally built in 1981 and are proposed to begin renovation in January 2018 with an estimated construction period of 12 months, or the completion of construction in January 2019. The work will be completed as a “rolling rehab’, where the property would be completed in phases while maintaining the current tenant base. Unit amenities include a basic appliance package (without microwave, garbage disposal, or dishwasher). The renovation will include new appliances, cabinets, sinks, fixtures and hardware packages, new flooring. All floorplans include walk-in closets,</td>
</tr>
</tbody>
</table>

Oceanside Estates

December 5, 2017
ceiling fans, and emergency pull cords. Common amenities include a leasing office, laundry facilities, clubroom, hobby room, elevators, and shuffleboard. The current picnic pavilion will be demolished and re-built.

The Development is accessed on the Southside of 102nd Avenue North. The Development has average frontage along the south side of 102nd Avenue North. The layout of the site and improvements provide for average exposure and visibility along the arterial. Overall, the Development site is considered a good residential site in terms of its location, exposure, and access to employment, education and shopping centers.

The Development is located in Pinellas Park, Pinellas County, which is within the Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area (“MSA”). As of September 2017, unemployment was 4.2% for the Nation, 3.8% in Florida, and 3.1% in Pinellas County.

The Primary Market Area (“PMA”) is defined as a 5-mile ring centered on the Development. The target market will include residents with an income below the average median and working in Pinellas County and neighboring counties. This area is within a region of planned future growth, transportation linkages, existing competitive multi-family developments and a population with similar characteristics that will demand the Development’s housing units. According to ESRI, the estimate 2017 population for the market area is 2266,102 residents. This represents a 0.95% annual increase since 2010 and a 1.12% annual increase over 2000. The projected population for 2022 is 277,162, which is an increase of 0.82% annually from the 2017 estimates. In the PMA, the estimated 2017 median household income is $43,533.

Based on Collier’s research, an estimated 33,965 qualified households currently reside within the PMA and an additional 4,313 qualified households will reside in the PMA in the future. Taking into account a renter ratio of 30.00% and a senior population ratio of 29.56%, the capture rate for this development is 3.48%, which indicates that there is adequate demand for additional low income housing units.
Please note the Development is an existing senior Section 8 apartment development, with an in-place occupancy of 98%, and a wait list of 60+ individuals, which further solidifies the property’s ability to attract and retain the predefined tenant base.

Colliers performed a search within the primary market area for Guarantee Funded properties. As of the effective date, there were no Guarantee Funded properties identified within Pinellas County.

There are 5 LIHTC properties within the PMA, which includes 1 senior LIHTC development. The newest comparable developments in the market are experiencing the highest occupancy rates, as they typically offer more modern units and better overall amenity packages. As such, the approval and subsequent construction of other new LIHTC communities in the market area may ultimately lead to the decline of existing rent-restricted properties by possibly lowering occupancy rates and/or net effective rents. Occupancy rates may temporarily decline periodically as the new product is brought on line, but overall the primary market area is reporting strong occupancy rates and the capture rate analysis exhibits adequate demand to absorb both the Development and any new development in the pipeline at this time. Thus, the long-term outlook is for conditions to remain strong.

The Development’s multifamily market has seen a moderate level of new multifamily development activity over the past 4-5 years due to benefits of the rebounding local and national economy. There is one currently proposed LIHTC development, Ranch at Pinellas Park, which is a proposed adult LIHTC apartment community with 25 units. The community will primarily be focused on persons with disabling conditions and the homeless. Although the development will serve a slightly different demographic set, Colliers has considered the development to be a direct competitor.

Within the PMA, the market supply has a weighted average occupancy of 95% and the restricted rent supply has a weighted average occupancy of 98%, and the senior restricted rent supply has a weighted average occupancy of 99%. The overall weighted average occupancy for the PMA was 95% which meets the Florida Housing
requirement that the submarket must have an average physical occupancy rate of 92.0% or greater.

Based on First Housing calculations, the Development’s achievable average market rents will be 148.59% greater than the Development’s average highest proposed LIHTC rents.

Environmental Report:

First Housing reviewed a Phase I Environmental Site Assessment ("ESA"), dated May 18, 2017, prepared by Partner Engineering and Science, Inc. ("Partner"). The ESA was completed in conformance with the scope and limitations of ASTM Standard Practice E 1527-13 and revealed that there is no evidence of recognized environmental conditions ("RECs") in connection with the property.

According to HUD Guidelines, a comprehensive building asbestos survey must be performed by a qualified asbestos inspector on building built before 1978. The Development was constructed in 1981, which is beyond HUD’s cutoff date for asbestos. An asbestos evaluation was not required by HUD; however, per the request of the Client, an asbestos survey by a licensed professional was conducted at the Development.

Based on the ESA, an Asbestos Operating and Maintenance ("O&M") Plan should be developed to manage the identified and suspect asbestos containing materials found at the subject property. The intent of the O&M Plan is to minimize the potential exposure of building occupants to airborne asbestos fibers. These materials will have to be properly abated prior to any renovation, repairs and/or demolition of the buildings, in accordance with the Asbestos Hazard Emergency Response Act (AHERA - 40 CFR Part 763), the National Emission Standards for Hazardous Air Pollutants (NESHAP - 40 CFR 61, Subpart M), and all applicable local and state regulations.

First Housing reviewed an Asbestos and Lead-Based Paint Survey Report, dated May 16, 2017, prepared by Partner. All painted and/or finished components were evaluated in all common areas and 25 of the total 104 units. Partner determined there is no lead-based paint at the Development at or above 1.0 mg/cm². Partners did confirm asbestos containing material ("ACM") at the Development.
Capital Needs Assessment: Receipt and satisfactory review of a final CNA is a condition to disbursement of Bond funds by the Trustee.

Plan and Cost Review: Receipt and satisfactory review of a final PCA is a condition to disbursement of Bond funds by the Trustee.
Oceanside Housing Partners, LP and AOF Oceanside Affordable Housing Corp are newly formed entities with no prior business or financial history. The Developer for the Development is Vitus Development IV, LLC. The experience and financial strength lies with Vitus Group, LLC and its sole member Stephen R. Whyte.
Contact
Person: Michael Volz
Project Manager
1700 Seventh Avenue
Suite 2000
Seattle, Washington 98101
(206) 832-1312 Telephone
(253) 973-7768 Mobile
michael.volz@vitus.com

Experience: Stephen R. Whyte is the founder and managing director of Vitus Group, LLC. He is a nationally recognized expert on affordable housing and a leader in the preservation and redevelopment of the nation’s existing affordable housing stock. Under his leadership, Vitus has developed and continues to own more than 100 affordable projects across America, housing over 20,000 residents. Mr. Whyte has spent more than 20 years at the forefront of complex transactions involving public and private partnerships, specialized funding sources, and multi-layered regulations.

Mr. Whyte, as President and CEO has more than 20 years’ experience and industry leadership in all facets of affordable housing development and finance. Mr. Whyte and Vitus have been named as the number 2 ranked Affordable Housing Finance Magazine’s list of top ten Companies completing substantial rehabilitations and the number 33 ranking in Affordable Housing Finance Magazine’s Top 50 Affordable Housing Owners.

The Vitus team has developed more than 100 properties with more than 10,000 units in 22 states across the nation. Vitus’ extensive experience and relationships within the housing and lending sector enable us to take oftentimes complicated financing models to create long-term community-driven solutions.

Credit Evaluation: AOF Oceanside Affordable Housing Corp., Oceanside Housing Management, LLC, and Vitus Development IV, LLC are all newly formed entities; therefore Dun and Bradstreet (“D&B”) Reports are not available. A D&B Report for Oceanside Housing Partners, LP was available; however, D&B has not received a sufficient amount of information to establish a PAYDEX score for this entity. A D&B Report for Vitus Group, LLC was not available. First Housing pulled a D&B Report on Vitus Group, Inc. back on April 26, 2017 which is owned by Vitus Group, LLC, and reflected a PAYDEX score of 80 for paying on time. First Housing received
and reviewed a satisfactory personal credit report for Stephen R. Whyte dated November 28, 2017.

Bank/Trade References:  
Bank and trade references for the Oceanside Housing Partners, LP, AOF Oceanside Affordable Housing Corp., Oceanside Housing Management, LLC and Vitus Development IV, LLC are not available. First Housing sent out Bank and Trade References for Vitus Group, LLC and Stephen R. Whyte. First Housing has received three satisfactory Trade Reference for Vitus Group, LLC and one satisfactory Bank Reference.

Financial Statements:  First Housing reviewed the following financial statements:

<table>
<thead>
<tr>
<th>Vitus Group, LLC and Subsidiaries</th>
<th></th>
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<tbody>
<tr>
<td>Consolidated Audited Financial Statements</td>
<td>December 31, 2016</td>
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<tr>
<td>Cash &amp; Equivalents</td>
<td>$13,549,250</td>
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<tr>
<td>Total Assets</td>
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<td>Total Liabilities</td>
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<td>Total Equity</td>
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<table>
<thead>
<tr>
<th>Stephen R. Whyte</th>
<th></th>
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<tr>
<td>Unaudited Personal Financial Statement</td>
<td>December 31, 2016</td>
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<tr>
<td>Cash &amp; Equivalents</td>
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<td>Total Assets</td>
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<td>Total Liabilities</td>
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<td>Total Equity</td>
<td>$217,546,840</td>
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Stephen R. Whyte provided a statement, dated November 21, 2017, certifying no material adverse change since the December 31, 2016 financial statements. In addition, First Housing received Stephen R. Whyte’s 2015 tax return and the 2016 extension.

First Housing reviewed a Statement of Financial/Credit Affairs for Vitus Group, LLC and for Stephen R. Whyte, individually. Both were executed by Stephen R. Whyte on August 17, 2017 and August 11, 2017, respectively. The statements indicate that Vitus Group, LLC and Stephen R. Whyte have had a loan restructured
by lender due to a negative cash flow or similar problem, have been involved in loan workouts, and have had principal or interest payments deferred. The statement however states that there are no loans that are currently in arrears for principal, interest, taxes or insurance.

The Applicant provided a description of delinquencies and defaults which more specifically identifies the aforementioned issues. There are five (5) properties where there have been loan defaults, and in one instance, a foreclosure. These properties are among the first properties that Vitus developed and were all developed during the period from 2001 to 2004.

Bella Vista Apartments is a 200 unit development in Arizona financed with Tax-Exempt Bonds, a HOME Loan, and 4% Housing Credits. Bella Vista is located in the hard hit Phoenix housing market where toughened immigration laws exacerbated ongoing vacancy issues and declining rents. In August 2010, the development defaulted on its debt. As managing owner of the General Partner, Vitus Group, LLC provided $1,279,864 in operating advances, whereas an unaffiliated co-general partner provided $0. A trustee’s sale was recorded on February 24, 2011.

Concord Crossing Apartments is a 190 unit development in Georgia financed with Tax-Exempt Bonds and 4% Housing Credits. Concord was refinanced in 2007 and in 2008 and 2009 rents declined significantly and vacancy increased. In April of 2010, prior to loan maturity, the lender accepted a $3.1 discounted payoff of its $9.5 million loan. A long term permanent loan from Freddie Mac (through CW Capital) closed on February 2, 2011. During its ownership of the development Vitus provided $2,848,218 in operating advances. In April of 2016, the property was sold to an unaffiliated third party including assignment of the debt. Vitus and its affiliated companies have no continuing ownership interest in the development.

Nora Pines is a 254 unit development in Indiana financed with Tax-Exempt Bonds and 4% Housing Credits. This property was declared in default in October, 2006. The default resulted from a soft submarket and resulting 40% vacancy at the project. A workout plan was entered into in May, 2007, between the borrower, its partners, and Fannie Mae. $500,000 in property improvements were made at the project and the workout plan was declared successful February, 2008. The loan has been kept current from December, 2006 through the present, however negative cash flow arising from low rents in the submarket continues. The project performance has improved in 2016 from an AHIC rating of D – MODERATE RISK to current AHIC rating of C-WEAK. As of the quarter ended 06/30/2016,
the project has improved from 80% physical occupancy to 93% physical occupancy. Since 2002, Vitus provided $5,662,374 in operating advances to Nora Pines, notwithstanding its nonrecourse permanent loan and maximum five year operating obligation with the equity investor.

Pheasant Ridge Apartments is a 264 unit development in Nebraska financed with Tax-Exempt Bonds and 4% Housing Credits. As a result of a soft rental market in Omaha in 2004 and 2005, the project generated insufficient cash flow to meet debt service obligations. A receiver for the project was appointed 2005. The project owner refinanced the existing debt through a new bond issuance that was credit enhanced by Freddie Mac (through PNC) in June, 2008. $1.2 million in unit upgrades were completed. The project has a current AHIC rating of A-Excellent. The asset is stable, but slightly underperforming original projections. As of the quarter ended 06/30/2016, the project had 95% physical occupancy and a 1.69 debt coverage ratio. Since 2003, Vitus Group and its predecessor company have provided $3,040,100 in operating advances to Pheasant Ridge, notwithstanding its maximum five year operating obligation with the equity investor.

Lastly, Regency Apartments is a 106 unit development in Nebraska financed with Tax-Exempt Bonds and 4% Housing Credits. The project owner, Regency Associates, LP, was declared in default on its loan in April, 2005, due to failure to meet a deadline for conversion of its loan from construction to permanent phase. Stephen R. Whyte had been the sole member and manager of the General Partner of the development. The lender to the project was an affiliate of the project owner’s limited partner. Through a settlement agreement with the limited partner and lender, Regency Management, LLC agreed to withdraw from the project ownership and the parties executed a mutual release.

PNC Real Estate, who has been previously involved with the aforementioned transactions, has provided a satisfactory reference letter, dated April 24, 2017.

Contingent Liabilities: The Statement of Financial/Credit Affairs Form provided for Oceanside Housing Partners, LP, AOF Oceanside Affordable Housing Corp., Oceanside Housing Management, LLC and Vitus Development IV, LLC indicate these entities do not have any contingent liabilities.

Vitus Group, LLC provided a Schedule of Contingent Liabilities, dated June 30, 2017 which includes 65 multifamily developments and two additional investments. The schedule reflects a total contingent liability of $704,793,756.
Vitus Group, LLC also provided a REO Schedule, dated June 30, 2017, which represents total estimated property values of $1,003,585,317. These developments are supported with $820,028,255 in first mortgage and subordinate mortgage debt. This amount represents an approximate 82% loan to value ratio for the total portfolio. According to Vitus Group the combined portfolio has an average 96% occupancy rate and provides an average senior debt service coverage of 1.41. The expected annual cash flow to ownership is approximately $18,291,050 based on NOI calculations from June 30, 2017. First Housing received verification that the REO Schedule and Schedule of Contingent Liabilities, dated June 30, 2017 also applies to Stephen R. Whyte.

Summary: Based upon its review of the Financial Statements and the Schedule of Contingent Liabilities, First Housing concludes that Vitus Group, LLC and Stephen R. Whyte have the requisite financial strength to complete rehabilitation and to operate the Development.
Guarantor Information

Guarantor Name: Oceanside Housing Partners, LP, AOF Oceanside Affordable Housing Corp., Oceanside Housing Management, LLC, Vitus Group IV, LLC, Vitus Group, LLC, and Stephen R. Whyte.

Nature of the Guarantees: The Guarantor will sign the standard Fee Guaranty.

Financial Statements: Financial Statements for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Contingent Liabilities: Contingent Liabilities for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Summary: Based upon review of the financial statements and contingent liabilities, First Housing concludes that the above referenced Guarantors have sufficient net worth for the purpose of collateralizing the HFAPC Guaranty.
General Contractor Information

General Contractor: Sauer Incorporated
Type: A Pennsylvania corporation authorized to do business in the State of Florida.

Contact: Gary Richard Weeks
(Florida Certified General Contractor License Number CGC040570, valid through August 31, 2018)
11223 Phillips Parkway DR East
Jacksonville, FL 32256
904-262-6444 Telephone

Experience: Sauer was founded in 1876 and has grown from a well-respected small plumbing company based in Pittsburg, Pennsylvania into an Engineering News-Record top 200 specialty contractor in the nation. The company is led by fifth generation ownership. The principals have grown up in the family business with a strong sense of Sauer’s legacy and mission – to provide professional construction services that exceed our customers’ expectations.

In addition to providing the services of the prime general contractor, Sauer has the unique ability to self-perform mechanical, structural steel, concrete, and various general construction trades. Sauer’s customers include various agencies of the federal government, state and local governments, and select private corporations.

Sauer attributes their success over the years to a commitment of exceeding our customers' expectations and building long-lasting relationships.

Credit Evaluation: First Housing has reviewed a satisfactory Dun & Bradstreet Business Information Report, dated November 16, 2017 for Sauer Incorporated.

Bank and Trade References: First Housing sent out Bank and Trade Reference Forms for Sauer Incorporated. At this time two satisfactory trade response has been received.
Financial Statements: The General Contractor provided audited financial statements for year-end December 31, 2016. A summary of the audited financials are below:

| Sauer Incorporated  
| Audited Balance Sheet  
<table>
<thead>
<tr>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Equivalents</td>
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<td>Total Assets</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Total Equity</td>
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</tbody>
</table>

Summary: First Housing recommends that Sauer Incorporated be accepted as the contractor for the rehabilitation of this Development.
Syndication Information

Syndicator Name: Raymond James Tax Credit Funds, Inc.

Contact Person: Ryan Holland
Associate Director of Acquisitions
880 Carillon Parkway
St. Petersburg, FL 33716
800/438-8088, ext. 71963
727-567-1963 Phone
727-567-8790 Facsimile

Experience: RJTCF is a leading provider of high-quality affordable housing developments throughout the nation. RJTCF has raised more than $6 billion in equity for more than 1,800 properties across the United States since the inception of the tax credit program in 1986.

RJTCF provides resources to developers of low-income tax credit housing and also helps underwrite investments in these communities through fund offerings under Section 42 of the IRS code. Success in this highly specialized market is founded in stringent underwriting standards, industry expertise, and the presence and extensive resources of Raymond James. RJTCF has the ability, expertise and flexibility to identify, access and select outstanding opportunities.

Financial Statements:

<table>
<thead>
<tr>
<th>Raymond James Financial</th>
<th>Consolidated Unaudited June 30, 2017</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>(in thousands)</td>
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<td>Cash and Cash Equivalents</td>
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Summary: RJTCF has demonstrated that it has the experience and financial strength to serve as the syndicator for this Development.
Property Management Information

Management
Company: Arco Management Corp.

EIN: 13-2805069

Contact: Clifford Asher
Executive Vice President of Operations
Multifamily Management Services, LLC
8855 Annapolis Road, Suite 306
Lanham, MD 20706
267-322-5600 x 131 Phone

Experience: Arco was incorporated in 1974. Since its inception, Arco has expanded from managing 400 units to over 32,000 units and has diversified into asset management, property management, real estate brokerage, consulting and development services.

The affordable component of Arco Management Corp. remains independent and continues to provide oversight to the City and State Mitchell Lama portfolio.

Arco is a division of Multifamily Management Services (“MMS”). For more than 30 years, MMS and its affiliates have assisted property owners, developers, investors, government agencies and non-profit organizations navigate the challenges of multifamily real estate safely and profitably. Whether managing market rate rental properties, affordable housing, or condominium or cooperative communities, MMS’ guiding principle has remained the same: keep it simple and do it right. Affordable rental housing represents about half of MMS’ management portfolio.

Management Agreement: First Housing received a Management Agreement between Oceanside Housing Partners, LP and Arco Management Corp., dated October 25, 2017. The Agreement reflects a management fee 4% of gross collections and miscellaneous income.
Management Plan: The Applicant has submitted a Management Plan, which outlines the various policies and procedures to be implemented in managing the Development.

Summary: The management company has an acceptable amount of experience in the management of affordable multifamily housing. First Housing recommends Arco Management Corp. as the management entity for the Development.
## Financial Costs

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
<th>Year 11</th>
<th>Year 12</th>
<th>Year 13</th>
<th>Year 14</th>
<th>Year 15</th>
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<tbody>
<tr>
<td><strong>Gross Potential Rental Income</strong></td>
<td>$1,279,200</td>
<td>$1,304,784</td>
<td>$1,330,880</td>
<td>$1,357,497</td>
<td>$1,384,647</td>
<td>$1,412,340</td>
<td>$1,440,587</td>
<td>$1,469,399</td>
<td>$1,498,787</td>
<td>$1,528,762</td>
<td>$1,559,338</td>
<td>$1,590,524</td>
<td>$1,622,335</td>
<td>$1,654,782</td>
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<td><strong>Other Income</strong></td>
<td>$7,800</td>
<td>$7,956</td>
<td>$8,115</td>
<td>$8,277</td>
<td>$8,443</td>
<td>$8,612</td>
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<td>$9,509</td>
<td>$9,694</td>
<td>$9,892</td>
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<tr>
<td><strong>Gross Potential Income</strong></td>
<td>$1,287,000</td>
<td>$1,312,740</td>
<td>$1,338,995</td>
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<td>$1,393,090</td>
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<td>$1,538,084</td>
<td>$1,568,846</td>
<td>$1,600,223</td>
<td>$1,632,227</td>
<td>$1,664,872</td>
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</table>

### Operating Pro Forma

- **Gross Potential Rental Income**: $1,279,200 to $1,687,877
- **Other Income**: $7,800 to $10,292
- **Gross Potential Income**: $1,287,000 to $1,698,169

### Fixed Costs

- **Ground Lease**: $16,162 to $24,446
- **Real Estate Taxes**: $0 to $0
- **Insurance**: $48,880 to $73,925

### Variable Costs

- **Management Fee Percentage**: 5.00% to 6.00%
- **General and Administrative**: $83,420 to $92,101
- **Payroll Expenses**: $127,063 to $147,301
- **Utilities**: $93,437 to $111,569
- **Marketing and Advertising**: $13,488 to $16,105
- **Maintenance and Repairs/Pest Control**: $89,418 to $112,973
- **Security**: $300 to $441
- **Reserve for Replacements**: $46,800 to $49,600

### Total Expenses

$535,100 to $587,686

### Net Operating Income

$687,550 to $792,852

### Debt Service Payments

- **First Mortgage**
  - $383,286, $400,000
- **Compliance Monitoring Fees - HFAPC**: $4,400 to $4,400

### Total Debt Service Payments

$587,686 to $607,686

### Cash Flow after Debt Service

$99,864 to $224,184

### Debt Service Coverage Ratios

<table>
<thead>
<tr>
<th>DSC - First Mortgage plus Fees</th>
<th>1.18</th>
<th>1.20</th>
<th>1.21</th>
<th>1.23</th>
<th>1.25</th>
<th>1.26</th>
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<th>1.38</th>
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<tbody>
<tr>
<td>DSC - First Mortgage &amp; Compliance Monitoring Fees</td>
<td>1.17</td>
<td>1.19</td>
<td>1.20</td>
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<td>1.37</td>
<td>1.38</td>
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</table>

### Financial Ratios

- **Operating Expense Ratio**: 43.77% to 80.85%
- **Break-even Economic Occupancy Ratio [all debt]**: 87.49% to 88.35%
### 50% Test for Acquisition Rehab.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Tax-Exempt Bond Amount</td>
<td>$11,000,000</td>
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<tr>
<td>Less: Debt Service Reserve Funded with Tax Exempt Bond Proceeds</td>
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<tr>
<td>Less Proceeds Used for Cost of Issuance</td>
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<tr>
<td>Other</td>
<td>$0</td>
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<tr>
<td>Equals Net Tax-Exempt Bond Amount</td>
<td>$11,000,000</td>
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<tr>
<td>Total Depreciable Cost</td>
<td>$7,675,136</td>
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<tr>
<td>Plus Building/Land Cost</td>
<td>$11,000,000</td>
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<tr>
<td>Aggregate Basis</td>
<td>$18,675,136</td>
</tr>
<tr>
<td>Net Tax-Exempt Bond to Aggregate Basis Ratio</td>
<td>58.90%</td>
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</table>

1. Based on the development budget, the development appears to meet the 50% test for 4% Housing Credits.
RESOLUTION NO. 2017-___

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $11,000,000 IN PRINCIPAL AMOUNT OF HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2017 (OCEANSDIE ESTATES); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT, A COMPLIANCE MONITORING AGREEMENT AND A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT RELATING TO THE BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ITS DISTRIBUTION IN CONNECTION WITH THE SALE OF THE BONDS AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE BONDS BY AND AMONG THE AUTHORITY, THE BORROWER AND RBC CAPITAL MARKETS, LLC; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF AND PROVISION OF SECURITY FOR THE BONDS; APPOINTING A TRUSTEE WITH RESPECT TO THE BONDS AND A COMPLIANCE AGENT WITH RESPECT TO THE PROJECT; PROVIDING THAT SUCH BONDS SHALL BE ISSUED IN CERTIFICATED FORM; AUTHORIZING THE AWARD OF THE BONDS TO RBC CAPITAL MARKETS, LLC; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Finance Authority of Pinellas County, Florida (the “Authority”) desires to issue its Multifamily Housing Revenue Bonds, Series 2017 (Oceanside Estates) (the "Bonds") to fund a loan to Oceanside Housing Partners, LP, a Florida limited partnership (the "Borrower") to finance a portion of the costs of the acquisition and rehabilitation of a residential multifamily rental facility to be known as Oceanside Estates (the "Project"); and

WHEREAS, the Authority desires to approve the forms of, and authorize the execution and delivery of a Trust Indenture, a Loan Agreement, a Land Use Restriction Agreement, a Fee Guaranty and Environmental Indemnity Agreement, a Bond Purchase Agreement (each as herein defined) and other documents to be executed in connection with the issuance of the Bonds; and

WHEREAS, the Authority desires to approve the form of a Preliminary Official Statement and authorize its distribution and the use and distribution of a final Official Statement; and
WHEREAS, the Authority wishes to award the sale of the Bonds to RBC Capital Markets, LLC (the "Underwriter") at a negotiated sale subject to the criteria set forth herein; and

WHEREAS, within Pinellas County, Florida (the "County") there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, deprives the County of an adequate tax base, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

WHEREAS, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a "qualified housing development" under the Act; and

WHEREAS, due to the complexity of the financing, the turmoil in the capital markets and the need to coordinate matters among the Authority, the Borrower and the Underwriter, it is in the best interest of the Authority to negotiate the sale of the Bonds. The disclosure required in Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the sale of the Bonds; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Bonds was published in the Tampa Bay Times, a newspaper of general circulation in the County on June 30, 2017, at least 14 days prior to the date of such hearing; and

WHEREAS, on July 17, 2017, a public hearing concerning the issuance of the Bonds in an aggregate face amount of not to exceed $12,000,000 to finance the Project was held by the Authority; and

WHEREAS, on August 15, 2017, the issuance of the Bonds was approved by the Board of County Commissioners of the County for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Authority has received from the State of Florida Division of Bond Finance an allocation of 2017 private activity bond volume cap in the amount of $11,000,000.

WHEREAS, the Authority wishes to approve the appointment of a Trustee with respect to the Bonds, and the appointment of a Compliance Agent with respect to the Project.
NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY as follows:

SECTION 1. There is hereby authorized and directed to be issued the Authority's Multifamily Housing Revenue Bonds, Series 2017 (Oceanside Estates), in an aggregate principal amount not to exceed $11,000,000. The Bonds shall be issued under and secured by the Trust Indenture referred to below which by reference is hereby incorporated in this resolution as if set forth in full herein. The Bonds shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and upon the terms, and shall have all of the other characteristics, as shall be approved by the Chairman or Vice Chairman of the Authority prior to sale of said Bonds, as provided in this Resolution. The Bonds shall be executed, authenticated and delivered by the officers of the Authority authorized below in substantially the form set forth in the Trust Indenture in fully registered certificated form.

SECTION 2. The Trust Indenture (the "Trust Indenture"), in substantially the form attached hereto as Exhibit A (and all exhibits thereto), is hereby approved, and the Chairman, Vice Chairman and/or Secretary/Treasurer or Assistant Secretary of the Authority or any other authorized officer are hereby authorized and directed to execute and deliver the Trust Indenture on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as reflect the final terms of the Bonds, including, but not limited to, the insertion of rates, maturities and other details of the Bonds determined as herein provided, and with such modifications to the exhibits thereto, as may be made prior to the delivery of the Bonds, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 3. The Loan Agreement (the "Loan Agreement"), the Compliance Monitoring Agreement (the "Compliance Monitoring Agreement") and the Land Use Restriction Agreement (the "Land Use Restriction Agreement", and together with the Loan Agreement and Compliance Monitoring Agreement, the "Agreements"), in substantially the forms attached hereto as Exhibits B, C and D, are hereby approved, confirmed and ratified and the Chairman, Vice Chairman and/or Secretary/Treasurer or Assistant Secretary, any other authorized officer of the Authority are hereby authorized and directed to execute and deliver the Agreements on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 4. It is hereby found and determined that due to the complexity of the financing it is in the best interests of the Authority to negotiate the sale of the Bonds. The disclosure required by Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the delivery of the Bonds. The negotiated sale of the Bonds in an aggregate principal amount of not to exceed $11,000,000, at a price not less than 100% of the aggregate
principal amount of such Bonds, bearing a net interest cost not in excess of 3.5%, and with a final maturity date of the Bonds not later than January 1, 2022, is hereby approved.

SECTION 5. The Fee Guaranty and Environmental Indemnity Agreement in substantially the form attached hereto as Exhibit E (the "Guaranty"), is hereby approved, confirmed and ratified and the Chairman, Vice Chairman and/or Secretary/Treasurer or Assistant Secretary, any other authorized officer of the Authority are hereby authorized and directed to execute and deliver the Guaranty on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 6. The Authority hereby approves the form of the Preliminary Official Statement in substantially the form attached hereto as Exhibit F (the "Preliminary Official Statement"), and authorizes the use and distribution of said Preliminary Official Statement by the Underwriter in connection with the sale of the Bonds, and further authorizes the use and distribution of an Official Statement relating to the Bonds, each with such revisions as shall hereafter be approved by the Chairman or Vice Chairman of the Authority in connection with the sale of the Bonds. The Chairman, Vice Chairman or Executive Director are hereby authorized to deem the Preliminary Official Statement final as of its date.

SECTION 7. The Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Authority, the Borrower and the Underwriter as presented at this meeting and attached hereto as Exhibit G, is hereby authorized and approved by the Authority, and the Chairman or Vice Chairman of the Authority is hereby authorized to execute and deliver the Bond Purchase Agreement and the Executive Director is authorized to place the Authority’s seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the counsel to the Authority, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

SECTION 8. With respect to the Bonds, U.S. Bank National Association, Ft. Lauderdale, Florida, is hereby appointed as Trustee.

SECTION 9. With respect to the Project, First Housing Development Corporation of Florida (“First Housing”), is hereby approved as the Compliance Agent pursuant to the Trust Indenture and the Land Use Restriction Agreement.

SECTION 10. All prior resolutions and motions of the Authority inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.
SECTION 11. The Authority has determined that it shall charge the Borrower (a) an issuance fee equal to (i) an amount payable on the Closing Date equal to 1% of the original principal amount of the Bonds) plus (ii) an amount equal to 0.25% per annum of the original principal amount of the Bonds, payable semiannually on each January 1 and July 1 in arrears, while the Bonds are outstanding, commencing July 1, 2018 and (b) an annual compliance fee to monitor the Borrower's compliance with the Land Use Restriction Agreement in an amount as agreed with First Housing, payable semi-annually in advance beginning on the closing (prorated to the next succeeding semi-annual date) and on each January 1 and July 1 thereafter.

SECTION 12. To the extent that the Chairman, Vice Chairman and/or Secretary/Treasurer or Assistant Secretary of the Authority are unable for any reason to execute or deliver the documents referred to above, such documents may be executed, attested and/or delivered by any other member of the Authority, with the same effect as if executed and/or delivered by the Chairman, Vice Chairman or Secretary/Treasurer. In the absence of the Secretary/Treasurer, the Director/Assistant Secretary, or any other Assistant Secretary of the Authority, shall be authorized to execute and deliver any documents relating to the Bonds.

SECTION 13. The Chairman, Vice Chairman and the Secretary/Treasurer or Assistant Secretary and all other members of the Authority are hereby authorized and directed to (a) execute any and all certifications or other instruments, agreements, assignments, endorsement or documents required by the Trust Indenture, the Agreements, the Bond Purchase Agreement, Bond Counsel or any other document referred to above as a prerequisite or precondition to the issuance of the Bonds or which may be necessary in connection with satisfying the Conditions to Disbursement under the Trust Indenture, and any representation made therein shall be deemed to be made on behalf of the Authority, and (b) to take all such actions as shall be necessary of advisable to carry out the transactions provided for in this Resolution. All action taken to date by the members of the Authority and the staff of the Authority in furtherance of the issuance of the Bonds is hereby approved, confirmed and ratified.

SECTION 14. The Credit Underwriting Report with respect to the Project delivered to the Authority by First Housing, is hereby approved, with any open or unresolved issues constituting disbursement release conditions which must be satisfied prior to the disbursement of proceeds of the Bonds to the Borrower under the Trust Indenture to the Authority’s satisfaction (as evidenced by the acceptance of the initial Project Fund Requisition in the form attached to the Trust Indenture).

[Remainder of page intentionally left blank]
SECTION 15. This resolution shall become effective immediately upon its adoption.

ADOPTED this 6th day of December, 2017.

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY

(SEAL)

ATTEST:

By: ________________________________
Chairman

__________________________
Secretary
EXHIBIT A

FORM OF TRUST INDENTURE
TRUST INDENTURE

By and Between

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA,
as Issuer

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

Dated as of December 1, 2017

$11,000,000
Housing Finance Authority of Pinellas County, Florida
Multifamily Housing Revenue Bonds
(Oceanside Estates), Series 2017
TABLE OF CONTENTS
(continued)

<table>
<thead>
<tr>
<th>ARTICLE I DEFINITIONS AND CONSTRUCTION</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1.01. Definitions.</td>
<td>4</td>
</tr>
<tr>
<td>Section 1.02. Rules of Construction.</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE II CREATION OF BONDS; DETAILS OF THE BONDS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2.01. Authorization and Terms of Bonds.</td>
<td>21</td>
</tr>
<tr>
<td>Section 2.02. Source of Payment of Bonds.</td>
<td>22</td>
</tr>
<tr>
<td>Section 2.03. Execution of Bonds.</td>
<td>22</td>
</tr>
<tr>
<td>Section 2.04. Certificate of Authentication.</td>
<td>23</td>
</tr>
<tr>
<td>Section 2.05. Authentication and Delivery of Bonds</td>
<td>23</td>
</tr>
<tr>
<td>Section 2.06. Temporary Bonds.</td>
<td>24</td>
</tr>
<tr>
<td>Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds</td>
<td>24</td>
</tr>
<tr>
<td>Section 2.08. Registration, Negotiability, Transfer and Exchange of Bonds</td>
<td>25</td>
</tr>
<tr>
<td>Section 2.09. Limited Obligation.</td>
<td>26</td>
</tr>
<tr>
<td>Section 2.10. Cancellation and Destruction of Bonds</td>
<td>26</td>
</tr>
<tr>
<td>Section 2.11. Book Entry System.</td>
<td>26</td>
</tr>
<tr>
<td>Section 2.12. Non-Presentment of Bonds.</td>
<td>28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE III REDEMPTION OF SERIES 2017 BONDS.</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 3.01. Optional and Mandatory Redemption of Series 2017 Bonds</td>
<td>28</td>
</tr>
<tr>
<td>Section 3.02. Purchase in Lieu of Redemption</td>
<td>29</td>
</tr>
<tr>
<td>Section 3.03. Notices of Redemption.</td>
<td>29</td>
</tr>
<tr>
<td>Section 3.04. Payment of Redeemed Bonds.</td>
<td>30</td>
</tr>
<tr>
<td>Section 3.05. Mandatory Tender.</td>
<td>31</td>
</tr>
<tr>
<td>Section 3.06. Mandatory Tender Notice.</td>
<td>32</td>
</tr>
<tr>
<td>Section 3.07. Remarketing of Series 2017 Bonds</td>
<td>33</td>
</tr>
<tr>
<td>Section 3.08. Cancellation of Series 2017 Bonds</td>
<td>36</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE IV REVENUES AND FUNDS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 4.01. Creation of Funds.</td>
<td>36</td>
</tr>
<tr>
<td>Section 4.02. Deposits into the Bond Fund.</td>
<td>37</td>
</tr>
<tr>
<td>Section 4.03. Use of Moneys in Collateral Fund.</td>
<td>37</td>
</tr>
<tr>
<td>Section 4.04. Use of Moneys in the Cost of Issuance Fund.</td>
<td>38</td>
</tr>
<tr>
<td>Section 4.05. Use of Moneys on Deposit in the Bond Fund; Application of Loan Payments.</td>
<td>38</td>
</tr>
<tr>
<td>Section 4.06. Payment to Borrower of Excess Moneys.</td>
<td>39</td>
</tr>
<tr>
<td>Section 4.07. Expense Fund.</td>
<td>39</td>
</tr>
<tr>
<td>Section 4.08. Allocation and Reallocation of Government Obligations Deposited to the Collateral Fund and the Project Fund.</td>
<td>40</td>
</tr>
</tbody>
</table>
### TABLE OF CONTENTS

(continued)

<table>
<thead>
<tr>
<th>ARTICLE V REBATE</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 5.01. Rebate Fund; Rebate Requirement.</td>
<td>40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VI CUSTODY AND APPLICATION OF BOND PROCEEDS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 6.01. Custody and Application of Project Fund</td>
<td>41</td>
</tr>
<tr>
<td>Section 6.02. Procedure for Making Disbursements from Project Fund</td>
<td>42</td>
</tr>
<tr>
<td>Section 6.03. Trustee May Rely on Requisitions and Certifications</td>
<td>44</td>
</tr>
<tr>
<td>Section 6.04. Completion of Project</td>
<td>44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VII INVESTMENT OF FUNDS AND ACCOUNTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 7.01. Investment</td>
<td>44</td>
</tr>
<tr>
<td>Section 7.02. Investment of Rebate Fund</td>
<td>45</td>
</tr>
<tr>
<td>Section 7.03. Accounting for Termination of Investments; No Arbitrage</td>
<td>45</td>
</tr>
<tr>
<td>Section 7.04. Trustee’s Own Bond or Investment Department</td>
<td>46</td>
</tr>
<tr>
<td>Section 7.05. Moneys to be Held in Trust</td>
<td>46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VIII GENERAL COVENANTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8.01. Payment of Bonds</td>
<td>46</td>
</tr>
<tr>
<td>Section 8.02. Performance of Covenants</td>
<td>47</td>
</tr>
<tr>
<td>Section 8.03. Maintenance of Existence; Compliance with Laws</td>
<td>47</td>
</tr>
<tr>
<td>Section 8.04. Enforcement of Borrower’s Obligations</td>
<td>47</td>
</tr>
<tr>
<td>Section 8.05. Further Assurances, Instruments and Actions</td>
<td>47</td>
</tr>
<tr>
<td>Section 8.06. Priority of Pledge</td>
<td>47</td>
</tr>
<tr>
<td>Section 8.07. Books and Documents Open to Inspection</td>
<td>47</td>
</tr>
<tr>
<td>Section 8.08. Borrower to Indemnify and Hold the Issuer and Trustee Harmless from Liability</td>
<td>48</td>
</tr>
<tr>
<td>Section 8.09. Tax Exempt Status of Bonds</td>
<td>48</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE IX DISCHARGE</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 9.01. Discharge of Lien</td>
<td>48</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE X DEFAULTS AND REMEDIES</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 10.01. Events of Default and Acceleration</td>
<td>50</td>
</tr>
<tr>
<td>Section 10.02. Trustee to Enforce Rights of the Issuer</td>
<td>51</td>
</tr>
<tr>
<td>Section 10.03. Remedies</td>
<td>51</td>
</tr>
<tr>
<td>Section 10.04. Termination of Proceedings</td>
<td>52</td>
</tr>
<tr>
<td>Section 10.05. Right of Bondholders to Direct Proceedings</td>
<td>52</td>
</tr>
<tr>
<td>Section 10.06. Remedies Vested in Trustee</td>
<td>53</td>
</tr>
<tr>
<td>Section 10.07. Remedies Non-Exclusive and Cumulative</td>
<td>53</td>
</tr>
<tr>
<td>Section 10.08. Delays or Omissions by Trustee</td>
<td>53</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

(continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.09</td>
<td>Application of Moneys.</td>
<td>53</td>
</tr>
<tr>
<td>10.10</td>
<td>Severability of Remedies.</td>
<td>54</td>
</tr>
<tr>
<td>10.11</td>
<td>No Interference or Impairment of Lender Loan.</td>
<td>54</td>
</tr>
<tr>
<td>11.01</td>
<td>Acceptance of Trusts</td>
<td>55</td>
</tr>
<tr>
<td>11.02</td>
<td>Trustee Not Responsible for Recitals, Statements and</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Representations.</td>
<td></td>
</tr>
<tr>
<td>11.03</td>
<td>Action by Trustee Through and in Reliance Upon Others</td>
<td>56</td>
</tr>
<tr>
<td>11.04</td>
<td>Fees and Expenses of Trustee.</td>
<td>57</td>
</tr>
<tr>
<td>11.05</td>
<td>Trustee’s Obligations to Take or Have Notice of Default.</td>
<td>57</td>
</tr>
<tr>
<td>11.06</td>
<td>Duties of Trustee.</td>
<td>57</td>
</tr>
<tr>
<td>11.07</td>
<td>Trustee May Make Advances to Effect Performance.</td>
<td>60</td>
</tr>
<tr>
<td>11.08</td>
<td>Trustee May Rely Upon Instruments.</td>
<td>60</td>
</tr>
<tr>
<td>11.09</td>
<td>Trustee May Own and Deal in Bonds and Deal With the Issuer and</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Borrower.</td>
<td></td>
</tr>
<tr>
<td>11.10</td>
<td>Financial Liability of the Trustee.</td>
<td>61</td>
</tr>
<tr>
<td>11.11</td>
<td>Trustee May Construe Ambiguous or Inconsistent Provisions.</td>
<td>61</td>
</tr>
<tr>
<td>11.12</td>
<td>Resignation of Trustee.</td>
<td>61</td>
</tr>
<tr>
<td>11.13</td>
<td>Removal of Trustee.</td>
<td>61</td>
</tr>
<tr>
<td>11.14</td>
<td>Appointment of Successor Trustee.</td>
<td>61</td>
</tr>
<tr>
<td>11.15</td>
<td>Appointment of Successor Trustee by Court.</td>
<td>62</td>
</tr>
<tr>
<td>11.16</td>
<td>Acceptance of Trust by Successor Trustee.</td>
<td>62</td>
</tr>
<tr>
<td>11.17</td>
<td>Merger or Consolidation of Trustee With Another Corporation.</td>
<td>62</td>
</tr>
<tr>
<td>11.18</td>
<td>Action of Trustee During Existence of an Event of Default.</td>
<td>63</td>
</tr>
<tr>
<td>11.19</td>
<td>Notice of an Event of Default.</td>
<td>63</td>
</tr>
<tr>
<td>11.20</td>
<td>Trustee May Intervene.</td>
<td>63</td>
</tr>
<tr>
<td>11.21</td>
<td>Unclaimed Moneys.</td>
<td>63</td>
</tr>
<tr>
<td>11.22</td>
<td>Appointment of Co-Trustee</td>
<td>63</td>
</tr>
<tr>
<td>11.23</td>
<td>Financing Statements.</td>
<td>64</td>
</tr>
<tr>
<td>11.24</td>
<td>Concerning the Remarketing Agent.</td>
<td>64</td>
</tr>
<tr>
<td>11.25</td>
<td>Qualification of Remarketing Agent.</td>
<td>65</td>
</tr>
<tr>
<td>11.26</td>
<td>Additional Duties.</td>
<td>66</td>
</tr>
<tr>
<td>11.27</td>
<td>Notices to Rating Agency and Remarketing Notice Parties</td>
<td>66</td>
</tr>
<tr>
<td>11.28</td>
<td>Identifying Information.</td>
<td>66</td>
</tr>
<tr>
<td>12.01</td>
<td>Limitation on Amendments to this Indenture.</td>
<td>67</td>
</tr>
<tr>
<td>12.02</td>
<td>Amendments to Indenture and Bond Loan Agreement Not</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>Requiring Consent of Bondholders.</td>
<td></td>
</tr>
<tr>
<td>12.03</td>
<td>Amendments to Indenture Requiring Consent of Bondholders.</td>
<td>68</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS
(continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 12.04. Supplemental Indentures Part of Indenture</td>
<td>70</td>
</tr>
<tr>
<td>Section 12.05. Required Consent</td>
<td>70</td>
</tr>
<tr>
<td>Section 12.06. Amendments to Documents Requiring Consent of Bondholders</td>
<td>70</td>
</tr>
</tbody>
</table>

ARTICLE XIII MISCELLANEOUS.......................................................................................................70

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 13.01. The Issuer’s Successors</td>
<td>70</td>
</tr>
<tr>
<td>Section 13.02. Indenture for Benefit of the Issuer, Trustee and Bondholders</td>
<td>71</td>
</tr>
<tr>
<td>Section 13.03. Severability</td>
<td>71</td>
</tr>
<tr>
<td>Section 13.04. Officials of the Issuer Not Liable</td>
<td>71</td>
</tr>
<tr>
<td>Section 13.05. Governing Law</td>
<td>71</td>
</tr>
<tr>
<td>Section 13.06. Notices; Publication of Notice</td>
<td>71</td>
</tr>
<tr>
<td>Section 13.07. Trustee as Paying Agent and Bond Registrar</td>
<td>72</td>
</tr>
<tr>
<td>Section 13.08. Execution of Instruments by Bondholders and Proof of Ownership of Bonds</td>
<td>72</td>
</tr>
<tr>
<td>Section 13.09. Counterparts</td>
<td>72</td>
</tr>
<tr>
<td>Section 13.10. HUD Laws and Requirements Control</td>
<td>72</td>
</tr>
</tbody>
</table>

EXHIBIT A FORM OF BONDS
EXHIBIT B FORM OF PROJECT FUND REQUISITION (PROCEEDS ACCOUNT/EQUITY ACCOUNT)
EXHIBIT C-1 FORM OF THE ISSUER COSTS OF ISSUANCE REQUISITION
EXHIBIT C-2 FORM OF BORROWER COSTS OF ISSUANCE REQUISITION
TRUST INDENTURE

THIS TRUST INDENTURE (as amended, modified or supplemented from time to time, this “Indenture”) is entered into as of December 1, 2017, by and between HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (together with its successors and assigns, the “Issuer”) and U.S. BANK NATIONAL ASSOCIATION a national banking association authorized to exercise corporate trust powers in the State, and authorized to accept and execute trusts of the character herein set out, as trustee (together with its successors and assigns, the “Trustee”).

RECITALS

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

WHEREAS, in accordance with the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Section 2-386, Code of Ordinances of Pinellas County, Florida, a Resolution of the Issuer adopted on July 5, 2017, and a Resolution of the Issuer adopted on December 6, 2017 (collectively, the “Act”) and other applicable provisions of law, 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 (Oceanside Estates), Series 2017 in the original aggregate principal amount of $11,000,000 (the “Bonds”), for the purpose of financing a portion of the costs of the acquisition, rehabilitation, installation and equipping of a 104-unit multifamily rental housing facility project to be occupied by persons of low, middle or moderate income and related personal property and equipment, and located in Pinellas Park, Pinellas County, Florida (the “Project Facilities”) all pursuant to this Indenture and the Loan Agreement dated as of December 1, 2017 (as amended, modified or supplemented from time to time, the “Bond Loan Agreement”), between the Issuer and Oceanside Housing Partners, LP, a Florida limited partnership duly organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the “Borrower”); and

WHEREAS, the Issuer is authorized to enter into this Indenture and to do or cause to be done all the acts and things herein provided or required to be done to finance the Costs of the Development 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.

WHEREAS, the Issuer will loan the proceeds of the Bonds to the Borrower by entering into the Bond Loan Agreement, and to evidence its payment obligations thereunder, the Borrower will deliver to the Issuer a Promissory Note dated the Closing Date in the amount of $11,000,000 (the “Note”); and

The execution and delivery of this Indenture and the issuance and sale of the Bonds have been in all respects duly and validly authorized by the Resolutions duly adopted by the Issuer.

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

GRANTING CLAUSES AND AGREEMENTS

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

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

(b) All right, title and interest of the Issuer in and to the Note (other than the Unassigned Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof;
(c) Any fund or account created under this Indenture except for the Cost of Issuance Fund, the Expense Fund, the Rebate Fund and the Remarketing Proceeds Account, which Remarketing Proceeds Account shall be pledged only to the Holders of Series 2017 Bonds which have been remarkeated pursuant to Section 3.07 hereof;

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

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

PROVIDED, HOWEVER, that there shall be excluded from the granting clauses of this Indenture all the Unassigned Rights of the Issuer, including all amounts paid or collected by the Issuer in connection therewith, all amounts on deposit in the Cost of Issuance Fund for the sole benefit of the payees thereof, all amounts on deposit in the Rebate Fund, which shall be held for the sole benefit of the Issuer, the Trustee and the Remarketing Agent, as applicable and all amounts on deposit in the Expense Fund, which shall be held for the benefit of the Holders of the Series 2017 Bonds that have been remarkeated in accordance with Section 3.07 hereof;

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

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

PROVIDED, HOWEVER, that if the Issuer shall well and truly pay, or cause to be paid, the principal of the Bonds issued hereunder, and interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Collateral Fund as required under Article IV hereof or by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture and all other of the obligations of the Issuer to be kept, performed and observed by it, the Rebate Requirement shall be paid in full and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment, as further provided in Section 9.01 hereof, and the termination of the Bond Loan Agreement, this Indenture and the
AND IT IS EXPRESSLY DECLARED that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all such property, moneys, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective holders from time to time of the Bonds, or any part thereof, as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

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

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

“Administrative Expenses” means the Trustee’s Fee, the Issuer Fee, the Remarketing Agent’s Fee and the Issuer Servicer Fee.

“Agreement” or “Bond Loan Agreement” means the Loan Agreement dated as of the same date as this Indenture, between the Issuer and the Borrower and any and all supplements thereto.

“Arbitrage Certificate” means the Arbitrage Certificate, dated the Closing Date, executed by the Issuer in connection with the issuance of the Bonds.

“Arbitrage Rebate Agreement” means the Arbitrage Rebate Agreement, dated as of December 1, 2017, among the Issuer, the Trustee and the Borrower in connection with the issuance of the Bonds.

“Assumption Agreement” has the meaning set forth in Section 6.01(l)(iii) of the Bond Loan Agreement.

“Bond” or “Bonds” or “Series 2017 Bonds” means the Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 issued, authenticated and delivered under this Indenture, which are identified as such in Section 2.01(a) hereof.
“Bond Counsel” means Bryant Miller Olive P.A., or such other nationally recognized bond counsel subsequently selected by the Issuer.

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

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

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

“Bond Loan Agreement” means the Loan Agreement, dated as of December 1, 2017, by and between the Issuer and the Borrower and any and all supplements thereto, pursuant to which the Loan is being made to the Borrower.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated December __, 2017, among the Issuer, the Borrower and the Underwriter.

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

“Bond Service Charges” means, for any period or payable at any time, the principal of and interest on the Series 2017 Bonds for that period or payable at that time whether due at maturity or upon redemption, Mandatory Tender or acceleration.

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

“Borrower” means Oceanside Housing Partners, LP, a Florida limited partnership, duly organized and existing in the State of Florida, its successors and assigns.

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

“Borrower Costs of Issuance Account” means the account by that name created in the Cost of Issuance Fund pursuant to Section 4.01(f).
“Borrower Documents” means the Bond Loan Agreement, the Note, the Proceeds Certificate, the Arbitrage Rebate Agreement, the Fee Guaranty and Environmental Indemnity Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement, the Guarantor Documents and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Bond Loan Agreement.

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

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

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

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

“Capitalized Interest Deposit” means the deposit of $_______ to the Capitalized Interest Account on behalf of the Borrower, from Preference Proof Moneys, on or before the Closing Date, which is to be deposited as provided in Section 4.02 hereof.

“Cash Flow Projection” means a cash flow projection prepared by the Remarketing Agent, the Underwriter, an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Series 2017 Bonds, designated by the Borrower and acceptable to the Remarketing Agent and the Rating Agency, establishing, to the satisfaction of the Remarketing Agent and the Rating Agency, the sufficiency of (a) the amount on deposit in the Project Fund, the Capitalized Interest Account and the Collateral Fund, (b) projected investment income to accrue on amounts on deposit in the Project Fund, the Capitalized Interest Account and the Collateral Fund during the
applicable period and (c) any additional Preference Proof Moneys delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges and the Administrative Expenses, in each instance, when due and payable during the applicable period, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Series 2017 Bonds and (ii) a proposed remarketing of the Series 2017 Bonds, as provided in Section 3.07 hereof.

“Closing Date” means the date of delivery of the Bonds in exchange for the purchase price thereof.

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

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

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

“Completion Date” means the date upon which the Completion Certificate is delivered by the Borrower to the Issuer and the Trustee, which shall be no later than December 20, 2019.

“Compliance Monitoring Agreement” means the Compliance Monitoring Agreement, dated as of December 1, 2017, by and among the Issuer, First Housing, the Trustee and the Borrower, as amended, supplemented or restated from time to time.

“Conditions to Disbursement” shall mean the following events or conditions have been satisfied:

(a) closing of the acquisition of the land on which the Project is located under the Pinellas County LAF program together with the execution and delivery of all related real estate documents, including but not limited to the land trust agreement, ground lease, and memorandum of ground lease), and the recording of same, as applicable, in the Official Records of Pinellas County, Florida;

(b) closing of the Lender Loan, including the execution, delivery of all Lender Loan Documents, and, if applicable, recording of all Lender Loan Documents in the Official Records of Pinellas County, Florida;

(c) recording of the Land Use Restriction Agreement in the Official Records of Pinellas County, Florida;

(d) deliver to the Issuer and Lender a certified copy of the Amended and Restated Limited Partnership Agreement reflecting the admission of any investor limited partners;
(e) admission of the Investor Limited Partner;

(f) written evidence from the Credit Underwriter of the satisfaction of all conditions set forth in the Credit Underwriting Report;

(g) building permits;

(h) general construction agreement;

(i) delivery of the initial tax credit equity advance as required by the Lender Loan;

(j) delivery of any subordination agreements required by the Lender Loan or the Lender Loan Documents; and

(k) delivery to the Issuer and the Trustee an opinion of Bond Counsel that the delivery of the documents required to satisfy the Conditions to Disbursement and any required amendment to any Bond Loan Documents will not, in and of itself, adversely affect the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes.

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

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

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of December 1, 2017 between the Borrower and the Dissemination Agent.

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

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

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

“Costs of Issuance Deposit” means $__________.

“Costs of the Development” with respect to the Development shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.
“Credit Underwriting Report” means the Housing Finance Authority of Pinellas County, Florida Credit Underwriting Report dated December __, 2017 prepared by First Housing.

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

“Developer” means Vitus Development IV, LLC, a Delaware limited liability company, its successors and assigns.

“Development” means the multifamily rental housing development to be known as Oceanside Estates, which consists of 104 apartment units and related facilities to be located in Pinellas Park, Pinellas County, Florida.

“Dissemination Agent” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America and its permitted successors and assigns as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means a portion of the Trustee’s Fee payable to U.S. Bank National Association, in its capacity as Dissemination Agent pursuant to the Continuing Disclosure Agreement.

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

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

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

“Extension Payment” means the amount due, if any, to provide adequate additional funds for the payment of Bond Service Charges and Administrative Expenses during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.07 hereof, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Preference Proof Moneys.

“Fee Guaranty and Environmental Indemnity Agreement” means the Fee Guaranty and Environmental Indemnity Agreement from, jointly and severally, the Borrower, the General Partner, and Vitus Development IV, LLC, Vitus Group, LLC and Stephen R. Whyte, individually.
“First Housing” means First Housing Development Corporation of Florida, a Florida corporation, its successors and assigns.

“General Partner” means AOF Oceanside Affordable Housing Corp., a Florida nonprofit corporation, as the general partner of the Borrower.


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

“Government Obligations” means direct obligations issued by the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, including, when available, time deposit SLGS, on which the full and timely payment of principal and interest is unconditionally guaranteed by the United States of America.

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

“Guarantor” and “Guarantors” means, individually and collectively, the Borrower, the General Partner and Vitus Development IV, LLC, Vitus Group, LLC, and Stephen R. Whyte, individually, together with their respective permitted successors and assigns.

“Guarantor Documents” means the Fee Guaranty and Environmental Indemnity Agreement.

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


“HUD” means the U.S. Department of Housing and Urban Development, its successor, or such other similar institution which agrees to fund the Lender Loan on behalf of the Lender.

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

“Indenture” means this Trust Indenture, dated as of December 1, 2017, between the Issuer and the Trustee, and any and all Supplements hereto, authorizing the issuance of the Bonds.

“Independent” means any person not an employee or officer of the Borrower, the Guarantors or any of their affiliates.

“Initial Mandatory Tender Date” means January 1, 2020.

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Series 2017 Bonds on such date as provided in Section 3.07 hereof are satisfied except as otherwise provided in Section 3.07.

“Interest Payment Date” means each January 1 and July 1, beginning July 1, 2018.

“Investment Limited Partner” means initially Stephen R. Whyte, an individual, as the limited partner, and upon satisfying the conditions to Disbursement, will mean the entity that will be admitted as the Investment Limited Partner of the Borrower as specified in the evidence of satisfaction of the Conditions to Disbursement.

“Issuer” means the Housing Finance Authority of Pinellas County, Florida, a public body corporate and politic of the State of Florida, duly organized and existing under the laws of the State of Florida, including the Act, or any successor to its rights and obligations under the Bond Loan Agreement and this Indenture.
“Issuer Costs of Issuance” means the fees, costs and expenses incurred by the Issuer in connection with the issuance of the Bonds, payable from the Issuer Costs of Issuance Account.

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

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

“Issuer Fee” means $110,000, payable on the Closing Date (equal to 1% of the original principal amount of the Series 2017 Bonds) plus an amount equal to .25% per annum of the original principal amount of the Series 2017 Bonds, payable semiannually on each July 1 and January 1 in arrears, while the Series 2017 Bonds are Outstanding, commencing July 1, 2018.

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

“Issuer Servicer” means First Housing, or any other servicer appointed by the Issuer to service the Loan on behalf of Issuer and to monitor the Development.

“Issuer Servicer Documents” means the Compliance Monitoring Agreement.

“Issuer Servicer Fee” means the fees and expenses of the Issuer Servicer as may be amended from time to time, and as provided in the Issuer Servicer Documents.

“Land Use Restriction Agreement” means the Land Use Restriction Agreement to be dated as of the first day of the month in which all Conditions to Disbursement are satisfied by and among the Issuer, the Trustee and the Borrower relating to the Bonds and containing certain occupancy and income restrictions on the Development required by the Code, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

“Lender” means Hunt Mortgage Capital, LLC, and its successors and assigns.

“Lender Borrower Note” means the not to exceed $13,000 Note (Multistate) to be dated on or about the date of its execution, from Borrower to the Lender to evidence its indebtedness under the Lender Loan and endorsed by HUD.

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

“Lender Disbursement Agreement” means the Disbursement Agreement, to be dated on or about the date of the hereunder Borrower Note, among the Lender, the Borrower, and the Trustee.
“Lender Loan” means the loan as and when to be made by the Lender to the Borrower in the anticipated original principal amount not to exceed $13,000,000 pursuant to the Lender Disbursement Agreement, as evidenced by the Lender Borrower Note and secured by the Lender Mortgage.

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

“Lender Mortgage” means the first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) to be dated as of the first day of the calendar month in which it is executed, from Borrower for the benefit of the Lender to secure the repayment of the Lender Borrower Note.

“Limited Partnership Agreement” means initially the Third Amended and Restated Agreement of Limited Partnership of the Borrower, dated September 1, 2017, and upon satisfaction of the Conditions of Disbursement, shall mean the Fourth Amended and Restated Agreement of Limited Partnership of the Borrower, as it may be amended and supplemented from time to time.

“Loan” means the loan in the principal amount of $11,000,000 made by the Issuer to the Borrower evidenced by the Note, described in the Bond Loan Agreement and made in connection with the issuance of the Bonds.

“Loan Documents” shall mean the Bond Loan Agreement and the Note.

“Maturity Date” means January 1, 2022.

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

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

(a) As to the Issuer:

Housing Finance Authority of Pinellas County, Florida
26750 U.S. Highway 19 North, Suite 110
Clearwater, Florida 33761
Attention: Executive Director
Facsimile: (727) 255-5562
(b) As to the Borrower:

Oceanside Housing Partners, LP  
c/o Vitus Development IV, LLC  
1700 Seventh Avenue, Suite 2000  
Seattle, WA 98101  
Attn: Stephen R. Whyte  
Phone: (206) 621-7420  
Email: stephen.whyte@vitus.com

And

AOF Oceanside Affordable Housing Corp.  
4401 Northside Parkway, Suite 711  
Atlanta, GA 30327  
Attention: Philip Kennedy  
Phone: (770) 933-2262  
Email: aofkennedy@mindspring.com

With copies to:

VLP Law Group LLP  
548 Market Street, Suite 3200  
San Francisco, CA 94104  
Attention: Byron Rodriguez  
Phone: (415) 963-4327  
Email: brodriguez@vlplawgroup.com

(c) As to the Guarantors:

Vitus Development IV, LLC  
Vitus Group, LLC  
Stephen R. Whyte  
1700 Seventh Avenue, Suite 2000  
Seattle, WA 98101  
Phone: (206) 832-1315  
Email: stephen.whyte@vitus.com

(d) As to Investment Limited Partner:

The address and representative as filed with the Issuer and Trustee upon satisfaction of Conditions to Disbursement.
(e) As to the Rating Agency:

S&P Global Ratings  
55 Water Street, 38th Floor  
New York, New York 10041  
Attention: Public Finance Structured Surveillance  
Pubfin_housing@spglobal.com

(f) As to the Trustee:

U.S. Bank National Association  
550 West Cypress Creek Road, Suite 380  
Ft. Lauderdale, Florida 33309  
Attention: Corporate Trust Department  
Facsimile: (954) 202-2082

(g) As to Lender:

Hunt Mortgage Capital, LLC  
11501 Outlook Street, Suite 300  
Overland Park, Kansas  
Email: Document_Control@huntservicing.com

With copies to:

Ballard Spahr LLP  
1909 K Street NW, 12th Floor  
Washington, DC 20006  
Attention: Mary Jo George, Esq.  
Telephone: (202) 661-2208  
Email: george@ballardspahr.com

(h) As to the Remarketing Agent:

RBC Capital Markets, LLC  
100 2nd Avenue South, Suite 800  
St. Petersburg, Florida 33701  
Attention: Helen Feinberg  
Telephone: (727) 895-8892  
Email: Helen.feinberg@rbccm.com

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

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

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

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

“Permitted Investments” means (i) Government Obligations, (ii) to the extent permitted herein, money market funds rated “AAAm” by S&P that invest in Government Obligations which funds are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended (including any money market funds of the Trustee or its affiliates). Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings or Permitted Investments after the initial purchase of such Permitted Investments.

“Person” shall include an individual, association, unincorporated organization, corporation, limited liability company, partnership, joint venture, or government or agency or political subdivision thereof.

“Plans and Specifications” means the plans and specifications and/or the scope of work for the Development, together with such amendments thereto as are made from time to time in accordance with Section 5.07 of the Bond Loan Agreement.

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

“Proceeds Certificate” means the Proceeds Certificate, dated the Closing Date, executed by the Borrower in connection with the issuance of the Bonds.

“Project Cost Certificate” means the Project Cost Certificate, dated the Closing Date, executed by the Borrower in connection with the issuance of the Bonds.

“Project Fund” means the Project Fund created in Section 4.01 of this Indenture.
“Qualified Project Costs” means any expenditures which (a) are incurred not more than 60 days prior to the date on which the Issuer first declared its “official intent” (within the meaning of Treasury Regulation Section 1.150-2) with respect to the Development (other than preliminary expenditures with respect to the Development in an amount not exceeding 20% of the aggregate principal amount of the Bonds); (b) are made exclusively to provide facilities and improvements that constitute part of a “qualified residential rental project” within the meaning of Section 142(d) of the Code; and (c) are properly chargeable to the Development’s capital account under general federal income tax principles or that would be so chargeable with a proper election or but for a proper election by the Borrower to deduct such expenditure. However, “Qualified Project Costs” do not include (i) issuance costs of the Bonds (within the meaning of Section 147(g) of the Code) or (ii) any fee, charge or profit payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code). As used herein, the term “preliminary expenditures” includes architectural, engineering, surveying, soil testing and similar costs that were incurred prior to the commencement of acquisition, rehabilitation and equipping of the Development, but does not include land acquisition, site preparation and similar costs incident to commencement of renovation and equipping of the Development.

“Rating Agency” means S&P.

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

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee or a Trustee’s subcontractor) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Issuer and at the expense of the Borrower.

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

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

“Remarketing Agent” means RBC Capital Markets, LLC, or any successor Remarketing Agent(s) designated in accordance with Section 11.25 hereof.

“Remarketing Agent’s Fee” means the fee of the Remarketing Agent for its remarketing services.

“Remarketing Agreement” means the Remarketing Agreement, dated as of December 1, 2017, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the Initial Remarketing Date and, if the Series 2017 Bonds Outstanding on such date or on any subsequent Remarketing Date are remarkeeted pursuant to
Section 3.07 for a Remarketing Period that does not extend to the final maturity of the Series 2017 Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses, other than Administrative Expenses, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Series 2017 Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Series 2017 Bonds as certified to the Trustee by the Remarketing Agent in writing.

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

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Series 2017 Bonds are remarketed pursuant to Section 3.07 or the final Maturity Date of the Series 2017 Bonds, as applicable.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund created in Section 4.01 hereof.

“Remarketing Rate” means the interest rate or rates established pursuant to Section 3.07(c) and borne by the Series 2017 Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Series 2017 Bonds, as applicable.

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

“Reserve Fund” means that Repair Reserve Fund created pursuant to the Lender Disbursement Agreement and held by the Lender.

“Resolutions” means the resolutions adopted by the Issuer on September 21, 2016 and May 24, 2017, duly authorizing and directing the issuance, sale and delivery of the Bonds.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.
“Revenues” means, all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee hereunder, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement.

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

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

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

“State” means the State of Florida.

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

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

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

“Title Escrow Agent” means Fidelity National Title Group.

“Trustee” means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, and authorized to exercise corporate trust powers in the State, having a corporate trust office in Jacksonville, Florida, and its successor or successors in the trust created by this Indenture.

“Trustee’s Fee” means the Trustee’s initial fee and expenses of $[2,500.00] plus the fees of its counsel in the amount of $[6,000.00] payable on the Closing Date, together with the annual administrative fees and expenses of the Trustee in an amount equal to $[4,918.13] per year payable in advance semi-annually commencing on the Closing Date and thereafter in advance each January 1 and July 1, which represents an annual fee of $[4,000.00], and a fee of $[575.00] for serving as Dissemination Agent under the Continuing Disclosure Agreement; plus an out of pocket fee of $______.

“Trust Estate” has the meaning given such term in the Granting Clauses of this Trust Indenture.
“Trust Office” means the corporate trust office of the Trustee located at the address set forth in Article I hereof or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

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

“Underwriter” means RBC Capital Markets, LLC.

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

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

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

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

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

Any reference to particular sections or subsections of the Code and applicable income tax regulations shall include any successor provisions of law or regulations, to the extent the same shall apply to the Bonds.
Any reference to a Bond or to the Bonds shall include each portion in the minimum authorized denomination of any registered bond having a denomination greater than the minimum authorized denomination.

ARTICLE II

CREATION OF BONDS; DETAILS OF THE BONDS

Section 2.01. Authorization and Terms of Bonds.

(a) Authorization of Bonds. The Issuer hereby authorizes for issuance under this Indenture, bonds in the original aggregate principal amount of $11,000,000 which shall be designated the “Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017” to be issued as hereinafter provided.

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

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

(d) Book Entry Form. Initially, the Bonds shall be in Book Entry Form by issuing a single bond in the amount of $11,000,000, registered in the name of Cede & Co., as nominee for DTC. In the event DTC discontinues its service with respect to the Bonds and the Book Entry System is terminated, replacement Bonds shall be issued in authorized denominations.

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

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

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

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

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

Section 2.03. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chairman, Vice Chairman, Executive Director or Chief Financial Officer of the Issuer, and the seal of the Issuer or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or any Assistant Secretary of the Issuer. In case any authorized officer of the Issuer whose signature or a facsimile of whose signature shall appear on any of the Bonds shall cease to be an authorized officer of the Issuer before the delivery of such Bonds, such signature or such facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the
same as if such authorized officer of the Issuer had remained in office until delivery. Any Bond
may be signed on behalf of the Issuer by such authorized officers as are at the time of execution
of such Bond proper officers of the Issuer, even though at the date of such Bond, such
authorized officer was not such officer. Furthermore, it shall not be necessary that the same
authorized officer of the Issuer sign all of the Bonds that may be issued hereunder at any one
time or from time to time.

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

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

(a) A copy, certified by an authorized officer of the Issuer, of the Resolutions
adopted by the Issuer relating to the Bonds, authorizing the execution, delivery and
performance of this Indenture and the Bond Loan Agreement;

(b) A fully executed counterpart of this Indenture;

(c) A fully executed counterpart of the Bond Loan Agreement, the Land Use
Restriction Agreement, the Tax Certificates, the Continuing Disclosure Agreement, the
Guarantor Documents and the original, fully executed Note;

(d) An opinion of Bond Counsel to the effect that the interest payable on the
Bonds is excludable from the gross income of the holder thereof for federal income tax
purposes;

(e) An opinion or opinions of counsel to the Issuer addressed to the Issuer
and the Trustee to the effect that the Bonds and the Issuer Documents have been duly
executed and delivered by the Issuer and constitute valid and binding obligations of the
Issuer, enforceable against the Issuer in accordance with their respective terms, subject
to bankruptcy, insolvency or other laws affecting creditors’ rights generally, and with
respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose;

(f) A request and authorization signed by an authorized officer of the Issuer authorizing the Trustee to authenticate and to deliver the Bonds to the purchaser or purchasers therein identified upon payment to the Trustee for the account of the Issuer of the amount specified in such request and authorization plus accrued interest, if any, thereon to the date of delivery; and

(g) written evidence from the Rating Agency confirming that the Bonds have been assigned a rating of “AA+”;

(h) the Capitalized Interest Deposit, for deposit to the Capitalized Interest Account;

(i) the Costs of Issuance Deposit for deposit to the Cost of Issuance Fund; and

(j) copies of all initial financing statements to be filed by the Borrower upon issuance of the Bonds.

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

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

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

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

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

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

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

**Section 2.09. Limited Obligation.** THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

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

**Section 2.11. Book Entry System.**

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

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

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

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

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

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

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

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

ARTICLE III

REDEMPTION OF SERIES 2017 BONDS

Section 3.01. Optional and Mandatory Redemption of Series 2017 Bonds. The Series 2017 Bonds are not subject to optional redemption prior to the Initial Mandatory Tender Date. After the Initial Mandatory Tender Date, the Series 2017 Bonds may be subject to optional redemption, in whole or in part, to the extent and subject to the terms and redemption price specified in the Remarketing circular for such Remarketing Period and permitted by the remarketing of the Series 2017 Bonds on the Initial Remarketing Date or any subsequent Remarketing Date. The Trustee shall transfer monies on deposit in the Project Fund, if any, the Capitalized Interest Account and Collateral Fund in amounts required to fund each such optional redemption.
Upon delivery of a written certificate from the Borrower that the Conditions to Disbursement cannot be met by the Borrower, or in the event the Conditions to Disbursement have not been met by December 1, 2019, the Series 2017 Bonds shall be subject to mandatory redemption on the Initial Mandatory Tender Date and may not be remarketed in accordance with Section 3.07 hereof. The Trustee shall transfer all moneys and investments then held in the Project Fund, Collateral Fund and Capitalized Account from such accounts and deposit same in a defeasance account to be created by the Trustee under Section 9.01 hereof, to defease the Series 2017 Bonds for mandatory redemption on the Initial Mandatory Tender Date.

Section 3.02. Purchase in Lieu of Redemption.

(a) Any Series 2017 Bonds called for optional redemption under Section 3.01 of this Indenture may be purchased by the Borrower or by any other party designated in writing by the Borrower, on the date upon which such Series 2017 Bonds were to have been redeemed (the "Purchase in Lieu of Redemption Date"), at a purchase price equal to the redemption price thereof. The Borrower shall give immediate written notice not less than two (2) business days before the designated Purchase in Lieu of Redemption Date to the Trustee for which an election to purchase pursuant to this Section 3.02 is being made. Series 2017 Bonds to be purchased pursuant to this Section 3.02 which are not delivered to the Trustee on the Purchase in Lieu of Redemption Date shall be deemed to have been so purchased, and the purchaser of such Series 2017 Bonds shall be the Owner of such Series 2017 Bonds for all purposes under this Indenture, and interest accruing on such Series 2017 Bonds on and after the Purchase in Lieu of Redemption Date shall be payable solely to the purchaser of the Series 2017 Bonds or any assignee(s) of its interest in such Series 2017 Bonds.

(b) The purchase of Series 2017 Bonds in accordance with this Section 3.02 is not intended, and shall not be deemed to constitute, a redemption of such Series 2017 Bonds nor an extinguishment of the debt evidenced thereby.

(c) The notice provided for in Section 3.03 hereof shall be given by the Trustee regardless of whether the Borrower intends to purchase the Series 2017 Bonds in lieu of redemption.

Section 3.03. Notices of Redemption.

(a) All or a portion of the Series 2017 Bonds shall be called for optional redemption pursuant to Section 3.01 hereof by the Trustee as herein provided upon receipt by the Trustee and the Issuer at least 35 days prior to the redemption date (unless a shorter notice shall be satisfactory to the Trustee) of a certificate of the Borrower specifying the principal amount of the Series 2017 Bonds to be called for redemption, the applicable redemption price or prices, and the provision or provisions of this Indenture pursuant to which such Series 2017 Bonds are to be called for redemption. In the case of every redemption, the Trustee shall cause notice of such redemption to be given by mailing by first class mail a copy of the redemption notice to the Bondholders designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 30 nor less than 20 days
prior to the redemption date, provided, however, that failure to receive such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2017 Bonds. So long as the Series 2017 Bonds are in Book Entry Form, notice of redemption will be given by the Trustee only to DTC or its successor. The Redemption notice may be given as a conditional notice provided the Trustee shall have sufficient moneys on deposit in the Project Fund, the Capitalized Interest Account and the Collateral Fund, or on prior to the redemption date, to redeem all of the Series 2017 Bonds called for redemption, and if the Trustee does not have sufficient funds for this purpose, no Series 2017 Bonds shall be redeemed. The Trustee shall furnish the Borrower, the Investor Limited Partner and the Issuer with a copy of each notice of redemption given with respect to any optional redemption under Section 3.01 hereof, as soon as practicable after the delivery of notice to the Bondholders.

(b) Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Series 2017 Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. Each notice of redemption shall also state that the redemption is conditioned on receipt of sufficient moneys for such redemption by the Trustee on or prior to the redemption date; if sufficient moneys are not so received, the redemption of the Series 2017 Bonds for which notice was given shall not be made. If less than all the Outstanding Series 2017 Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Series 2017 Bonds or portions thereof to be redeemed.

Section 3.04. Payment of Redeemed Bonds.

Notice having been mailed in the manner provided in Section 3.03 hereof, subject to conditions stated in the notice provided pursuant to Section 3.03 above, the Series 2017 Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including interest accrued to the redemption date.

Upon the payment of the redemption price of Series 2017 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2017 Bonds being redeemed with the proceeds of such check or other transfer.

If money for the redemption of all of the Series 2017 Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee on the redemption date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Series 2017 Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding hereunder unless such Series 2017 Bonds will be purchased in lieu of redemption. If such money shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Series 2017 Bonds and portions thereof shall not be redeemed.
Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All money deposited in the Bond Fund and held by the Trustee for the redemption or, purchase of Series 2017 Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Series 2017 Bonds.

Section 3.05. Mandatory Tender.

(a) **Mandatory Tender for Purchase.** The Series 2017 Bonds are subject to mandatory tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series 2017 Bond shall be payable in Preference Proof Moneys by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) **Mandatory Tender Dates.** The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender Date and (ii) any subsequent dates for mandatory tender of the Series 2017 Bonds established by the Borrower with the consent of the Remarketing Agent in connection with a remarketing of the Series 2017 Bonds pursuant to Section 3.07 hereof.

(c) **Holding of Tendered Bonds.** While tendered Series 2017 Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series 2017 Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Series 2017 Bonds had not been tendered for purchase.

(d) **Effect of Prior Redemption.** Notwithstanding anything herein to the contrary, any Series 2017 Bond tendered under this Section 3.05 will not be purchased if such Series 2017 Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

(e) **Purchase of Tendered Bonds.** The Trustee shall utilize the following sources of payment to pay the tender price of the Series 2017 Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarshaled Series 2017 Bonds deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Series 2017 Bonds tendered for purchase under such remarketing; (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Series 2017 Bonds tendered for purchase; (iii) amounts on deposit in the Capitalized Interest Account of the Bond Fund to pay the accrued interest, if any, on Series 2017 Bonds tendered for purchase; (iv) amounts on deposit in the Project Fund, if any, to pay the accrued interest, if any, on the Series 2017 Bonds tendered for purchase; and (v) any other Preference Proof Moneys available or made available for such purpose at the written direction of the Borrower.

(f) **Undelivered Bonds.** The Series 2017 Bonds shall be deemed to have been tendered for purposes of this Section 3.05 whether or not the Holders shall have delivered such
Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Series 2017 Bonds and interest accrued thereon to the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Series 2017 Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Section 3.06. Mandatory Tender Notice.

(a) Notice to Holders. Not less than 20 days or more than 30 days preceding a Mandatory Tender Date, the Trustee shall give written notice of mandatory tender to the Holders of the Series 2017 Bonds then Outstanding (with a copy to the Borrower, the Investor Limited Partner, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(1) the Mandatory Tender Date and that (A) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date, (B) all Outstanding Bonds must be tendered for purchase no later than 12:00 Noon, Local Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Series 2017 Bonds;

(2) the address of the Designated Office of the Trustee at which Holders should deliver their Series 2017 Bonds for purchase and the date of the required delivery;

(3) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date; and

(4) that any Series 2017 Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) Second Notice. In the event that any Series 2017 Bond required to be delivered to the Trustee for payment of the purchase price of such Series 2017 Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Series 2017 Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Series 2017 Bond to the Trustee and stating that delivery of the Series 2017 Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Series 2017 Bonds) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Series 2017 Bond.

(c) Failure to Give Notice. Neither failure to give or receive any notice described in this Section 3.06, nor the lack of timeliness of such notice or any defect in any notice (or in its
content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.06.

Section 3.07. Remarketing of Series 2017 Bonds.

(a) Notice of Mandatory Tender. No later than 11:00 a.m. eastern time on the date notice is given pursuant to Section 3.06(a) hereof, the Trustee shall give notice to the Borrower, Investor Limited Partner and the Remarketing Agent by electronic mail, which states the aggregate principal amount of Series 2017 Bonds which are to be tendered or deemed to be tendered pursuant to Section 3.05 hereof.

(b) Preliminary Conditions to Remarketing. No later than 11:00 a.m. eastern time on the 15th day prior to the Mandatory Tender Date then in effect, the Borrower may give notice to the Remarketing Notice Parties by electronic mail, that it elects to cause the Series 2017 Bonds to be remarshaled. A remarketing of the Series 2017 Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

1. Notice by the Borrower to the Remarketing Agent of a requested Remarketing Period, approved in writing by the Remarketing Agent;

2. Delivery to the Rating Agency and the Remarketing Agent of a preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

3. The Borrower and, if applicable, the Issuer shall each have notified the Remarketing Agent in writing that it has approved as to form and substance any disclosure document or offering materials which, in the opinion of counsel to the Remarketing Agent, is necessary to be used in connection with the remarketing of the Outstanding Bonds.

Notwithstanding the foregoing, if the Borrower has not delivered to the Issuer and the Trustee by 11:00 a.m. local time on the 15th day prior to the Mandatory Tender Date a Completion Certificate in accordance with Section 3.05 of the Loan Agreement, the Series 2017 Bonds must be remarshaled on such Mandatory Tender Date.

(c) Remarketing. Not less than 10 days before each Remarketing Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Series 2017 Bonds to remain Outstanding on the Remarketing Date at a price equal to 100% of the principal amount of such Series 2017 Bonds plus, if such Remarketing Date is a date other than an Interest Payment Date, accrued interest on such Series 2017 Bonds from the preceding Interest Payment Date to which interest has been paid. Not less than four (4) Business Days before each Remarketing Date, the Remarketing Agent shall give notice, by telephone or electronic mail, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Series 2017 Bonds, if any, it has remarshaled (including Series 2017 Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account), the Remarketing Rate(s) and the Remarketing Period applicable to the Series 2017 Bonds.
The Remarketing Agent shall have the right to remarket any Series 2017 Bond tendered pursuant to Section 3.05 hereof; provided, however, that no such Series 2017 Bond shall be remarketed at a price less than 100% of the principal amount thereof plus accrued interest (if any) without the prior written consent of the Borrower and the Investor Limited Partner; and provided, further, that the purchase price of any Series 2017 Bond paid to the tendering Holder allocable to such discount shall be paid with Preference Proof Moneys made available by the Borrower therefor and on deposit with the Trustee prior to the remarketing of such Series 2017 Bonds. The Remarketing Agent shall have the right to purchase any Series 2017 Bond tendered or deemed tendered pursuant to Section 3.05 hereof at 100% of the principal amount thereof, and to thereafter sell such Series 2017 Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not remarket any Series 2017 Bond to the Issuer, the Borrower, any guarantor of the Series 2017 Bonds or any person which is an "insider" of the Issuer, the Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(d) Final Conditions to Remarketing. If, not less than 4 Business Days preceding the Remarketing Date:

(1) the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account) or other Preference Proof Moneys equal to the amount needed to purchase the remarketed Series 2017 Bonds on the Remarketing Date are expected to be available to the Trustee on the Remarketing Date for deposit into the Remarketing Proceeds Account;

(2) the Trustee shall have received written confirmation that the Rating Agency shall have received and approved a Cash Flow Projection based on the interest rate(s) to be in effect with respect to the Outstanding Bonds on and after the Remarketing Date for the next Remarketing Period;

(3) there shall be on deposit with the Trustee, from Preference Proof Moneys provided by or on behalf of the Borrower an amount sufficient to pay the Extension Payment set forth in the Cash Flow Projection for deposit (A) to the Capitalized Interest Account of the Bond Fund with respect to the payment of Bond Service Charges during the new Remarketing Period and (B) to the Expense Fund with respect to the payment of Administrative Expenses during the new Remarketing Period;

(4) there shall be on deposit with the Trustee, from Preference Proof Moneys provided by the Borrower an amount sufficient to pay the estimated Remarketing Expenses for deposit in the Expense Fund, or provision for the payment of the estimated Remarketing Expenses shall have been made to the satisfaction of the Trustee and the Remarketing Agent;
the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then current rating assigned to the Outstanding Bonds will continue to be effective on the Remarketing Date; and

the Trustee shall have received an Opinion of Bond Counsel to the effect that the remarketing of the Series 2017 Bonds will not adversely affect the excludability of interest on the Series 2017 Bonds from gross income for federal income tax purposes; then the Trustee shall immediately give notice, electronic mail, to the Remarketing Agent, the Borrower and the Investor Limited Partner that (a) all conditions precedent to the remarketing of the Outstanding Bonds have been satisfied and (b) the sale and settlement of the Outstanding Bonds is expected to occur on the Remarketing Date. Following the Trustee’s notice, the Outstanding Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Remarketing Date, and the Trustee shall apply (i) the funds in the Remarketing Proceeds Account of the Bond Fund on the Remarketing Date to payment of the purchase price of the Outstanding Bonds and (ii) the funds in the Expense Fund to payment of the Remarketing Expenses.

(e) Failure to Satisfy Final Conditions. If, not less than two (2) Business Days preceding a Remarketing Date, any condition set forth in paragraph (d) of this Section 3.07 has not been satisfied, then, unless the Outstanding Bonds are otherwise purchased on the Remarketing Date, the Remarketing Agent shall not sell any of the Outstanding Bonds on the Remarketing Date.

(f) Remarketing Proceeds. No later than 11:00 a.m. Local Time on each Remarketing Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Series 2017 Bonds tendered for purchase on such Remarketing Date; provided, that the Remarketing Agent may use its best efforts to cause the purchasers of the remarshaled Series 2017 Bonds to pay the purchase price plus accrued interest (if any) to the Trustee in immediately available funds. The proceeds from the remarketing of the Series 2017 Bonds shall be segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 11:00 a.m. Local Time on each Remarketing Date shall be paid to the Trustee as soon as practicable upon such receipt and deposited in the Remarketing Proceeds Account.

(g) Delivery of Purchased Series 2017 Bonds. On or before the Business Day next preceding each Remarketing Date, the Remarketing Agent, by telephonic advice, shall notify the Trustee in writing of (i) the principal amount of Series 2017 Bonds to be sold by the Remarketing Agent pursuant to Section 3.07 hereof and the purchase price, and, unless the Series 2017 Bonds are then in the Book-Entry System, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Series 2017 Bonds to be tendered for purchase on such Remarketing Date which will not be sold by the Remarketing Agent pursuant to Section 3.07 hereof.
The Series 2017 Bonds purchased by the Trustee on a Mandatory Tender Date from moneys provided by the Remarketing Agent that have been remarketed shall be delivered to the purchasers thereof as directed by the Remarketing Agent. The Series 2017 Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 3.08. Cancellation of Series 2017 Bonds.

The Trustee shall immediately cancel Series 2017 Bonds if the tender price of the Series 2017 Bonds is paid from amounts other than proceeds derived from the remarketing of the Series 2017 Bonds.

ARTICLE IV

REVENUES AND FUNDS

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

(a) **Bond Fund.** “Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 - Bond Fund” (herein referred to as the “Bond Fund”), and within the Bond Fund, the “Remarketing Proceeds Account” and the “Capitalized Interest Account,” which Fund shall be administered as provided in Sections 4.02 and 4.05 hereof.

(b) **Project Fund.** “Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 - Project Fund” (herein referred to as the “Project Fund”), and within the Project Fund, a “Proceeds Account”, and an “Equity Account”, which Fund and the accounts therein shall be administered in accordance with the provisions of Section 6.02 of this Indenture.

(c) **Rebate Fund.** “Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 - Rebate Fund” (herein referred to as the “Rebate Fund”), which Fund shall be administered in accordance with the provisions of Section 5.01 of this Indenture. Moneys held in the Rebate Fund are not held for the benefit of the Owners and are not part of the Trust Estate.

(d) **Expense Fund.** “Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 - Expense Fund” (herein referred to as the “Expense Fund”), which Fund shall be administered in accordance with the provisions of Section 4.07 of this Indenture. Moneys held in the Expense Fund are not held for the benefit of the Owners and are not part of the Trust Estate.
(e) **Collateral Fund.** “Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 - Collateral Fund” (herein referred to as the “Collateral Fund”), which Fund shall be administered in accordance with the provisions of Section 4.03 of this Indenture.

(f) **Cost of Issuance Fund.** “Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 - Cost of Issuance Fund” (herein referred to as the “Cost of Issuance Fund”), and within the Cost of Issuance Fund, a “the Issuer Costs of Issuance Account” and a “Borrower Costs of Issuance Account,” which Fund shall be administered in accordance with the provisions of Section 4.04 of this Indenture. Moneys held in the Cost of Issuance Fund (other than amounts derived from the proceeds of the Bonds) are not held for the benefit of the Owners and are not part of the Trust Estate.

**Section 4.02. Deposits into the Bond Fund.** On or before the Closing Date, upon receipt of the Capitalized Interest Deposit in accordance with Section 4.02 of the Bond Loan Agreement, the Trustee shall deposit the Capitalized Interest Deposit to the Capitalized Interest Account. All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein) or the Collateral Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent of any fees, costs or expenses described in Section 4.07 hereof which are due and payable, and then to the Bond Fund. In accordance with the last sentence of Section 11.04, for so long as the Bonds are outstanding hereunder, funds on deposit in the Proceeds Account of the Project Fund, the Collateral Fund or the Bond Fund (including the Capitalized Interest Account therein) shall not be deposited in the Expense Fund or otherwise used to pay fees, costs or expenses described in Section 4.07 hereof. The portion of any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to Section 3.07 hereof designated for the payment of Bond Service Charges shall be deposited in the Capitalized Interest Account and the proceeds of any remarketing pursuant to Section 3.02(f) shall be deposited to the Remarketing Proceeds Account.

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

**Section 4.03. Use of Moneys in Collateral Fund.** Upon receipt from the Lender of the proceeds of (a) the sale of a GNMA security, (b) a draw on Lenders’ warehouse line of credit, or (c) from funds otherwise provided by Lender (the “Lender Collateral Deposit”), the Trustee shall deposit such amounts to the Collateral Fund. Together with amounts on deposit in the
Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Initial Mandatory Tender Date or, if a Remarketing Period extends to the Maturity Date, to the Maturity Date. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due. On each Mandatory Tender Date, the Trustee shall transfer from the Collateral Fund a sufficient amount of funds to the Bond Fund necessary to pay the purchase price of the Series 2017 Bonds to the extent amounts on deposit in the Remarketing Proceeds Account and Capitalized Interest Account of the Bond Fund are insufficient therefor. Bonds purchased with moneys in the Bond Fund shall be canceled.

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

(a) Deposits into the Cost of Issuance Fund. On or before the Closing Date the Borrower shall deliver the Cost of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Cost of Issuance Deposit into either the Issuer Cost of Issuance Account or the Borrower Cost of Issuance Account of the Cost of Issuance Fund as designated in the closing memorandum prepared by the Underwriter and executed by the Borrower and the Issuer in connection with the issuance of the Bonds.

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

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

Section 4.05. Use of Moneys on Deposit in the Bond Fund; Application of Loan Payments. The funds on deposit in the Bond Fund shall be used by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made,
whether by maturity, scheduled Interest Payment Date or as a result of an early redemption of the Bonds.

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

(a) first, from amounts on deposit in the Capitalized Interest Account to be used only to pay interest on the Bonds;

(b) second, from amounts on deposit in the Collateral Fund; and

(c) third, from amounts on deposit in the Project Fund.

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

The funds on deposit in the Remarketing Proceeds Account shall be used for the purchase of Series 2017 Bonds tendered on a Mandatory Tender Date in accordance with Section 3.05(e) hereof.

**Section 4.06. Payment to Borrower of Excess Moneys.** Any amounts remaining in the Cost of Issuance Fund after the payment in full of all Costs of Issuance shall be paid to the Borrower in accordance with Section 4.04 hereof, and any amounts remaining in the Collateral Fund or the Bond Fund (except for amounts then held by the Trustee in the Bond Fund for payment of principal of, or interest on, any of the Bonds) after payment in full of the principal of and interest on, the Bonds, payment of any and all fees and expenses due in accordance with this Indenture and the Bond Loan Agreement, and payment of all other costs associated with the discharge of the Bonds (or provision for payment thereof having been made as provided in Section 9.01 hereof) shall, upon written instruction to the Trustee from the Borrower (with a copy to the Issuer), be paid to the Borrower upon the expiration or sooner termination of the term of the Bond Loan Agreement.

**Section 4.07. Expense Fund.** The Trustee shall deposit amounts received from the Borrower for the purpose of paying Trustee’s Fees, the Issuer Fee, the Issuer Servicer Fee and any other fees, costs or expenses required under the Bond Loan Agreement into the Expense Fund. The Trustee shall pay such amounts to the proper persons on the dates and in the amounts due. 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 and the Issuer Servicer Fee, (ii) to the Trustee, the Trustee’s Fee, (iii) upon receipt, to the Trustee, any
Section 4.08. Allocation and Reallocation of Government Obligations Deposited to the Collateral Fund and the Project Fund. On the Closing Date, the Trustee shall allocate ownership of the Government Obligations acquired pursuant to Article VII hereof and deposited for the benefit of the Project Fund and the Collateral Fund as follows: The Trustee shall allocate to the Collateral Fund a percentage of such Government Obligations equal to the amount of the Lender Collateral Deposit by the Lender to the Trustee for deposit to the Collateral Fund on the Closing Date divided by the aggregate Outstanding principal amount of the Bonds and multiplied by 100 (the “Initial Collateral Fund Percentage”) and the remainder (i.e., 100% minus the Initial Collateral Fund Percentage, referred to as the “Initial Project Fund Percentage”) shall be allocated to the Project Fund. On each subsequent month when an additional Lender Collateral Deposit is presented by the Lender for deposit to the Collateral Fund (the “Subsequent Allocation Date”), the dollar amount of such Lender Collateral Deposit shall be added to all prior Lender Collateral Deposits, and the percentage of such Government Obligations allocated to the Collateral Fund shall be adjusted to that percentage equal to the aggregate Lender Collateral Deposits through such date divided by the aggregate Outstanding principal amount of the Bonds and multiplied by 100 (the “Collateral Fund Percentage”) and the remainder (i.e., 100% minus the Collateral Fund Percentage, referred to as the “Project Fund Percentage”) shall be allocated to the Project Fund. On each Subsequent Allocation Date, the Trustee shall be deemed to have liquidated that portion of the Government Obligations allocated to the Project Fund and purchased equivalent Government Obligations to be allocated to the Collateral Fund.

ARTICLE V

REBATE

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

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

(b) Neither the Issuer nor the Trustee shall be obligated to pay any portion of the Rebate Requirement (except from funds on deposit in the Rebate Fund). In addition, neither the Issuer nor the Trustee shall have any responsibility with respect to the calculation of the Rebate Requirement.
(c) Any moneys held as part of the Rebate Fund and not immediately required to be paid to the United States pursuant to the Arbitrage Rebate Agreement shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Government Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Government Obligations, including any such fund maintained by the Trustee or an affiliate thereof, having maturities consonant with the need for moneys as estimated by the Borrower. In connection with the investment of moneys held as part of the Rebate Fund, the provisions of Section 7.03 hereof control regarding the crediting to the Rebate Fund of interest and other income received on the investment of moneys held as part of the Rebate Fund.

(d) As provided in the Arbitrage Rebate Agreement, the Borrower is required to (i) obtain a rebate calculation with respect to the Rebate Requirement with respect to the Maturity Date or the earlier date upon which all of the Bonds have been redeemed or defeased in a timely manner and either (ii)(A) pay to the Trustee for deposit into the Rebate Fund an amount of money as determined by such calculation within 30 days of such calculation or (B) provide the Trustee and the Issuer with written notice (signed by the Borrower Representative and the Rebate Analyst) that (1) no deposit is required or (2) the amount in the Rebate Fund is in excess of the amount required to be on deposit as determined by the most recent rebate calculation, in which case the Trustee shall, with the prior written consent of the Issuer, pay such excess over to the Borrower. If the Trustee does not receive either of the items required in (ii)(A) or (ii)(B) above within 30 days after the Maturity Date, the Trustee shall notify the Issuer; provided, however, that the Trustee shall not incur any liability if it should fail to provide such notice. The Borrower shall provide copies of all rebate calculations to the Issuer upon submission by the Rebate Analyst.

(e) [TO BE REFORMATTED AT PRICING IF YIELD REDUCTION PAYMENT REQUIRED] [On the Closing Date, the Borrower shall deposit $__________ from amounts derived from sources other than the proceeds of the Bonds into the Rebate Fund to make a yield reduction payment. The Issuer and the Borrower, hereby instruct the Trustee to pay such amount to the United States Government at the Internal Revenue Service Center, Ogden Utah 84201, on or before __________ __, 2018. Such payment shall be accompanied by Form 8038-T delivered to the Trustee by no later than __________ __, 2018.]

ARTICLE VI

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 6.01. Custody and Application of Project Fund. The proceeds received upon the issuance and sale of the Bonds shall be deposited in the Proceeds Account of the Project Fund.
Section 6.02. Procedure for Making Disbursements from Project Fund.

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

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

Notwithstanding any provision of the Agreement or any other provision of this Indenture to the contrary, the Trustee shall not disburse moneys from the Project Fund, other than pursuant to Section 3.01 or to pay principal and/or interest payments on the Bonds in accordance with Section 4.05 hereof, unless and until the Trustee receives satisfactory evidence that a Lender Collateral Deposit in an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund. Prior to making any disbursement, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund, (ii) the Capitalized Interest Account, (iii) the Project Fund and (iv) the Bond Fund, will be sufficient to pay principal of and interest on the Bonds as and when they become due to the Maturity Date. Upon satisfaction of the conditions precedent set forth in this Section 6.02, and notwithstanding anything in the Bond Documents to the contrary, once the Lender deposits the Lender Collateral Deposit the Trustee is irrevocably and
unconditionally obligated to disburse an equal amount of moneys from the Project Fund in accordance with approved Requisitions.

All disbursements from the Project Fund will be made by the Trustee directly to the Title Escrow Agent for disbursement at the direction of Lender to Borrower or other party entitled to payment for which payment is requested by the Borrower in writing, or shall be transferred to the Bond Fund, provided the Trustee shall be fully authorized to make such transfers to the Bond Fund without a requisition.

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

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

On the earlier of a Mandatory Tender Date on which the Series 2017 Bonds are not being remarketed, a Redemption Date for which amounts on deposit in the Collateral Fund and the Capitalized Interest Account are not sufficient to pay, in full, the redemption price, or the principal amount due on the Maturity Date, any money remaining in the Project Fund shall be transferred to the Bond Fund.

Upon the occurrence and continuance of an Event of Default hereunder whereby the principal amount of the Series 2017 Bonds has been declared to be due and immediately payable pursuant to Article X hereof, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.
Section 6.03. Trustee May Rely on Requisitions and Certifications. In making any such disbursement from the Project Fund, the Trustee may conclusively rely on any Requisition delivered to it pursuant to Section 6.02 hereof, and the Trustee shall be relieved of all liability with respect to making such payments in accordance with any such Requisition.

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

ARTICLE VII

INVESTMENT OF FUNDS AND ACCOUNTS

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

Subject to the provisions of Section 4.08, hereof, amounts on deposit in the Project Fund, the Collateral Fund and the Bond Fund shall be invested at all times in Permitted Investments.

The Trustee is hereby directed to purchase Government Obligations maturing on or before January 1, 2022, with respect to the investment of certain amounts on deposit in the Project Fund, the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein), the principal and interest of which, along with amounts on deposit in the Capitalized Interest Account, if any, will be sufficient to pay principal and interest on the Bonds when due. Such instructions shall be detailed in the closing memorandum prepared by the Underwriter. All interest earned from the foregoing investments shall be deposited in the Bond Fund.

Any investment hereunder shall not bear a yield which is in excess of the yield on the Bonds. The Trustee may not sell any investment at a loss, unless being sold pursuant to Section 7.03 or in connection with an acceleration as set forth in Section 10.01 hereof.

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

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

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

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

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

If the Issuer is of the opinion, upon receipt of advice of Bond Counsel, that it is necessary to restrict or limit the yield on the investment of any moneys, securities or other obligations paid to or held by the Trustee hereunder in order to comply with the provisions of the Documents intended to prevent any Bonds from being considered “arbitrage bonds” within the meaning of Section 148 of the Code, an authorized officer of the Issuer may give written notice to the Trustee and the Borrower to such effect (together with appropriate written instructions), in which event the Trustee will use its best efforts to take such action as is set forth in such written instructions to restrict or limit the yield on such investment so as to comply with Section 148 of the Code.
Section 7.04. Trustee’s Own Bond or Investment Department. The Trustee may make any and all investments permitted under Section 7.01 hereof through its own bond or investment department or that of any affiliate and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although the Issuer and the Borrower each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Borrower hereby agree that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account hereunder if no activity occurred in such fund or account during such month.

Section 7.05. Moneys to be Held in Trust. Subject to Section 4.07 hereof, all moneys required to be deposited with or paid to the Trustee for account of the Collateral Fund, the Bond Fund or the Project Fund under any provision of this Indenture shall be held by the Trustee in trust, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien and claim created by this Indenture. U.S. Bank National Association, acting in its capacity as Trustee and not as sponsor, advisor or manager in connection with any investments hereunder, shall not be liable for any loss arising from investments made in accordance with this Section, or for any loss resulting from the redemption or sale of any such investments as authorized by this Section.

ARTICLE VIII

GENERAL COVENANTS

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

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

The Revenues due under the Note are to be remitted by the Borrower directly to the Trustee for the account of the Issuer and constitute a part of the Trust Estate and are subject to the lien and claim created by this Indenture. The moneys held by the Trustee in the Project Fund (until disbursed to pay Costs of the Development), the Bond Fund (including the Capitalized Interest Account therein) and the Collateral Fund shall be used to make timely payment of the principal of and interest on the Bonds. Such amounts are to be sufficient in amount at all times to pay the principal of and interest on the Bonds to the Maturity Date. The
entire amount of Revenues and the entire amount of moneys held in the Project Fund (until disbursed to pay Costs of the Development), the Bond Fund (including the Capitalized Interest Account therein) and the Collateral Fund are pledged by the Issuer to secure the payment of the principal of and interest on the Bonds.

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

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

**Section 8.04. Enforcement of Borrower’s Obligations.** So long as any of the Bonds are Outstanding, the Issuer will cooperate with the Trustee in enforcing the obligations of the Borrower to pay, or cause to be paid, all the payments and other costs and charges payable pursuant to the Bond Loan Agreement and the Note. Nothing contained in this Section or in any other Section of this Indenture shall be deemed to modify the provisions of the Act and Section 2.09 hereof or require that the Issuer expend any of its own funds or assets to enforce the obligations of the Borrower under the Documents.

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

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

**Section 8.07. Books and Documents Open to Inspection.**
The Issuer and the Trustee each hereby covenants and agrees that all books and documents in its possession relating to the Bonds, the Development, and the moneys, revenues and receipts derived from the Development, if any, that shall at any time be in its possession, shall, within a reasonable time of a written request by the Trustee or the Issuer, as applicable, the Issuer Servicer, or the Borrower, be open to inspection during the Trustee’s regular business hours by such accountants or other agents as the Issuer, the Trustee or the Borrower may from time to time designate.

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

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

ARTICLE IX

DISCHARGE

Section 9.01. Discharge of Lien. If and when the Bonds secured hereby shall become due and payable in accordance with their terms as provided in this Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable hereunder by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Borrower, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Collateral Fund and all balances remaining in any other fund created under this Indenture (other than the Rebate Fund, the Cost of Issuance Fund and the Expense Fund to the extent obligations remain payable therefrom) and shall assign and transfer to the Borrower all other property then held by the Trustee under this Indenture and shall execute such documents prepared by the Borrower as may be reasonably required by the Borrower.

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

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations) either (i) moneys (excluding moneys held in the Project Fund and the Collateral Fund) in an amount which shall be sufficient, or (ii) Government Obligations (excluding Government Obligations held in the Project Fund and the Collateral Fund) which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, or (iii) moneys and Permitted Investments in the Project Fund, Collateral Fund and Capitalized Interest Account transferred to a defeasance account pursuant to Section 3.01 hereof, shall be sufficient, to pay when due the principal and interest due on such Bonds on the Maturity Date or earlier redemption date thereof, and (b) the Borrower shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the date upon which moneys are to be available for the payment of the principal and interest on such Bonds.

Neither the securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest, on such Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, may be reinvested in Government Obligations (including any short term investment fund rated AAA or A-1+ (or comparable) by the Rating Agency and secured by and investing solely in Government Obligations) maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be deposited into the respective defeasance account held by the Trustee under this Indenture for the benefit of the Series 2017 Bonds.
The release of the obligations of the Issuer under this Section 9.01 shall be without prejudice to the right of the Trustee provided in Section 11.04 hereof to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements, including those of its attorneys, agents and employees, and shall not affect the obligations of the Borrower to make the payments required by the Bond Loan Agreement or the Note.

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

ARTICLE X

DEFAULTS AND REMEDIES

Section 10.01. Events of Default and Acceleration. If any of the following events occur, it is hereby defined as and declared to be and constitute an “Event of Default”:

(a) any interest on any Bond is not paid on the date on which the same becomes due; or

(b) the principal of any Bond is not paid on the date on which the same becomes due, whether at the stated maturity thereof, by acceleration or otherwise; or

(c) an Event of Default occurs under the Bond Loan Agreement; or

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

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

If an Event of Default specified in (a) or (b) of this Section 10.01 shall occur and be continuing, the Trustee, may, and upon written request of the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided in such notice, anything in this Indenture or in the Bonds to the contrary notwithstanding.

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

The Investment Limited Partner shall be entitled (but not obligated) to cure any Event of Default hereunder within the time frame provided to the Borrower hereunder. The Issuer and the Trustee agree that a cure of any default or Event of Default made or tendered by the Investment 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.

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

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

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

(b) bring suit upon the Bonds; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such action.

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

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

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

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

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

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

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

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

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

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

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

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

Section 10.11. No Interference or Impairment of Lender Loan. Notwithstanding anything herein to the contrary, none of the Issuer, the Trustee nor any other person shall:
(a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Lender Loan; or

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

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

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

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

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

ARTICLE XI

CONCERNING THE TRUSTEE AND REMARKETING AGENT

Section 11.01. Acceptance of Trusts. The Trustee hereby accepts the trusts hereby created and agrees to perform and execute such trusts as an ordinary prudent trustee under a corporate indenture, but only upon the additional terms set forth in this Article, to all of which
the Issuer agrees and the respective Holders of the Bonds agree upon and by their acceptance of
delivery of any of the Bonds.

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

The Trustee shall have no responsibility for any information in any Official Statement or
other disclosure material distributed with respect to the Bonds, and the Trustee shall have no
responsibility for compliance with any state or federal securities laws in connection with the
Bonds.

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

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

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

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

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

Section 11.06. Duties of Trustee.

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

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

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

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine those certificates and opinions to determine whether they conform to the requirements of the Indenture.
(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

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

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

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

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

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

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

(f) Except as otherwise provided in this Article, the Trustee shall be under no obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding, and if in its opinion such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may require, with security and satisfactory indemnity. The foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provision of this Indenture to the Trustee to take action in respect of any default without such written notice or request from the Bondholders, or without such security or indemnity.
(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct as described in Section 11.06(c) above.

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

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

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

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

Section 11.09. Trustee May Own and Deal in Bonds and Deal With the Issuer and Borrower. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the Borrower or any related entity, and may act as depository, trustee, or agent for any committee or body of Holders of the Bonds secured hereby or other obligations of the Issuer as freely as if it were not Trustee hereunder.
Section 11.10. Financial Liability of the Trustee. No provision of this Indenture will require the Trustee to expend or risk its own funds or otherwise incur or risk any financial liability in the performance of any of its duties under this Indenture, or in the exercise of any of its rights or powers if it will have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

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

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

Section 11.12. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than 60 days written notice to the Issuer specifying the date when such resignation shall take effect and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, in which event such resignation shall take effect immediately on the appointment of such successor, provided that such resignation shall not take effect unless and until a successor shall have been appointed pursuant to the provisions of Section 11.14 or Section 11.15 hereof.

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

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

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

Any Trustee appointed under the provision of this Section 11.14 in succession to the Trustee shall be a bank or trust company or national banking association with trust powers, having a combined capital, surplus and undivided profits of at least $50,000,000 if there be such a bank or trust company or national bank association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

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

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

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

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

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

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

**Section 11.21. Unclaimed Moneys.** Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any Bonds which remain unclaimed for a period of one year after the date when such Bonds have become due and payable either (i) at their stated maturity dates, if such moneys were held by the Trustee at such date, or (ii) for a period of one year after the date such moneys were deposited with the Trustee, if such moneys were deposited after the date when all Bonds became due and payable, shall be paid by the Trustee to the State pursuant to Chapter 717, Florida Statutes, and the Trustee shall thereupon be released and discharged. Thereafter, any person having a claim against any such moneys shall look solely to the State for payment of the same pursuant to Chapter 717, Florida Statutes.

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

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

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

Section 11.23. Financing Statements. Pursuant to Section 5.05 of the Bond Loan Agreement, the Borrower shall cause to be perfected any security interest created hereunder by the filing of financing statements which fully comply with the State of Florida Uniform Commercial Code. Notwithstanding anything to the contrary contained herein, 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. The Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Trustee. Unless the Trustee shall have been notified in writing by the Issuer or a Bondholder that the 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 11.23 and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Borrower shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder.

Section 11.24. Concerning the Remarketing Agent.

The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Series 2017 Bonds. The Remarketing Agent shall designate to the Trustee its
Designated Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower and the Trustee. In addition, the Remarketing Agent will agree particularly to:

(a) Keep such records relating to its computations of interest rates for the Series 2017 Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee and the Borrower and the Investor Limited Partner at all reasonable times; and

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

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

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent’s obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least $11,000,000, or shall have a line of credit with a commercial bank in the amount of at least $11,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints and for determining whether such co-Remarketing Agent meets the qualifications of this paragraph.

Section 11.25. Qualification of Remarketing Agent.

The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least $11,000,000, or shall have a line of credit with a commercial bank in the amount of at least $11,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days’ notice of such resignation to the Issuer, the Borrower, Investor Limited Partner and the Trustee. The Remarketing Agent may be removed, with prior notice to the Issuer, at any time by the Borrower, with at least 30 days’ notice of such removal to the Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the Borrower shall appoint a successor Remarketing Agent that satisfies the qualifications of this Section 11.25 and shall give written notice of such appointment to the Issuer and the Trustee. The departing Remarketing Agent shall pay over, assign and deliver any money and Series 2017 Bonds held by it in such capacity to its successor.
The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Series 2017 Bonds are then rated) and to the Holders of the Series 2017 Bonds.

Section 11.26. Additional Duties.

Notwithstanding any provisions hereof to the contrary, the Trustee shall have the following additional duties:

(a) The Trustee shall provide the Rating Agency upon its written request such information within its possession as the Rating Agency shall reasonably require from time to time in order to maintain the rating on the Series 2017 Bonds;

(b) The Trustee shall continue to perform its function hereunder without regard to the insufficiency of payment of its fees, provided that nothing herein shall negate the Trustee’s right to compensation and indemnification hereunder and as provided in the Bond Loan Agreement; and until fully paid the Trustee shall have first lien on the Trust Estate (exclusive of monies on deposit in the Collateral Fund);

(c) The Trustee shall provide to the Remarketing Agent upon its request a list of the names and addresses of the registered Holders of all Series 2017 Bonds then outstanding at the sole cost and expense of the Remarketing Agent or, if the Series 2017 Bonds are held in Book-Entry Form, the special position report, to the extent available, from the Depository.

Section 11.27. Notices to Rating Agency and Remarketing Notice Parties.

The Trustee shall notify the Rating Agency and the Remarketing Notice Parties of (a) the occurrence of an Event of Default of which the Trustee has actual notice, (b) any change in the identity of the Trustee, (c) any amendments, modifications, supplements or changes to this Indenture, the Bond Loan Agreement, the Note or the Series 2017 Bonds, including any extension of principal or modification of interest or redemption premium due on any of the Series 2017 Bonds, in each case only in the event the Trustee has actual notice, (d) any change or notification of proposed change of the Mandatory Tender Date or Remarketing Date, (e) any partial prepayment of the Loan or the giving of notice of the call for redemption of any Series 2017 Bonds, (f) any defeasance or acceleration of the Series 2017 Bonds hereunder, or (g) any change in the Remarketing Agent or the Lender of which the Trustee has actual knowledge.

Section 11.28. Identifying Information.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, Trustee requires documentation to verify its formation and existence as a legal entity. Trustee may require financial statements, licenses or
identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. Issuer and Borrower agree to provide all information requested by Trustee in connection with any legislation or regulation to which Trustee is subject, in a timely manner. Trustee's appointment and acceptance of its duties under this Indenture is contingent upon verification of all regulatory requirements applicable to Issuer, Borrower and any of their permitted assigns, including successful completion of a final background check. These conditions include, without limitation, requirements under the USA Patriot Act, the USA FREEDOM Act, the Bank Secrecy Act, and the U.S. Department of the Treasury Office of Foreign Assets Control. If these conditions are not met, Trustee may at its option promptly resign from this [Indenture] in whole or in part, and refuse any otherwise permitted assignment by Issuer or Borrower, without any liability or incurring any additional costs.

ARTICLE XII

MODIFICATION OF INDENTURE AND OTHER DOCUMENTS

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

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

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

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

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

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

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

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

(7) to modify, amend or supplement this Indenture or the Bond Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds, provided the Trustee shall have no affirmative duty to determine if a modification, Amendment or Supplement to the Indenture is necessary; or

(8) to modify, amend, supplement or conform any definitional term or other provision this Indenture and the Bond Loan Agreement to reflect final terms of the Lender Loan and Lender Loan Documents and/or to satisfy HUD programmatic requirements so long as the Issuer and the Trustee receive an opinion of Bond Counsel that such modifications, amendments, supplements and conforming changes do not adversely effect the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes.

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

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

Section 12.03. Amendments to Indenture Requiring Consent of Bondholders.

(a) Subject to the terms and provisions contained in this Section and not otherwise, the Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to this Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then
Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by this Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in this Indenture, including (without limitation) that required for consent to such supplemental indentures. This Section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to this Indenture without the consent of the Bondholders pursuant to Section 12.02 hereof.

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

c) Within 120 days after the date of giving such notice, the Issuer and the Trustee may enter into such supplemental indenture in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding (or 100% if required hereunder) and (ii) an opinion of Bond Counsel stating that (1) such supplemental indenture is authorized or permitted by this Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

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

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

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

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

ARTICLE XIII

MISCELLANEOUS

Section 13.01. The Issuer’s Successors. In the event of the dissolution of the Issuer, all the covenants, stipulations, promises and agreements in the Indenture contained by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer shall be transferred.
Section 13.02. Indenture for Benefit of the Issuer, Trustee and Bondholders. Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, other than the Issuer, the Trustee and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Issuer and the Trustee and the Holders of the Bonds; provided that this Indenture shall also be for the benefit of the Borrower, and the Borrower shall be deemed to be a third-party beneficiary of and in connection with those matters in which the terms of this Indenture fairly construed are indicative that they are for the benefit of the Borrower.

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

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

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

Section 13.06. Notices; Publication of Notice.

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

(b) Whenever the Issuer or the Trustee is required or permitted to give or publish notice of any event or occurrence under this Indenture, such notice shall be given or published in such manner and by such means as the Issuer or the Trustee, as the case may be, shall determine to be appropriate. Such publication may be by (but is
(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

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

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

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

Section 13.10. HUD Laws and Requirements Control. Notwithstanding anything in this Indenture or the Bond Loan Agreement to the contrary:

(a) Borrower, Trustee and the Issuer acknowledge that this Indenture, and any obligations of Borrower hereunder, are subject and subordinate to the Lender Loan Documents. Notwithstanding any provision in this Indenture to the contrary, no
obligations of the Borrower or hereunder shall be payable except from (A) Surplus Cash (as defined in the HUD Regulatory Agreement), (B) funds that are not derived from (i) revenues of the Mortgaged Property (as defined in the Lender Mortgage) or (ii) any reserve or deposit made with the Lender or any other party as required by HUD in connection with the Lender Loan Documents, or (C) the Lender Collateral Deposit which has been deposited into the Collateral Fund by or at the direction of the Lender(collectively, “Non-Project Sources”). No claims or actions shall be made (or payable) under this Indenture against the Project, the Lender, the proceeds of the Lender Borrower Note, or the assets of the Borrower, except from Non-Project Sources. In addition, the rights and obligations of the parties under this Indenture and all other documents evidencing, implementing, or securing this Indenture (collectively, the “Subordinate Bond Documents”) are and shall be subordinated in all respects, rights and obligations of the parties to and under the Lender Loan Documents. In the event of any conflict between the provisions of (i) this Indenture or the Subordinate Bond Documents and (ii) the provisions of the Lender Loan Documents or the Program Obligations (as defined in the Lender Mortgage), GNMA statutory, regulatory or administrative requirements, the provisions of the Lender Loan Documents, the Program Obligations or the GNMA statutory, regulatory or administrative requirements, as applicable, shall control. The provisions of this Section 13.10 shall control over any inconsistent provisions in this Indenture or the Subordinate Bond Documents.

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

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

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

(e) Neither a default under this Indenture nor under the Bond Loan Agreement shall constitute a default under the Lender Loan Documents related to the Development.

(f) Nothing contained herein or in the Agreement shall inhibit or impair the right of HUD to require or agree to any amendment, change or modification of any Lender Loan Documents related to the Development for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said
Lender Loan Documents so long as any such amendment, change or modification shall not adversely affect the payment terms of the Bonds.

(g) None of the Issuer, the Trustee, or any of the owners of the Bonds has or shall be entitled to assert any claim against the Development, any reserves or deposits required by HUD in connection with the Development, or the rents or deposits or other income of the Development.

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

(i) Notwithstanding anything in this Indenture, the Bond Loan Agreement, the Note or the Bond Purchase Agreement to the contrary, in no event shall HUD or the Lender have any claim to or lien upon the Trust Estate under this Indenture and funds held by the Trustee under this Indenture and pledged to secure the repayment of the Bonds. Further, nothing herein shall restrict the rights and obligations of the parties as they relate to the Bonds and the rights and obligations therein are not subordinated.

(j) Notwithstanding anything to the contrary in the event of an assignment or conveyance of the Lender Mortgage to the HUD, subsequent to the issuance of the Bonds, all money remaining in all funds and accounts other than the Rebate Fund, and any other funds remaining under this Indenture after payment or provision for payment of debt service on the Bonds and the fees and expenses of the Issuer, the Trustee, and other such parties unrelated to the Borrower (other than funds originally deposited by the Borrower or related parties on or before the date of issuance of the Bonds) shall be returned to the Lender.

(k) Notwithstanding any provision of this Agreement, so long as HUD holds or insures a mortgage on the Project, any and all monetary obligations (including but not limited to indemnification and/or hold harmless obligation) of Borrower shall be limited to available Surplus Cash (as such term is identified in the HUD Regulating Agreement).

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

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

By: ________________________________
Name: Casey Cane
Title: Chairman

ATTEST:

By: ________________________________
   Assistant Secretary/Executive Director
U.S. BANK NATIONAL ASSOCIATION as
Trustee

By: ________________________________
Name: Scott Schuhle
Title: Vice President
CONSENT AND AGREEMENT OF BORROWER

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

BORROWER:

OCEANSIDE HOUSING PARTNERS, LP,
a Florida limited partnership

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ______________________________
    Thomas J. Null, Vice President
EXHIBIT A

FORM OF BONDS

No. R-1

$11,000,000

UNITED STATES OF AMERICA
STATE OF FLORIDA
HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS
(OCEANSIDE ESTATES), SERIES 2017

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

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

DATED DATE INTEREST RATE MATURITY DATE CUSIP NUMBER
December 21, 2017 _____% January 1, 2022

Registered Owner: CEDE & CO.

Principal Amount: ELEVEN MILLION AND NO/100 DOLLARS

FOR VALUE RECEIVED, the Housing Finance Authority of Pinellas County, Florida (“the Issuer”), a public body corporate and politic duly organized and existing under the laws of the State of Florida (the “State”), hereby promises to pay (but only out of the Trust Estate pledged therefor) to the registered owner identified above, or its successor or registered assignee or legal representative, unless previously called for redemption or mandatory tender, the principal amount set forth above, on the Maturity Date identified above, in lawful money of
the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon the presentation and surrender of this Bond at the corporate trust office of U.S. Bank National Association, a national banking association, as trustee, or its successor in trust (the “Trustee”), and to pay interest thereon (but only out of the Revenues) to the registered owner hereof from the Dated Date identified above until maturity, at the Interest Rate per annum identified above (subject to adjustment or change as herein provided), payable at the times and in the manner hereinafter set forth. Principal hereof shall be payable, upon the request of any registered holder of Bonds on the applicable Record Date having an aggregate principal amount of $1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the bank and account number specified by such holder to the Trustee in writing. All interest hereon shall be paid by check or draft mailed by the Trustee to the registered owner hereof at his address as it appears on the registration books of the Issuer, or, upon the request of any registered holder of Bonds having an aggregate principal amount of $1,000,000 or more, by wire transfer of immediately available funds from the Trustee to the bank and account number provided by such registered owner to the Trustee in writing, such interest to the maturity hereof being payable semi-annually on each January 1 and July 1, commencing July 1, 2018, in lawful money of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.


This Bond is one of an issue of the $11,000,000 the Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 (the “Bonds”), of like date and tenor, except as to number and denomination, issued under and pursuant to the laws of the State, Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Section 2-386 Code of Ordinances of Pinellas County, Florida, a Resolution of the Issuer adopted on July 5, 2017 and a Resolution of the Issuer adopted on December 6, 2017 (the “Act”), for the purpose of financing a portion of the costs of the acquisition, rehabilitation, installation and equipping by Oceanside Housing Partners, LP, a Florida limited partnership (the “Borrower”), of a 104-unit multifamily
rental housing facility project to be occupied by persons of low, middle or moderate income to be known as Oceanside Estates and to be located at 6700 102nd Avenue, Pinellas Park, Pinellas County, Florida (the “Development”). The proceeds of the Bonds are being loaned to the Borrower by the Issuer under a Loan Agreement dated as of December 1, 2017 between the Borrower and the Issuer (the “Bond Loan Agreement”) and evidenced by a Multifamily Promissory Note dated the Closing Date from the Borrower to the Issuer (the “Note”).

The Bonds are issued under a Trust Indenture dated as of December 1, 2017 between the Issuer and the Trustee (the “Trust Indenture”), and, to the extent provided therein, are, together with all other Bonds that may be issued thereunder, equally and ratably secured and entitled to the protection given by the Trust Indenture. Pursuant to the Trust Indenture, the Issuer has assigned to the Trustee (among other things) the Revenues. Pursuant to the Note and the Bond Loan Agreement, payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Borrower to the Trustee for the account of the Issuer. The obligations of the Borrower under the Note and the Bond Loan Agreement are secured by the proceeds of the Bonds deposited into the Project Fund created pursuant to Section 4.01 of the Trust Indenture, and from moneys deposited into the Collateral Fund and the Capitalized Interest Account, each created pursuant to Section 4.01 of the Trust Indenture.

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

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

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

The Bonds are subject to redemption prior to maturity as provided in the Indenture.

Exhibit A-3
The Bonds are subject to mandatory tender in whole on each Mandatory Tender Date. Holders will not have the right to elect to retain their Bonds. Upon presentation and surrender of the Bonds by the Holder on the date fixed for tender, the Holder shall be paid the principal amount of the Bonds to be tendered, plus accrued interest on such Bonds to the Mandatory Tender Date.

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

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

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

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

This Bond shall not be entitled to any benefit under the Trust Indenture, or be valid or become obligatory for any purpose, until the Trustee shall have executed the Certificate of Authentication appearing hereon.
IN WITNESS WHEREOF, the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman and has caused its official seal (or a facsimile thereof) to be reproduced hereon and attested by the manual or facsimile signature of its Assistant Secretary/Executive Director of the Issuer, all as of the Dated Date identified above.

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

By: ____________________________________________
Name:  Casey Cane
Title:  Chairman

ATTEST:

_______________________________
Assistant Secretary/Executive Director
CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION as Trustee

By ________________________________

Authorized Signature

Date of Authentication: ___________________
FORM OF ASSIGNMENT

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

__________________________________________

__________________________________________

__________________________________________

(Please Print or Type Name and Address of Assignee)

Social Security or Taxpayer Identification Number: ________________________________

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

__________________________________________

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

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

Signature guaranteed by:

__________________________________________

[Bank, Trust Company or Firm]

__________________________________________

Authorized Signature

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

FORM OF REQUISITION (PROCEEDS ACCOUNT/EQUITY ACCOUNT)

BORROWER: OCEANSIDE HOUSING PARTNERS, LP

PROJECT: OCEANSIDE ESTATES

REQUISITION NO.: ________

In the Amount of $__________

TO: U.S. Bank National Association, as trustee

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

<table>
<thead>
<tr>
<th>Amount</th>
<th>Source</th>
<th>Payable to</th>
</tr>
</thead>
<tbody>
<tr>
<td>[identify name of Account and Fund]</td>
<td>[Borrower’s account number]</td>
<td>[third party payment/wire instructions must be attached]</td>
</tr>
</tbody>
</table>

Requisition - Contents and Attachments

Borrower’s Representations and Warranties
Contractor’s Requisition (HUD Form 92448)
Requisitions and Invoices Supporting Application
Representations and Warranties

1. To the Borrower’s knowledge, no changes have been made in the Plans and Specifications which require and have not received the prior approval of any Governmental Authority having jurisdiction over the Development or any other parties from whom such approval is required.

2. To the Borrower’s knowledge, the rehabilitation and equipping of the Development has been performed in accordance with the Plans and Specifications.

3. Funding of this Requisition shall be in accordance with the terms and provisions of (i) the Loan Agreement dated as of December 1, 2017 (the “Agreement”) and (ii) the Trust Indenture dated as of December 1, 2017 with respect to the Bonds (the “Indenture”).

4. All monies requisitioned by the Borrower for acquisition and rehabilitation and disbursed by the Trustee under previously approved requisitions have been paid to the Contractor or other contractor or supplier or other party entitled to payment and, to Borrower’s best knowledge, all subcontractors, vendors and suppliers; all other funds requisitioned by the Borrower and disbursed by the Trustee under previously approved requisitions have been expended for the purpose for which they were requisitioned.

5. All of the information submitted to the Trustee in connection with this Requisition is true and accurate as of the date of submission.

6. The representations and warranties set forth in the Documents are true and correct as of the date hereof with the same effect as if made on this date unless such representation or warranty relates to a specific time.

7. The Borrower represents and warrants that (i) there has occurred no Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default on the part of the Borrower under the terms of the Documents, (ii) except as previously disclosed by the Borrower to the Issuer, the Borrower has not received notice from or been informed by any Governmental Authority 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 Development has not been constructed in accordance with all applicable requirements, and (iii) the Documents are in full force and effect.

8. The Borrower represents and warrants that, following the disbursement by the Trustee of the aggregate amounts requested under these Requisitions, not less than 95% of all amounts paid from proceeds of the Bonds disbursed to the Borrower will have been applied to the payment of Qualified Project Costs and that to the extent that amounts have been applied or drawn incorrectly, such amounts shall be deemed reallocated to Qualified Project Costs as set forth in the Proceeds Certificate of the Borrower delivered upon issuance of the Bonds.
9. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto under the Indenture.

Executed this ___ day of ______________, 2017.

BORROWER:

OCEANSIDE HOUSING PARTNERS, LP,
a Florida limited partnership

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ______________________________
  Thomas J. Null, Vice President

APPROVED (without any representation or warrants)
HUNT MORTGAGE CAPITAL, LLC

By: ______________________________
Name: ____________________________
Title: _____________________________
Contractor’s Application For Payment
Requisitions And Invoices
EXHIBIT C-1

FORM OF REQUISITION
(the Issuer Costs of Issuance)

<table>
<thead>
<tr>
<th>Bond Issue:</th>
<th>Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Name:</td>
<td>Oceanside Estates</td>
</tr>
<tr>
<td>Trustee:</td>
<td>U.S. Bank National Association</td>
</tr>
<tr>
<td>Payee:</td>
<td>See Schedule A</td>
</tr>
<tr>
<td>Amount:</td>
<td>See Schedule A</td>
</tr>
<tr>
<td>Method of Payment:</td>
<td>See Schedule A</td>
</tr>
<tr>
<td>Description of Expense:</td>
<td>See Schedule A</td>
</tr>
<tr>
<td>Fund and Account which expenses are to be paid from:</td>
<td>See Schedule A</td>
</tr>
<tr>
<td>Account Number:</td>
<td>See Schedule A</td>
</tr>
</tbody>
</table>

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

Very truly yours,

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

By: ________________________________
Authorized Officer

Dated: ______________

Exhibit C-1-1
EXHIBIT C-2

FORM OF REQUISITION

(Borrower Costs of Issuance)

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA
Multifamily Housing Revenue Bonds
(Oceanside Estates), Series 2017

Dated: __________

Costs of Issuance Requisition No. ___

TO: U.S. Bank National Association, as trustee (the “Trustee”) under the Trust Indenture dated as of December 1, 2017, with the Housing Finance Authority of Pinellas County, Florida (the “Indenture”).

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

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

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

(SIGNATURES APPEAR ON FOLLOWING PAGE)
IN WITNESS WHEREOF, the undersigned has signed this Requisition by and on behalf of the Borrower.

BORROWER:

OCEANSIDE HOUSING PARTNERS, LP,

a Florida limited partnership

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ___________________________
    Thomas J. Null, Vice President
EXHIBIT B

FORM OF LOAN AGREEMENT
LOAN AGREEMENT

By and Between

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA,
as Issuer

and

OCEANSIDE HOUSING PARTNERS, LP,
as Borrower

Dated as of December 1, 2017

Relating to:
$11,000,000
Housing Finance Authority of Pinellas County, Florida
Multifamily Housing Revenue Bonds
(Oceanside Estates), Series 2017

The interest of the Housing Finance Authority of Pinellas County, Florida (the “Issuer”) in this Loan Agreement has been assigned (except for “Unassigned Rights of the Issuer” defined in the Indenture) pursuant to the Trust Indenture, dated as of the date hereof (the “Indenture”), from the Issuer to U.S. Bank National Association, a national banking association, as trustee (the “Trustee”), and is subject to the security interest of the Trustee thereunder.
## TABLE OF CONTENTS

**ARTICLE I**

DEFINITIONS

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

**ARTICLE II**

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the Issuer ......................................................... 2  
Section 2.02. Representations, Covenants and Warranties of the Borrower and the General Partner .......................... 3

**ARTICLE III**

REHABILITATION OF THE DEVELOPMENT; ISSUANCE OF THE BONDS

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

**ARTICLE IV**

LOAN PROVISIONS

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

**ARTICLE V**

SPECIAL COVENANTS

i
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.01</td>
<td>No Warranty of Condition or Suitability by the Issuer.</td>
<td>16</td>
</tr>
<tr>
<td>5.02</td>
<td>Access to the Development.</td>
<td>17</td>
</tr>
<tr>
<td>5.03</td>
<td>Further Assurances and Corrective Instruments.</td>
<td>17</td>
</tr>
<tr>
<td>5.04</td>
<td>Issuer and Borrower Representatives.</td>
<td>17</td>
</tr>
<tr>
<td>5.05</td>
<td>Financing Statements.</td>
<td>17</td>
</tr>
<tr>
<td>5.06</td>
<td>Certain Deposits with the Trustee.</td>
<td>17</td>
</tr>
<tr>
<td>5.07</td>
<td>Restriction on Plans and Specifications.</td>
<td>18</td>
</tr>
<tr>
<td>5.08</td>
<td>Requisitions.</td>
<td>18</td>
</tr>
<tr>
<td>5.09</td>
<td>Covenant with Bondholders.</td>
<td>18</td>
</tr>
<tr>
<td>5.10</td>
<td>Covenant to Provide Ongoing Disclosure.</td>
<td>18</td>
</tr>
<tr>
<td>5.11</td>
<td>Borrower Receipt of Insurance or Condemnation Proceeds.</td>
<td>19</td>
</tr>
<tr>
<td>5.12</td>
<td>Reporting Requirements of the Borrower.</td>
<td>19</td>
</tr>
<tr>
<td>5.13</td>
<td>Indenture.</td>
<td>19</td>
</tr>
<tr>
<td>5.14</td>
<td>Financial Information.</td>
<td>20</td>
</tr>
<tr>
<td>5.15</td>
<td>Tax Credit Requirement.</td>
<td>20</td>
</tr>
<tr>
<td>5.16</td>
<td>Brokers and Financial Advisors.</td>
<td>20</td>
</tr>
<tr>
<td>5.17</td>
<td>Trial by Jury.</td>
<td>21</td>
</tr>
<tr>
<td>5.18</td>
<td>Issuer, Trustee and Lender Not in Control; No Partnership.</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td><strong>ARTICLE VI</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RESTRICTION ON TRANSFER; ASSIGNMENT, SELLING, LEASING; INDEMNIFICATION</td>
<td></td>
</tr>
<tr>
<td>6.01</td>
<td>Restriction on Transfer.</td>
<td>22</td>
</tr>
<tr>
<td>6.02</td>
<td>Indemnification by Borrower.</td>
<td>25</td>
</tr>
<tr>
<td>6.03</td>
<td>The Issuer to Grant Security Interest to Trustee.</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td><strong>ARTICLE VII</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DEFAULTS AND REMEDIES</td>
<td></td>
</tr>
<tr>
<td>7.01</td>
<td>Defaults Defined.</td>
<td>28</td>
</tr>
<tr>
<td>7.02</td>
<td>Remedies on Default.</td>
<td>29</td>
</tr>
<tr>
<td>7.03</td>
<td>No Remedy Exclusive.</td>
<td>29</td>
</tr>
<tr>
<td>7.04</td>
<td>Payment of Attorneys’ Fees and Expenses.</td>
<td>30</td>
</tr>
<tr>
<td>7.05</td>
<td>No Additional Waiver Implied by One Waiver.</td>
<td>30</td>
</tr>
<tr>
<td>7.06</td>
<td>Right to Cure.</td>
<td>30</td>
</tr>
<tr>
<td>7.07</td>
<td>No Interference or Impairment of Lender Loan.</td>
<td>30</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS
(continued)

ARTICLE VIII

HAZARDOUS MATERIALS

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

ARTICLE IX

MISCELLANEOUS

Section 9.01. Term of Agreement .......................................................................................................... 34
Section 9.02. Notices; Publication of Notice .......................................................................................... 34
Section 9.03. Nonrecourse Liability of Borrower .................................................................................. 35
Section 9.04. No Pecuniary Liability of the Issuer .................................................................................. 36
Section 9.05. Binding Effect ..................................................................................................................... 36
Section 9.06. Severability ........................................................................................................................ 36
Section 9.07. Amounts Remaining in Funds ............................................................................................ 36
Section 9.08. Amendments, Changes and Modifications ......................................................................... 36
Section 9.09. Execution in Counterparts ............................................................................................... 37
Section 9.10. Applicable Law ................................................................................................................... 37
Section 9.11. Captions .............................................................................................................................. 37
Section 9.12. Conflict with HUD-Insured Loan and HUD Regulations; Supremacy of Lender Mortgage and HUD Regulatory Agreement .............................................. 37

EXHIBIT A  PROJECT DESCRIPTION
EXHIBIT B  FORM OF PROMISSORY NOTE
EXHIBIT C  HAZARDOUS SUBSTANCES REPORT
THIS LOAN AGREEMENT ("Agreement" or "Loan Agreement") is entered into as of December 1, 2017, between the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "Issuer"), and OCEANSIDE HOUSING PARTNERS, LP, a Florida limited partnership (the "Borrower").

WITNESSETH:

WHEREAS, the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Section 2-386, Code of Ordinances of Pinellas County, Florida, a Resolution of the Issuer adopted on July 5, 2017 and a Resolution of the Issuer adopted on December 6, 2017 (the "Act"), authorizes the Issuer to finance residential developments for persons and families of low and moderate income in the State, including the Development (as defined herein); and

WHEREAS, the Borrower has requested the Issuer to issue its $11,000,000 Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 (the "Bonds"), the proceeds of which will be utilized to make a loan to the Borrower (the "Loan") to finance a portion of the costs of the acquisition, rehabilitation, installation and equipping of a 104-unit multifamily rental housing facility project to be occupied by persons of low, middle or moderate income to be known as Oceanside Estates and to be located in Pinellas Park, Pinellas County, Florida (the "Development"); and

WHEREAS, pursuant to and in accordance with the Act, the Issuer desires to provide funds to finance the acquisition, rehabilitation and equipping of the Development and the payment of certain costs of issuance by issuing the Bonds, pursuant to a Trust Indenture, dated as of December 1, 2017 (the "Indenture"), by and between the Issuer and U.S. Bank National Association, a national banking association, organized and existing under the laws of the United States of America, as trustee (the "Trustee"); and

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

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

DEFINITIONS

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

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

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

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

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

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

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

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

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

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

(a) Good Standing; Single Purpose Covenants. The Borrower (i) is a limited partnership duly organized and existing in good standing under the laws of the State of Florida, (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Agreement and the Tax Certificates, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The Borrower’s business and purpose shall consist solely of the ownership, development, operation and management of the Development and such other lawful activities as are incidental, necessary or appropriate thereto. The Borrower shall not incur any indebtedness other than Development indebtedness and normal trade accounts payable in the ordinary course of the Borrower’s business, and other than as permitted in the Limited Partnership Agreement. The Borrower shall not assume or guaranty any other person’s indebtedness or obligations. The Borrower shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The Borrower shall not institute or consent to any bankruptcy, insolvency or reorganization proceedings with respect to it, consent to the appointment of a receiver or similar official with respect to it, make any assignment for the benefit of its creditors or admit in writing its inability to pay its debts generally as they become due. The Borrower shall: maintain books and records and bank accounts separate from those of any other person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with affiliates; and transact all business with
affiliates on an arm’s length basis and pursuant to enforceable agreements. The Borrower shall not commingle its assets or funds with those of any other person.

The General Partner (i) is duly organized and existing in good standing under the laws of the State of Florida (ii) has the power to own its property and to carry on its business as now being conducted and as contemplated by this Agreement, and the Tax Certificates, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State. The General Partner shall not dissolve or liquidate, in whole or in part, consolidate or merge with or into any other entity or convey, transfer or lease its property and assets substantially as an entirety to any entity. The General Partner shall not, with respect to itself or the Borrower, institute or consent to any bankruptcy, insolvency or reorganization proceedings, consent to the appointment of a receiver or similar official, make or consent to any assignment for the benefit of creditors or admit in writing its or the Borrower’s inability to pay debts generally as they become due. The General Partner shall: maintain books and records and bank accounts separate from those of any other person; conduct its business in its own name and use separate stationery, invoices and checks; maintain its assets in such a manner that it is not costly or difficult to segregate and identify such assets; observe all organizational formalities and hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; prepare separate tax returns and financial statements, or if part of a consolidated group, then be shown thereon as a separate member of such group; allocate and charge fairly and reasonably any common employee or overhead shared with affiliates; and transact all business with affiliates on an arm’s length basis and pursuant to enforceable agreements. The General Partner shall not commingle its assets or funds with those of any other person.

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

(c) **Binding Agreements.** The Borrower Documents have been properly executed by a duly authorized officer of AOF Oceanside Affordable Housing Corp., as the general partner of the Borrower, and constitute valid and legally binding obligations of the Borrower, and are fully enforceable against the Borrower in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors’ rights generally, and with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose.
(d) **Litigation.** There is no litigation or proceeding pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or the General Partner before any court or administrative agency which, if determined adversely to the Borrower, will materially adversely affect the Borrower or the Development, or the authority of the Borrower to enter into or perform under the Borrower Documents or which in any way would adversely affect the validity or enforceability of the Bonds or the Documents.

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

(f) **Title to Development.** The Borrower currently has a fee ownership interest in the land and Project free and clear of any liens or encumbrances, other than those encumbrances set forth on Schedule B-II of the Title Commitment File No. __________ issued by Chicago Title Insurance Company. As part of the satisfaction of Conditions to Disbursement, the Borrower will transfer the land (but not the improvements) to Pinellas County, Florida and enter into a ground lease with Pinellas County, Florida, following which the Borrower will have a leasehold interest in the land constituting the site of the Development and the Borrower will have a fee simple interest in the improvements on the land free and clear of any liens or encumbrances, other than those encumbrances set forth in Schedule B-II of the Title Commitment File No. __________ issued by Chicago Title Insurance Company. The Borrower is the sole borrower under the Loan.

(g) **Indenture.** The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Agreement, that it has reviewed the Indenture, and it hereby approves the Indenture. The Borrower agrees to perform fully and faithfully all the duties and obligations which the Issuer has covenanted and agreed to in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower or the Issuer is required by the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Issuer which by its nature cannot be delegated or assigned.
(h) **Events Affecting Tax Exemption.** The Borrower has not taken or permitted to be taken any action that would impair the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds, and the Borrower has never been advised that the interest is or will be subject to inclusion in gross income. As of the Closing Date, the Borrower is in compliance with all requirements contained in the Tax Certificates, and the representations set forth in the Tax Certificates pertaining to the Borrower and the Development are true and accurate in all material respects. Notwithstanding the above, if the Borrower becomes aware of any situation, event or condition which would result in the interest on the Bonds being included in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the Issuer and the Trustee.

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

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

The Borrower intends to cause the residential units in the Development to be rented or available for rental on a basis, which satisfies the requirements of the Land Use Restriction Agreement, including all applicable requirements of the Act and the Code, and pursuant to leases, which comply with all applicable laws. The Borrower will timely file the Income Certification in the form attached to the Land Use Restriction Agreement or as supplemented from time to time by the Issuer’s Servicer, the Certificate of Continuing Program Compliance in the form provided from time to time by the Issuer’s Servicer, and the program report with the Issuer or the Issuer Servicer as required by the Land Use Restriction Agreement.
The Borrower shall, through the term of this Agreement and at no expense to the Issuer, promptly comply or cause compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Development or to the repair and alteration thereof, or to the use or manner of use of the Development, including, but not limited to, the Americans with Disabilities Act, Florida Accessibility Code for Building Construction, all Federal, State and local environmental, health and safety laws, rules, regulations and orders applicable to or pertaining to the Development and Federal Worker Adjustment and Retraining Notification Act.

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

The information used in the preparation of the financial statements of the Borrower, the Borrower Documents and any other written statement furnished by the Borrower to the Issuer (including the descriptions and information contained in the Official Statement relating to (i) the Borrower and the Development, (ii) the operations and financial and other affairs of the Borrower, (iii) the application by the Borrower of the proceeds to be received by it from the Loan, and (iv) the participation by the Borrower in the transactions contemplated in this Loan Agreement and in the Official Statement, including, without limitation, the information relating to the Borrower in the Official Statement under the caption “Certain Bondholders’ Risks”), do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading. There is no fact which the Borrower has not disclosed to the Issuer in writing which materially adversely affects or, so far as the Borrower can now foresee, will materially adversely affect the financial condition of the Borrower, the ability of the Borrower to own and operate the Development or the Borrower’s ability to make payments on the Note when and as the same become due and payable.
(k) **Interest of Member or Agent of the Issuer.** To the knowledge of the Borrower, no member or agent of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other persons, in the loan of the Bond proceeds, the Bonds, the Documents, the Borrower or the Development, in any contract for property or materials to be furnished or used in connection with the Development, or in any aspect of the transactions contemplated by the Documents. There (i) is no completed, pending or threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Development, the Borrower or the General Partner, and (ii) has been no assertion or exercise of jurisdiction over the Development, the Borrower or the General Partner by any court empowered to exercise bankruptcy powers.

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

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

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

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

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

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

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

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

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

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

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

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

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

(w)  **Federally Guaranteed.** The Bonds are not and shall not be “federally guaranteed” as defined in Section 149(b) of the Code.
(x) **No Intent of Sale of Development.** The Borrower intends to hold the Development for its own account and has no current plans to sell and has not entered into any agreement to sell any of the Development.

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

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

(aa) **Application of Disbursements.** The full amount of each disbursement will be applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs and, after taking into account any proposed disbursement, (i) at least 95% of the net proceeds of the Bonds (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code) and (ii) less than 25% of the net proceeds of the Bonds will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land; none of the proceeds of the Bonds (as defined for purposes of Section 147(g) of the Code) will be disbursed to provide working capital.

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

(cc) **Proceeds of Bonds.** No proceeds of the Bonds shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in Section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the proceeds; and provided further that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds.
Costs of Issuance Paid from Proceeds. From the proceeds of the Bonds and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Bonds, will be used for Costs of Issuance of the Bonds, all within the meaning of Section 147(g)(1) of the Code.

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

Non-Discrimination. The Borrower has not and shall not discriminate on the basis of race, creed, religion, color, sex, marital status, age or national origin in the lease, use, or occupancy of the Development or in connection with the employment or application for employment of Persons for the operation and management of the Development. The Borrower specifically agrees that the Borrower will not refuse to lease units in the Development to persons whose family includes minor dependents who will occupy such unit, unless such refusal is based upon factors not related to the presence of such minors in the family, which factors may include, but shall not be limited to, negative credit, rental history or potential overcrowding of a unit.

ARTICLE III

REHABILITATION OF THE DEVELOPMENT; ISSUANCE OF THE BONDS

Section 3.01. Agreement for Rehabilitation of the Development.

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

(b) The Borrower shall cause the Development to be maintained in good, habitable and safe (so as to not threaten the health or safety of the Development’s tenants or their invited guests) condition and repair (reasonable wear and tear excepted) and shall not remove, demolish or materially alter the improvements to the
Development (except for the performance of the rehabilitation work comprising the Development or removal of aging or obsolete equipment or furnishings in the normal course of business). After completion of repairs, no structural or other material defect or damages to the Development will exist, whether latent or otherwise.

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

Section 3.03. Disbursements from the Project Fund. In the Indenture, the Issuer has authorized and directed the Trustee to make disbursements from the Project Fund to pay Costs of the Development in the manner consistent with the Tax Certificates. The Trustee shall make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture as Exhibit B and with respect to an Approved Advance in accordance with the Lender Loan Documents and FHA/HUD requirements.

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

Section 3.05. Establishment of Completion Date.

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

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

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

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

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

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

Section 3.10. Remarketing of Bonds.

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

ARTICLE IV

LOAN PROVISIONS

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

Section 4.02. Amounts Payable.

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

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

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

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

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

Section 4.04. Obligations of the Borrower Unconditional. The obligations of the Borrower to make the payments required under this Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other person. Subject to termination as provided herein, the Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Agreement, (ii) will perform and observe all of its other agreements contained in this Agreement and the other Documents and (iii) will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Development, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

ARTICLE V

SPECIAL COVENANTS

Section 5.01. No Warranty of Condition or Suitability by the Issuer. The Borrower recognizes, acknowledges and agrees that the Issuer makes no warranty or representation, express or implied or otherwise, with respect to the Development or the location, use, description, design, merchantability, condition, workmanship, or fitness, suitability or use for any particular purpose, condition or durability thereof. The Borrower further recognizes that the Issuer has no title interest to any part of the Development and that the Issuer makes no representations or warranties of any kind as to the Borrower’s title thereto or ownership thereof or otherwise, it being agreed that all risks incident thereto are to be borne by the Borrower. In the event of any defect or deficiency of any nature in the Development or any fixture or other item constituting a portion thereof, whether patent or latent, the Issuer shall have no responsibility or liability with respect thereto. These provisions have been negotiated and are intended to be a complete exclusion and negation of any warranties or representations by the Issuer, express or implied, with respect to the
DEVELOPMENT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OF FLORIDA OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

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

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

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

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

Section 5.06. Certain Deposits with the Trustee. In connection with the issuance of the Bonds, certain moneys may be deposited with the Trustee before the closing date pursuant to one or more letters of instruction from the provider or providers of such moneys. Such moneys will be held by the Trustee subject to the terms and conditions of the Indenture in addition to terms provided in such letter(s) of instruction. For such purpose the standards of care, provisions regarding responsibilities and indemnification and other sections relating to the Trustee contained in the Indenture and this Agreement (the “Effective Provisions”) shall be effective as of the first date of receipt by the Trustee of such moneys. The Effective Provisions shall be deemed incorporated into such letter(s) of instructions.
Section 5.07. Restriction on Plans and Specifications. The Borrower will not cause, permit or suffer to exist any material deviations from the Plans and Specifications and will not approve or consent to any construction change directive without the prior approval of the Issuer Servicer.

Section 5.08. Requisitions.

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

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

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

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

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

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

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

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

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

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

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

(iv) Meet all requirements for retaining public records and transfer, at no cost, to the Issuer all public records in possession of the Trustee upon termination of this Indenture and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Issuer in a format that is compatible with the information technology systems of the Issuer.

Section 5.13. Indenture. The provisions of the Indenture concerning the Bonds and other matters therein are an integral part of the terms and conditions of the Loan, and this Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party
to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

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

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

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

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

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

RESTRICTION ON TRANSFER; ASSIGNMENT, SELLING, LEASING; INDEMNIFICATION

Section 6.01. Restriction on Transfer.

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

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

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

(d) Except as otherwise provided for herein, no interest in the Borrower and no ownership interest in the General Partner may be sold, conveyed, transferred, assigned, pledged or otherwise transferred, in whole or in part, directly or indirectly, by operation of law or otherwise.
(e) Notwithstanding anything to the contrary contained in the subsections above or otherwise in the Borrower Documents, each of the following transactions are hereby deemed to be expressly permitted hereunder and shall not require any further consent of the Issuer:

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

(ii) The transfer by the Investment Limited Partner of all or any portion of its partnership interest in the Borrower to (A) any other entity which is an affiliate of the Investment Limited Partner or its members, (B) any other entity which is controlled by, or under common control with, the Investment Limited Partner’s parent or controlling company (the “Investor Sponsor”), or (C) an entity that is sponsored by Investor Sponsor;

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

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

(v) The transfer of interests in the General Partner;

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

(vii) The indirect transfer by the Investment Limited Partner or an affiliate of the Investment Limited Partner of all or any portion of its partnership interest in the Borrower; and

(viii) The transfer of the land to or at the direction of Pinellas County, Florida and the acceptance of a ground lease interest in the land from the transferee.

(f) The Borrower will not become a party to any merger or consolidation, or agree to effect any asset acquisition or stock acquisition.
(g) The Borrower will not convert the ownership of the Development into condominium or cooperative housing corporation form of ownership other than a limited equity cooperative that is a qualified cooperative housing corporation as defined in Section 143(k)(9) of the Code.

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

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

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

(k) [Reserved].

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

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

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

(iii) The assignee will assume in writing the obligations of the Borrower hereunder and under the Land Use Restriction Agreement to the extent of the interest assigned in a form acceptable to the Issuer (the “Assumption Agreement”).
(iv) Prior to any such assignment, the Borrower will furnish, or cause to be furnished, to the Issuer and the Trustee an executed original of the Assumption Agreement.

Section 6.02. Indemnification by Borrower.

The Borrower and the General Partner (the “Indemnitors”) hereby agree to release the Issuer and its respective officers, directors, agents, officials, employees, financial advisors, members of its governing body and any person who controls the Issuer within the meaning of the Securities Act of 1933 (the “Issuer Indemnified Parties”) and the Trustee and its respective officers, directors, agents, and employees (the “Trustee Indemnified Parties”) from, and covenants and agrees to indemnify, hold harmless and defend Issuer Indemnified Parties and the Trustee Indemnified Parties from and against any and all losses, claims, damages, liabilities and expenses (including reasonable attorneys’ fees and expenses, litigation and court costs, costs incurred in connection with any audit by the Internal Revenue Service, amounts paid in settlement by or with the approval of the Borrower and amounts paid to discharge judgments), taxes, causes of action, suits, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

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

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

(c) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Development or the Bonds or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;
(d) the Borrower’s failure to comply with any requirement of the Loan Agreement or the Land Use Restriction Agreement;

(e) the condition of the Development (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Development or any part of it;

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

(g) any and all claims arising in connection with the operation of the Development, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, construction, repair or equipping of, the Development or any part of it, including, but not limited to, the Americans with Disabilities Act; and

(h) to the extent not mentioned in any of the preceding subsections of this Section 6.02, any cause whatsoever in connection with transactions provided for in this Agreement and the other Loan Documents or otherwise in connection with the Development, the Bonds or the execution or amendment of any document relating to the Bonds or the Development.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim.

If any claim shall be made or any action shall be brought against the Issuer Indemnified Parties or the Trustee Indemnified Parties in respect of which indemnity can be sought against the Borrower pursuant to this Section 6.02 or otherwise, the Issuer Indemnified Parties or the Trustee Indemnified Parties shall promptly notify the Borrower in writing, and the Borrower shall promptly assume the defense of such claim or action, including the employment of counsel chosen by the Borrower and approved by the Issuer or the Trustee, the payment of all expenses and the right to negotiate a settlement with the consent and approval of the Issuer or the Trustee; if the Borrower shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Issuer or the Trustee within a reasonable time after notice of the commencement of such action, the Borrower shall pay the reasonable fees and expenses of counsel retained by the Issuer Indemnified Parties or the Trustee Indemnified Parties. If the Issuer Indemnified Parties or the Trustee Indemnified Parties are advised in a written opinion of counsel that there may be legal defenses available to the Issuer Indemnified Parties or the
Trustee Indemnified Parties which are adverse to or in conflict with those available to the Borrower or that the defense of the Issuer Indemnified Parties or the Trustee Indemnified Parties should be handled by separate counsel, the Borrower shall not have the right to assume the defense of the Issuer Indemnified Parties or the Trustee Indemnified Parties, but shall be responsible for the reasonable fees and expenses of counsel retained by the Issuer Indemnified Parties or the Trustee Indemnified Parties in assuming its own defense. Notwithstanding the foregoing, the Issuer Indemnified Parties or the Trustee Indemnified Parties shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the Issuer Indemnified Parties or the Trustee Indemnified Parties shall pay the fees and expenses of such counsel unless the employment of such counsel has been specifically authorized by the Borrower or unless the provisions of the immediately preceding sentence are applicable. The Borrower shall not be liable for any settlement of any such action effected without the consent of the Borrower, but if such claim or action is settled with the consent of the Borrower, or if there is a final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Issuer Indemnified Parties or the Trustee Indemnified Parties from and against any loss, liability or expense by reason of such settlement or judgment.

The Borrower shall also indemnify the Issuer Indemnified Parties and the Trustee Indemnified Parties for all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Borrower under this Agreement or any related agreement, (ii) taking any action requested by the Borrower, (iii) taking any action required by this Agreement or any related agreement, or (iv) taking any action considered necessary by the Issuer Indemnified Parties or the Trustee Indemnified Parties and which is authorized by this Agreement or any related agreement. If an Issuer Indemnified Party or a Trustee Indemnified Party takes any action under this Agreement or any other instrument executed in connection herewith for the benefit of the Borrower, it will do so if and only if (a) the Issuer Indemnified Parties or the Trustee Indemnified Parties are a necessary party to any such action or proceeding, and (b) the Issuer Indemnified Parties or the Trustee Indemnified Parties has received specific written direction from the Borrower, as required under this Agreement or under any other instrument executed in connection with this Agreement, as to the action to be taken by the Issuer Indemnified Parties or the Trustee Indemnified Parties.

This indemnification shall not be affected by any investigation by or on behalf of the Issuer Indemnified Parties or the Trustee Indemnified Parties or by any information the Issuer Indemnified Parties or the Trustee Indemnified Parties may have or obtain with respect thereof. This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim to the fullest extent permitted by law, unless liability is a result of gross negligence, willful misconduct or fraud on the part of the Issuer Indemnified Parties or the Trustee Indemnified Parties, its members, officers, agents, employees and their successors and assigns. The indemnification provided in this Article V is in addition to, and not in substitution of, the indemnification provisions in other documents executed and delivered in connection with the making of the Loan and the issuance of the Bonds.
All amounts payable to the Issuer under this Agreement shall be deemed to be fees and expenses payable to the Issuer for the purposes of the provisions of this Agreement, and of the Indenture dealing with assignment of the Issuer’s rights under this Agreement. The Issuer and its members, officers, agents, employees and their successors and assigns shall not be liable to the Borrower for any reason.

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

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

ARTICLE VII

DEFAULTS AND REMEDIES

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

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

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed herein other than as referred to in subsection (a) of this Section or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Tax Certificates, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure covered by this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60 day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby.
(c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undischmed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Development, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.

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

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

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

Section 7.03. No Remedy Exclusive. Subject to Section 10.01 of the Indenture, no remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power
accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given to the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Unassigned Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements herein contained.

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

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

Section 7.06. Right to Cure. Notwithstanding anything to the contrary herein or otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Investment Limited Partner and the Sponsor Limited Partner shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower herein or otherwise in the Borrower Documents. Any cure of any event of default by the Investment Limited Partner and the Sponsor Limited Partner under the Borrower Documents shall be deemed a cure by Borrower thereunder.

Section 7.07. No Interference or Impairment of Lender Loan. Notwithstanding anything herein to the contrary, none of the Issuer, the Trustee nor any other person shall:

(a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Lender Loan; or

(b) interfere with or attempt to interfere with or influence the exercise by the Lender of any of its rights under the Lender Loan, including, without limitation, the Lender remedial rights under the Lender Loan upon the occurrence of an event of default by the Borrower under the Lender Loan.
The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of this Agreement so long as it does not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

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

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

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

ARTICLE VIII

HAZARDOUS MATERIALS

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

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

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

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

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

(i) any claim for such Indemnified Costs asserted against any the Issuer Indemnified Party or the Trustee by any federal, state or local governmental agency, including the United States Environmental Protection Agency and all of the environmental regulatory authorities of the State, and including any claim that any Indemnified Party is liable for any such Indemnified Costs as an “owner” or “operator” of the Development under any law relating to Hazardous Materials; and

(ii) any claim for such Indemnified Costs asserted against any the Issuer Indemnified Party by any person other than a governmental agency, including (i) any person who may purchase or lease all or any portion of the Development from Borrower, from any Indemnified Party or from any other purchaser or lessee, (ii) any person who may at any time have any interest in all or any portion of the Development, (iii) any person who may at any time be responsible for any cleanup costs or other Indemnified Party relating to the Development, and (iv) any person claiming to have been injured in any way as a result of exposure to any Hazardous Materials; and

(iii) any Indemnified Costs incurred by any the Issuer Indemnified Party in the exercise by the Issuer Indemnified Party of its rights and remedies under this Loan Agreement; and

(iv) any Indemnified Costs incurred by any the Issuer Indemnified Party as a result of currently existing conditions in, on or around the Development, whether known or unknown by the Indemnitors or the Issuer Indemnified Party at the time this Loan Agreement is executed, or attributable to the acts or omissions of the Indemnitors,
any of the Borrower’s tenants, or any other person in, on or around the Development with the consent or under the direction of the Indemnitors; and

(v) any Indemnified Costs incurred by any Indemnified Party as a result of the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in on or from the Development of Hazardous Materials or the violation or alleged violation of any Hazardous Materials Law or official interpretation thereof in connection with the Development or the land on which it is located.

The obligations of the Indemnitors under this Section are joint and several, and are in addition to and shall not be limited by the provisions of Section 9.03 hereof and shall survive the termination of this Agreement and the resignation or removal of the Trustee.

Section 8.06. Defense of Indemnified Parties. Upon demand by any the Issuer Indemnified Party, the Indemnitors must defend any investigation, action or proceeding involving any Indemnified Costs that is brought or commenced against any the Issuer Indemnified Party, whether alone or together with Borrower or any other person, all at the Borrower’s own cost and by counsel approved by the Indemnified Party. In the alternative, any Indemnified Party may elect to conduct its own defense at the Borrower’s expense.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Term of Agreement. This Agreement shall remain in full force and effect from the date hereof until such time as all of the Bonds and all amounts payable hereunder and under the Indenture shall have been fully paid or provision made for such payments, whichever is later, provided, that the provisions of Sections 3.08, 6.02, 7.04 and Article VIII hereof shall survive termination of this Agreement.

Section 9.02. Notices; Publication of Notice.

(a) All notices, advice, certifications or other communications hereunder between the Issuer and the Borrower shall be sufficiently given and shall be deemed given when delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return receipt requested, or transmitted by electronic means (including, without limitation, facsimile transmission) addressed to the appropriate Notice Address. The Issuer, the Borrower or the Investment Limited Partner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, advice, certifications or other communications shall be sent. Notices to persons other than the Issuer, the Borrower or the Investment Limited Partner (such as, for example, notices to owners of Bonds) shall be governed by the other applicable provisions of the Indenture.
(b) Whenever the Issuer or the Borrower is required or permitted to give or publish notice of any event or occurrence under this Agreement, such notice shall be given or published in such manner and by such means as the Issuer or the Borrower, as the case may be, shall determine to be appropriate. Such publication may be by (but is not limited to) any of the following means: (1) publication in one or more newspapers or trade journals selected by the Issuer or the Borrower, as the case may be; (2) publication by or through one or more financial information reporting services; (3) delivery to the Municipal Securities Rulemaking Board’s EMMA System or any successor repository or entity fulfilling a substantially similar or like role; or (4) by mailing a copy of such notice by first class mail, postage prepaid, to the person entitled to receive the notice at such person’s address as shown on the records of the Issuer or the Borrower.

Section 9.03. Nonrecourse Liability of Borrower. From and after the date of this Agreement, (i) the liability of the Borrower and the General Partner under this Agreement shall be limited to the Trust Estate, and such amounts as may be invested in accordance with Section 6.01 of the Indenture, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower or the General Partner under this Agreement shall be limited to the Development and moneys derived from the operation of the Development, and any other security so given for satisfaction thereof; and (ii) no deficiency or other personal judgment shall be sought or rendered against the Borrower or the General Partner or their respective successors, transferees or assigns, in any action or proceeding arising out of this Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing herein shall limit the Issuer’s or the Trustee’s ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or any trustee under this Agreement, or both, or to exercise any right against the Borrower or the General Partner, on account of any claim for fraud or deceit, and against any other person or entity on account of any claim for fraud or deceit. Notwithstanding anything herein to the contrary, nothing in this Section shall limit the rights of indemnification against the Borrower and the General Partner pursuant to Sections 4.03, 6.02, 8.05 and 8.06 hereof. Furthermore, notwithstanding anything to the contrary, the Borrower and the General Partner shall be fully liable for: (1) amounts payable to the Issuer constituting Unassigned Rights of the Issuer, (2) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, (3) payment of the Issuer Fee, and (4) the indemnification and the payment obligations to the Issuer under Sections 4.03, 6.02, 7.04, 8.05 and 8.06 hereof.

The limit on the Borrower’s and the General Partner’s liability set forth in this Section shall not, however, be construed, and is not intended to in any way, constitute a release, in whole or in part, of the indebtedness evidenced by this Agreement or a release, in whole or in part, or an impairment of the security interest, or in case of any default or enforcing any other right of the Issuer under this Agreement or to alter, limit or affect the liability of any person or
party who may now or hereafter or prior hereto guarantee, or pledge, grant or assign its assets or collateral as security for, the obligations of the Borrower under this Agreement.

The provisions of this Section shall survive the termination of this Agreement.

Section 9.04. No Pecuniary Liability of the Issuer. All obligations of the Issuer incurred under any of the Bond Documents shall be limited obligations of the Issuer, payable solely and only from the Trust Estate (as defined in the Indenture). The Bonds shall be payable solely from the Revenues (as defined in the Indenture) and other funds pledged under the Indenture for the payment of the Bonds, and no owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body of the State, nor to enforce the payment of the Bonds against any development of the Issuer, the State or any such political subdivision or other public body, except as provided in the Indenture. No member, officer, agent, director, employee, or attorney of the Issuer, including any person executing this Loan Agreement or the Indenture on behalf of the Issuer, shall be liable personally under this Loan Agreement or the Indenture for any reason relating to the issuance of the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds, or for any claim based on the Bonds, or otherwise in respect of the Bonds, or based in or in respect of this Loan Agreement or any amendment to this Loan Agreement, against any member, officer, agent, director, employee or attorney of the Issuer, as such, of the Issuer or any successor whether by virtue of any constitution, statute or rule of law, or by enforcement of any assessment or penalty or otherwise; all such liability is, by acceptance of this Loan Agreement and as part of the consideration for the issuance of Bonds, expressly waived and released. The Issuer has no taxing power.

Section 9.05. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee, the Holders of Bonds and their respective successors and assigns.

Section 9.06. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.07. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining on deposit under the Indenture upon expiration or earlier termination of this Agreement, as provided in this Agreement, shall be used to pay the fees and expenses of the Trustee and the Issuer in accordance with the Indenture and any balance thereafter shall be paid to the Borrower pursuant to the provisions of the Indenture.

Section 9.08. Amendments, Changes and Modifications. Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Agreement may not be effectively amended, changed, modified,
altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture.

Section 9.09. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.10. Applicable Law. This Loan Agreement shall be governed exclusively by and construed in accordance with the internal laws of the State of Florida without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

Section 9.11. Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

Section 9.12. Conflict with HUD-Insured Loan and HUD Regulations; Supremacy of Lender Mortgage and HUD Regulatory Agreement.

(a) Upon the execution and delivery of the Lender Loan Documents, the provisions hereof will be subordinate and subject to the National Housing Act, HUD and GNMA regulations, related administrative requirements, and the Lender Mortgage, Lender Borrower Note, the HUD Regulatory Agreement and the other Lender Loan Documents. In the event of any conflict between the provisions of this Agreement and the provisions of any applicable HUD regulations, Program Obligations (as defined in the Lender Loan Documents), GNMA statutory, regulatory or administrative requirements, or the Lender Loan Documents, the HUD regulations, Program Obligations (as defined in the Lender Loan Documents), the GNMA statutory, regulatory or administrative requirements, or the Lender Loan Documents, as applicable, shall control. Any ambiguity or inconsistency will be resolved in favor of, and pursuant to, the Program Obligations (as defined in the Lender Loan Documents), HUD and GNMA statutory, regulatory and administrative requirements and the terms of the Lender Loan Documents.

(b) Enforcement of this Agreement will not result in any claim against the Project, the proceeds of the Lender’s loan (the “HUD-Insured Loan”), any reserve or deposit required by HUD in connection with the HUD-Insured Loan or the rents or income from the Project (other than available Surplus Cash, as such term is defined in the HUD Regulatory Agreement) or as otherwise permitted by HUD.

(c) The Borrower shall not be deemed to be in violation of this Agreement if it shall take (or refrain from taking) any actions required (or prohibited) by HUD pursuant to the National Housing Act, applicable HUD (and Section 8, if applicable) Regulations and related administrative requirements or the HUD Loan Documents.
(d) Any Project funds held by the Lender for or on behalf of the Borrower shall be maintained separate and apart from the funds established and held by the Trustee and the various escrows and funds, if any, under the Indenture.

(e) No amendment to this Agreement shall conflict with the provisions of the National Housing Act, any applicable HUD regulations, related administrative requirements, the Lender Loan Documents, HUD Program Obligations or any applicable GNMA regulations and related administrative requirements.

(f) This Agreement shall not be construed to restrict or adversely affect the duties and obligations of the Lender under the contract of mortgage insurance between HUD and the Lender with respect to the Project.

(g) None of the Issuer, the Trustee or any owner of the Bonds has or shall be entitled to assert any claim against the Project, the HUD-Insured Loan proceeds, any reserves or deposits required by HUD in connection with the HUD-Insured Loan or the rents or deposits or other income of the project other than “Surplus Cash” as defined in the HUD Regulatory Agreement.

(h) Nothing herein is intended to alter or conflict with the terms, conditions, and provisions of the HUD regulations, handbooks, administrative requirements, lender notices and the Program Obligations in effect at the time of HUD’s endorsement of the Lender Borrower Note, or the documents required to be executed by the Borrower in connection with the endorsement of the Lender Borrower Note; and to the extent that they do so, the HUD regulations, administrative requirements, handbooks, lender notices, Program Obligations and documents shall control and this Agreement shall be amended or deemed amended so as not to alter or conflict with the aforesaid regulations, documents, administrative requirements, handbooks, notices or Program Obligations. This Section 9.12 shall terminate and be void upon termination of HUD-Insured Loan.

(i) Notwithstanding anything in the Indenture, this Agreement, the Note or the Bond Purchase Agreement to the contrary, in no event shall HUD have any claim to or lien upon the Trust Estate under the Indenture and funds held by the Trustee under the Indenture and pledged to secure the repayment of the Bonds. Further, nothing herein shall restrict the rights and obligations of the parties as they relate to the Bonds and the rights and obligations therein are not subordinated; provided, however, that in the event of an assignment or conveyance of the Lender Mortgage to the HUD, subsequent to the issuance of the Bonds, all money remaining in all funds and accounts other than the Rebate Fund, and any other funds remaining under the Indenture after payment or provision for payment of debt service on the Bonds and the fees and expenses of the Issuer, the Trustee, and other such parties unrelated to the Borrower (other than funds originally deposited by the Borrower or related parties on or before the date of issuance of the Bonds) shall be returned to the Lender.
(j) Notwithstanding any provision of this Agreement, so long as HUD holds or insures a mortgage on the Project, any and all monetary obligations (including but not limited to indemnification and/or hold harmless obligation) of Borrower shall be limited to available Surplus Cash (as such term is identified in the HUD Regulating Agreement).

[SIGNATURES CONTINUE ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be executed in their respective official names and their respective official seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

[SEAL]

By: ________________________________
Name: Casey Cane
Title: Chairman

ATTEST:

By: ________________________________
Kathryn Driver,
Assistant Secretary/Executive Director
BORROWER:

OCEANSIDE HOUSING PARTNERS, LP,
a Florida limited partnership

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: __________________________
Thomas J. Null, Vice President

The General Partner hereby agrees with the representations applicable to the General Partner set forth in Article II of this Agreement.

GENERAL PARTNER:

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: __________________________
Thomas J. Null, Vice President
EXHIBIT A

DEVELOPMENT DESCRIPTION

The Borrower plans to use the proceeds of the Loan for the purpose of financing a portion of the costs of the acquisition, rehabilitation and equipping by the Borrower of a 104-unit multifamily housing facility and related facilities to be known as Oceanside Estates and to be located in Pinellas Park, Pinellas County, Florida (the “Development”).
EXHIBIT B

FORM OF PROMISSORY NOTE
EXHIBIT C

HAZARDOUS SUBSTANCES REPORT

The following list is derived from information contained in the Credit Underwriting Report:

1. Phase I Environmental Site Assessment prepared by _________________________.

C-1
EXHIBIT C

COMPLIANCE MONITORING AGREEMENT
COMPLIANCE MONITORING AGREEMENT  
(Oceanside Estates)

This Compliance Monitoring Agreement (this "Agreement") is made as of this 1st day of December, 2017, by and between FIRST HOUSING DEVELOPMENT CORPORATION OF FLORIDA, (the "Compliance Monitor"), and OCEANIDE HOUSING PARTNERS, LP (the "Borrower").

WITNESSETH:

WHEREAS, the Housing Finance Authority of Pinellas County, Florida (the "Issuer") on December 21, 2017, issued its $11,000,000 Multifamily Housing Revenue Bonds, Series 2017 (Oceanside Estates) (the “Bonds”).

WHEREAS, the Bonds financed the multifamily residential rental housing project called Oceanside Estates owned by the Borrower, located in the City of Pinellas Park, Pinellas County, Florida (the "Project") to be occupied by "Eligible Tenants", in accordance with Chapter 159, Part IV, Florida Statutes, as amended (the "Act"), and the Land Use Restriction Agreement referred to below and to be occupied partially (at least 60%) by "Lower-Income Tenants", (as defined in the Land Use Restriction Agreement), all for the public purpose of assisting persons of moderate, middle and lesser income in Pinellas County to afford the costs of decent, safe, and sanitary housing; and

WHEREAS, the Land Use Restriction Agreement (the "Land Use Restriction Agreement") dated as of December 1, 2017, among the Issuer, the Borrower and U.S. Bank National Association, as Trustee (the "Trustee") provides certain covenants and agreements on behalf of the Borrower, related to operation of the Project to insure compliance with certain requirements of the Code (as defined therein) and the Act; and

WHEREAS, the Compliance Monitor is experienced in reviewing and monitoring multifamily housing rental projects for compliance with the requirements of the Code and the Act:

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer, the Borrower and the Compliance Monitor hereby agree as follows:

1. **Definitions.** All terms herein capitalized form and not otherwise defined herein shall have the same meaning as ascribed to them in the Land Use Restriction Agreement.

2. **Representations of Compliance Monitor.** The Compliance Monitor hereby represents and warrants as follows:
(a) The Compliance Monitor is a corporation duly organized, validly existing and in good standing under the laws of the state of Florida, and has full power and authority to enter into and perform its duties and obligations under this Agreement.

(b) The Compliance Monitor is experienced and knowledgeable in reviewing and monitoring multifamily rental housing projects for compliance with the requirements of the Code and the Act and the Land Use Restriction Agreement.

3. Services of Compliance Monitor. To monitor compliance of the Borrower and the Project with the requirements of the Code and the Act and the Land Use Restriction Agreement, the Compliance Monitor hereby covenants and agrees to perform the services and duties of Compliance Monitor as described and set forth herein. In the performance of such duties and services, the Compliance Monitor shall, without limitation:

(a) Provide orientation to the Borrower or its property management representative on requirements of the program to be in compliance with the requirements for operation of the Project under the Land Use Restriction Agreement.

(b) Provide advice as to the system required to maintain compliance and provide further training as necessary throughout the compliance period as determined, at least annually, when the annual review is conducted.

(c) Receive and review Income Certifications and Certificates of Continuing Program Compliance obtained monthly by the Borrower from tenants to ensure that the appropriate number of tenants are Eligible Tenants and that the requirement for Lower-Income Tenants are met. The Compliance Monitor shall notify the Borrower of any necessary corrections.

(d) Annually conduct an inspection of the Project and review the records of the Borrower with respect to the Project.

(e) Promptly notify the Borrower, the Issuer and the Trustee of any breach of the Borrower of this Land Use Restriction Agreement, or this Agreement or the requirements of the Code described in the Land Use Restriction Agreement or the Act that has come to the knowledge of the Compliance Monitor from its review of the Income Certifications provided by the Borrower and its annual inspection of the Project and review of the records of the Borrower with respect to the Project.
(f) Within thirty (30) days following the annual inspection of the Project and review of the records of the Borrower with respect to the Project, the Compliance Monitor shall submit a written report to the Borrower, the Issuer and the Trustee, summarizing the results of such inspection and review.

4. **Compensation of Compliance Monitor.** The Borrower shall pay the Compliance Monitor a fee in an annual amount equal to 0.04% times the amount of the Bonds outstanding as of each January 1, payable in two equal installments semiannually in advance, commencing on the closing date (prorated to the next semiannual date) and thereafter on each January 1 and July 1; provided that the annual fee shall not be reduced below $3,100 per year provided, however, in the event the Bonds are retired prior to the end of the Property’s Qualified Project Period, the annual compensation of the Compliance Monitoring Agent for the remainder of the term of the Qualified Project Period or the term of the Land Use Restriction Agreement, whichever is later, shall be at a fixed annual fee for the duration of the Qualified Project Period at an amount equal to 0.04% per annum of the principal balance of the Bonds outstanding at the time the Bonds were retired, or a minimum of $3,100 per annum. Effective January 1 of each year, the fees shall be adjusted, but not decreased, based on the South Region Consumer Price Index. This automatic increase shall not exceed 3% of the prior year’s fee.

5. **Termination.** This Agreement may be terminated with or without cause by any party hereto with at least thirty (30) days prior written notice to the other party hereto, but only with the written consent of the Issuer. Unless sooner terminated, this Agreement shall terminate on the last day of the Qualified Project Period, as defined in the Land Use Restriction Agreement.

6. **Amendment.** No amendment to this Agreement shall be effective unless agreed to in writing by the parties hereto.

7. **Beneficiary.** All of the covenants, promises and agreements contained in the Agreement shall be for the sole and exclusive benefit of the parties hereto, and nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon, or give to, any persons, other than the parties hereto, any rights, remedy or claim by reason of any covenant, promise or agreements contained herein.

8. **Applicable Law.** This agreement is made and shall be construed in accordance with the laws of the State of Florida.
9. **HUD Required Limitation.** Notwithstanding any provision of this Agreement, so long as HUD holds or insures a mortgage on the Project, any and all monetary obligations (including but not limited to indemnification and/or hold harmless obligation) of Borrower shall be limited to available Surplus Cash (as such term is identified in the HUD Regulating Agreement).

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the date set forth above.

FIRST HOUSING DEVELOPMENT CORPORATION OF FLORIDA

Witnesses:

By: ____________________________  By: ____________________________
Printed Name: ____________________  Name: Edward Busansky
Title: Senior Vice President

By: ____________________________
Printed Name: ____________________

OCEANSIDE HOUSING PARTNERS, LP,
a Florida limited partnership

Witnesses:

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ____________________________
Printed Name: ____________________  By: ____________________________
Thomas J. Null, Vice President

By: ____________________________
Printed Name: ____________________

[Signature page to Compliance Monitoring Agreement]
EXHIBIT D

FORM OF LAND USE RESTRICTION AGREEMENT
LAND USE RESTRICTION AGREEMENT

Owner’s Name and Address: Oceanside Housing Partners, LP
c/o Vitus Development IV, LLC
1700 Seventh Avenue, Suite 2000
Seattle, WA 98101
Attn: Stephen R. Whyte

Location of Property:
6700 102nd Avenue North
Pinellas Park, Florida 337__

Name of Project: Oceanside Estates

Trustee’s Name and Address: U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement") is made and entered into as of __________ 1, 2017 among the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA (the "Issuer"), OCEANSIDE HOUSING PARTNERS, LP, a Florida limited partnership (the "Owner"), and U.S. BANK NATIONAL ASSOCIATION, as trustee under the hereinafter referenced Indenture (the "Trustee").

Preamble

WHEREAS, the Issuer has been created and organized pursuant to and in accordance with the provisions of the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended (the "Act"), for the purpose, among others, of financing the costs of residential projects that will provide decent, safe and sanitary housing for persons and families of low, moderate and middle income in Pinellas County, Florida (the "County"); and
WHEREAS, the Issuer has agreed under certain conditions to issue its revenue bonds under the Act and to loan the proceeds thereof to the Owner to finance a loan (the "Loan") for the purpose of the acquisition and rehabilitation of a multi-family residential project (the "Project") to be located within the County to be occupied partially (at least 60% of the units) by "Eligible Tenants," as determined by the Issuer in accordance with the Act, and to be occupied partially (at least 40% of the units) by "individuals of low or moderate income," within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder, all for the public purpose of assisting persons of low, moderate and middle income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Issuer has issued and delivered its $11,000,000 Multi-Family Housing Revenue Bonds, Series 2017 (Oceanside Estates) (the "Bonds"), pursuant to a Trust Indenture dated as of the date hereof, by and between the Issuer and the Trustee (the "Indenture") to obtain moneys to make a loan to the Owner which will be used to finance the Project pursuant to a Loan Agreement dated as of December 1, 2017 (the "Loan Agreement") by and between the Issuer and the Owner, all under and in accordance with the Constitution and laws of the State of Florida; and

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

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

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer, the Trustee and the Owner do hereby contract and agree as follows:

AGREEMENT

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

"Affiliated Party" of a person shall mean a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code or (ii) such persons are members of the same controlled group of corporations (as defined in
Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein) or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code.

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

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

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

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

"Compliance Agent" shall mean initially, First Housing Development Corporation of Florida, Inc., its successors and assigns, and thereafter such other organization subsequently designated by the Issuer to serve as Compliance Agent for the Project.

"County" means Pinellas County, Florida.

"Eligible Tenant" means a person(s) or family (i) who has reached the age of 65 or older, or (ii) whose total adjusted gross income, as set forth in Section 2 of the Income Certification, does not exceed 150% of the then current median family income for Pinellas County, Florida established by income statistics reported from time to time by the U. S. Department of Housing and Urban Development or such other entity which may succeed to perform the duties of the U.S. Department of Housing and Urban Development and who otherwise meets the requirements of this Agreement. On the date hereof, the current median family income is $59,000.
"First Bonds" means the first issue of bonds to which Section 142(d) of the Code applies issued to finance the acquisition of a residential rental project.

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

"Indenture" shall mean the Trust Indenture dated as of December 1, 2017, between the Issuer and the Trustee relating to the issuance of the Bonds, as amended or supplemented from time to time.

"Investor Limited Partner" means [NAME OF INITIAL LIMITED PARTNER], its permitted successors and assigns, in its capacity as investor limited partner in Borrower.

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

"Loan" means the loan originated by the Issuer with respect to the Project, made in accordance with the Issuer’s program guidelines, this Agreement and the Loan Agreement, as evidenced by the Note, for the purpose of financing a portion of the cost of the acquisition and construction of the Project.

"Loan Agreement" means the Loan Agreement, dated as of December 1, 2017, by and between the Issuer and the Owner, as amended and supplemented from time to time.

"Loan Documents" means the Loan Agreement, the Note, this Land Use Restriction Agreement, and all other instruments, documents and certificates evidencing and securing the Loan.

"Lower-Income Tenants" shall mean and include individuals or families with income (adjusted for family size), calculated in the manner prescribed in Treasury Regulation Section 142(d)(2)(B) as in effect on the delivery date of the Bonds, which does not exceed sixty percent (60%) of the annual median gross income for the area in which the Project is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended. In no event, however, will the occupants of a residential unit be considered to be Lower-Income Tenants if all the occupants are students, no one of which is entitled to file a joint federal income tax return. Notwithstanding the foregoing, a residential unit shall not fail to be treated as a residential unit that is occupied by Low-Income Tenants merely because such residential unit is occupied (a) by an individual who is (i) a student and receiving assistance under Title IV of the Social Security Act, (ii) a student who was previously under the case and placement responsibility of a foster care program (under Part B or Part E of the Title IV of the Social Security Act), or (iii) a student enrolled in a government supported job training program, or (b) entirely by full-time students if such students are (i) single parents and their children and
such parents are not dependents of any person other than the full-time student occupying the unit, or (ii) married and file a joint return.

"Note" shall mean the Multifamily Promissory Note of the Owner in the principal amount of $11,000,000, dated as of December 21, 2017, issued and delivered to the Issuer as consideration for the Loan, and any amendment or supplement thereto or substitution therefore and endorsed to the Trustee.

"Project" shall mean Oceanside Estates, an approximately 104-unit residential rental apartment complex located at 6700 102nd Avenue North, Pinellas Park, Pinellas County, Florida, as more particularly described in Exhibit A hereto, with respect to which the Issuer has made the Loan, which has been approved by resolution of the Issuer, and which will be acquired and, rehabilitated, and will be operated and maintained in compliance with the requirements of the Loan Agreement and this Land Use Restriction Agreement.

"Qualified Project Period" shall mean a period beginning on the first day on which at least 10 percent of the residential units are occupied, and ending on the latest of the date (x) which is thirty (30) years after the date on which at least 50 percent of the residential units in the Project are first occupied; (y) the first day on which no tax-exempt private activity bonds issued with respect to the Project are outstanding; or (z) on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

"Rental Housing" shall mean a residential rental project within the meaning of Section 1.103-8(b)(4) of the Treasury Regulations under Section 142(d) of the Code. As such, Rental Housing shall consist of a building or structure or proximate buildings or structures, (a) containing one or more similarly constructed residential units which are to be used on other than a transient basis and any facilities which are functionally related and subordinate to such units, and (b) all of the residential units of which are rented or available for rental on a continuous basis to members of the general public in accordance with the requirements of Section 142(d) of the Code. A building or structure is a discrete edifice or other man-made construction consisting of an independent (i) foundation, (ii) outer walls, and (iii) roof, and containing one or more similarly constructed residential units. Buildings or structures are proximate if they are all located on a single parcel of land or several parcels of land which are contiguous except for the interposition of a road, street, stream or similar property. Proximate buildings or structures are part of the same project only if owned for federal tax purposes by the same person and if the buildings are financed pursuant to a common plan. In no event shall Rental Housing include a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or court. Furthermore, Rental Housing shall not include any building or structure which contains fewer than five residential units, one residential unit of which is occupied by an owner of the units or a party related to such owner.
“Sponsor Limited Partner” means Oceanside Housing Management, LLC, a Florida limited liability company, its permitted successors and assigns, in its capacity as sponsor limited partner in Borrower.

"State" shall mean the State of Florida.

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

Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The terms and phrases used in the recitals of this Agreement have been included for convenience of reference only and the meaning, construction and interpretation of all such terms and phrases for purposes of this Agreement shall be determined by references to this Section 1. The titles and headings of the sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent shall arise.

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

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

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

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

(d) that during the Term of this Agreement (i) the dwelling units in the Project shall be leased and rented or made available for rental on a continuous basis to members of the general public, (ii) not less than sixty percent (60%) of all dwelling units in the Project shall be leased and rented or made available for rental on a continuous basis to Eligible Tenants, which test may be satisfied to the extent units have been rented to Low-Income Tenants, and (iii) the Owner shall not give preference in renting dwelling units in the Project to any particular class or group of persons, other than Eligible Tenants and Lower-Income Tenants as provided herein; provided, however, that an insubstantial number of dwelling units in the Project, not to exceed two (2) units, may be occupied by maintenance, security or managerial employees of the Owner or its property manager, which employees must be reasonably necessary for operation of the Project, unless such employee otherwise would qualify as a Lower-Income Tenant or an Eligible Tenant;

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

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

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

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

(g) that during the Term of this Agreement the Project will not include a unit in a building where all units in such building are not also included in the Project;
(h) that during the Term of this Agreement the Owner will at all times maintain ownership of all of the apartment units comprising the Project and will not sell, transfer or otherwise dispose of the ownership of less than all of such apartment unit and any sale or other transfer of the apartment unit shall be a single transfer or other disposition to a single transferee or recipient, all in accordance with Section 8 hereof;

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

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

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

(l) that the Owner shall not discriminate on the basis of race, creed, religion, color, age, sex, marital status, family status, handicapped status or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project, nor shall the Owner discriminate against any tenant or potential tenant on the basis that such tenant offers a housing voucher as partial or full payment of any rent obligation and the Owner shall not refuse to rent any unit to such tenant solely on the basis that such tenant is the recipient of a housing voucher; and

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

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

Section 3. Lower-Income Tenants and Eligible Tenants. In order to satisfy the requirements of the Act and Section 142(d) of the Code, the Owner hereby represents, covenants and agrees that, during the Qualified Project Period:
(a) Commencing with the later of the date on which at least 10% of the units in the Project are occupied, or the date of issuance of the Bonds (i) the Owner shall rent all Available Units on at least a proportional basis so that at least forty (40%) of all Available Units in the Project shall be occupied by Lower-Income Tenants and sixty percent (60%) of the Available Units will be occupied by Eligible Tenants (for clarity a unit occupied by a Low-Income Tenant may also satisfy the Eligible Tenant set-aside requirement) and (ii) after initial rental occupancy of such dwelling units by Lower-Income Tenants, at least forty (40%) of the Available Units in the Project at all times shall be rented to and occupied (or held available for rental if previously rented to and occupied by a Lower-Income Tenant) by Lower-Income Tenants as required by Section 142(d) of the Code. The Available Units occupied or held for occupancy by Lower-Income Tenants shall be distributed throughout the Project.

The determination of income will be made both on the date the Lower-Income Tenant first occupies a residential unit in the Project and as often as required to comply with the provisions of Section 142(d) of the Code. Increases in a Lower-Income Tenant’s income of up to 140% of the applicable limit (adjusted for family size) will not result in disqualification. In the event that a Lower-Income Tenant’s income increases to a level more than 140% of the applicable limit (or if a Lower-Income family size decreases so that a lower maximum income applies to the Lower-Income Tenant), that Lower-Income Tenant may no longer be counted toward satisfaction of the lower-income requirement, unless thereafter, the next unit of comparable or smaller size in the Project which becomes vacant is rented to a Lower-Income Tenant until the Project again is in compliance. These income requirements include adjustments for family size. As of the date hereof, for a family of four, three, two and an individual the income requirements become 60% (and higher for larger families), 54%, 48% and 42% respectively. At least sixty percent (60%) of the units in the Project (for this purpose counting the units leased by Lower-Income Tenants) will be leased to Eligible Tenants. Assuming the Owner is in compliance with the rental requirements applicable to Lower-Income Tenants and Eligible Tenants, then not more than forty percent (40%) of the units may be rented without regard to the income of the tenant. Notwithstanding the foregoing, for any year the requirement to recertify a tenant’s income shall not apply if during such year no residential unit in the Project is occupied by a new resident whose income exceeds the applicable income limit.

(b) The Owner shall obtain and maintain on file an Income Certification from each Lower-Income Tenant and Eligible Tenant dated immediately prior to the initial occupancy of such tenant in the Project (with notification to the Owner of any material change of information in the Income Certification and initial occupancy of such tenant in the Project) in the form and containing such information as may be required by Section 142(d) of the Code (initially in the form attached hereto as Exhibit B), as the same may be from time to time amended by the Issuer, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Copies (which may be electronic) of each
such Income Certification and any verifications of such income to the extent requested by the Compliance Agent, shall be submitted to the Compliance Agent (i) within 10 days following the end of the calendar month during which the tenant first occupies a unit in the Project, (ii) within 10 days following the end of calendar month thereafter in which the lease is renewed or extended, and (iii) as reasonably requested by the Issuer or the Compliance Agent, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Compliance Agent, such submissions may be made electronically.

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

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

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

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

(g) The Owner shall render a yearly report to the Secretary of the Treasury if required by Section 142(d) of the Code.

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

The provisions of this Section 3 relating to Lower-Income Tenants shall terminate upon the expiration of the Qualified Project Period, and the provisions relating to Eligible Tenants shall terminate upon the later to occur of the expiration of the Qualified Project Period or the first day when no Bonds remain Outstanding under the Indenture.

Section 4. Indemnification. The Owner hereby covenants and agrees that the provisions of Section 6.02 of the Loan Agreement relating to the Owner's indemnity obligations apply to any violations by the Owner of this Agreement.

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

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

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

Section 8. Sale and Conveyance of Project. (a) The Owner shall not sell, transfer or encumber the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall be given promptly provided that (i) the Owner shall not be in Default hereunder, (ii) the continued operation of the Project shall comply with the provisions of Sections 2 and 3 of this Agreement, (iii) the subsequent purchaser or assignee shall execute any document requested by the Issuer, to acknowledge that it holds title to the Project subject to the covenants and obligations contained in this Agreement, (iv) the purchaser and assignee shall have first executed a document in recordable form addressed to the Issuer and the Trustee to the effect
that such purchaser or assignee will comply with the terms and conditions of this Agreement, and (v) such other conditions as may be reasonable under the circumstances. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Loan and the Land Use Restriction Agreement to the satisfaction of the Issuer, Owner may be released from its obligations thereunder and hereunder.

(b) Notwithstanding anything contained herein, the consent of the Issuer shall not be required for (i) the removal of the General Partner of the Owner and the replacement thereof pursuant to Owner’s governing documents (as amended), (ii) the transfer by any limited partner of the Owner of a partnership interest in Owner, or (iii) easements necessary for the construction or operation of the Project and granted in the ordinary course of business.

(c) Notwithstanding anything to the contrary contained herein or in any other Borrower Document, the following shall be permitted and shall not require the prior written approval of Issuer, (a) the transfer by Investor Limited Partner, State Credit Limited Partner or Sponsor Limited Partner of its interest in Borrower in accordance with the terms of Borrower’s Amended and Restated Agreement of Limited Partnership, as it may be amended from time to time (the “Partnership Agreement”), (b) the removal of the general partner of Borrower in accordance with the Partnership Agreement and the replacement thereof with Investor Limited Partner, Sponsor Limited Partner or any of their affiliates, (c) the transfer of ownership interests in Investor Limited Partner and State Credit Limited Partner (d) upon the expiration of the tax credit compliance period, the transfer of the interests of Investor Limited Partner and State Credit Limited Partner in Borrower to Borrower’s general partner or any of its affiliates, and (e) any amendment to the Partnership Agreement to memorialize the transfers or removal described above. The parties agree that this section shall control to the extent of any conflict in any Borrower Documents (as defined in the Indenture). The Trustee shall have no duty to inquire if any of the above events has occurred and shall only be changed with actual written knowledge.

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

Notwithstanding the foregoing, this Agreement shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure or comparable conversion, change in a federal law or an action of a federal agency after the date the Bonds are issued which prevents compliance with the covenants expressed herein, or condemnation or similar event (as determined by the Trustee), but only if, within a reasonable period either (i) all Bonds are redeemed and paid in
full and the Note is paid in full, or (ii) amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulations Section 1.103-8(b), in such event, upon the request of the Owner and at the expense of the Owner, the parties hereto shall execute an appropriate document in recordable form to evidence such automatic termination; provided, however, that the restrictions thereof shall nevertheless apply to the Project if, at any time during that part of the Qualified Project Period subsequent to any involuntary event as described in this paragraph, the obligor on the acquired purpose obligation (as that phrase is defined in Treasury Regulations Section 1.103-13(b)(4)(iv)(a) or a related person (as that term is defined in Treasury Regulations Section 1.103-10(e)) obtains an ownership interest in the Project for tax purposes.

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

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

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

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

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

(b) The Compliance monitoring duties of the Compliance Agent, shall continue until:
(i) the expiration of the Qualified Project Period with respect to satisfying the requirements of Section 142(d) of the Code; and

(ii) the later of expiration of the Qualified Project Period or the first date on which no Bonds remain Outstanding with respect to satisfying the requirements of State law regarding Eligible Tenants.

The Owner shall be authorized to perform its duties under this Section 10 by contracting with an independent agency experienced in furnishing compliance monitoring services. It is understood and agreed by the parties hereto that so long as the Owner has hired, on behalf of the Issuer, a Compliance Agent for the purpose of monitoring the Owner’s compliance with the requirements contained herein, the Owner shall not be responsible or held accountable for such compliance monitoring. It is further agreed that the Issuer shall not be responsible or liable for any action or inaction taken or not taken by any such Compliance Agent hired by the Owner hereunder, nor shall the Issuer be responsible or liable for the payment of any fees or expenses of the Compliance Agent or any successor Compliance Agent in performing its duties under this Agreement.

Section 11. Enforcement. If the Owner Defaults in the performance of its obligations under this Agreement or breaches any covenant, agreement or warranty of the Owner set forth in this Agreement, and if such Default remains uncured for a Period of 30 days after notice thereof shall have been given by the Trustee (at the direction of any one person or entity owning all of the Bonds; provided, however, if no single holder owns all of the Bonds, then the holder, if any, appointed to serve in such capacity by the holders of more than fifty percent (50%) in aggregate principal amount of Bonds) or the Issuer to the Owner (or for an extended period, if such Default stated in such notice can be corrected, but not within such 30-day period, and if the Owner commences such correction within such 30-day period, and thereafter diligently pursues the same to completion within such extended period), then, subject to Section 15 hereof, the Issuer may, or the Trustee shall, at the written direction of the Issuer, take such action at law or in equity, as is necessary in order to obtain specific performance of any covenant or other obligation of the Owner in this Agreement provided that the Trustee is indemnified to the reasonable satisfaction of the Trustee for all expenses to which it may be put and against any liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct, by reason of any action taken. The Owner specifically acknowledges and agrees that the only viable remedy available to the Issuer and the Trustee for the Owner’s default under this Agreement is specific performance or other injunctive relief. A reasonable time shall be at least 60 days (or 90 days for any Default not caused by a violation of Section 2 or 3 hereof) after such Default is first discovered by the exercise of reasonable diligence.

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

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

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

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

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

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

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

Section 14. Assignments and Amendments.

(a) The interest of the Issuer in this Agreement (but not its consent rights and its rights
to direct the Trustee) shall be assigned to the Trustee and the rights of the Issuer hereunder
shall be enforceable by the Trustee pursuant to Section 11 hereof. The Owner shall not assign its
interest hereunder, except by writing and in accordance with the provisions of Section 8 hereof.
(b) To the extent the Code and the regulations promulgated thereunder, or any amendments thereto, shall impose requirements upon the ownership or operation of the Project that are in addition to or more or less restrictive than those imposed by this Agreement, the Owner, the Issuer and the Trustee agree that this Agreement shall be deemed to be automatically amended to impose such additional restrictive requirements, less restrictive requirements or more restrictive requirements, but only to the extent required by an opinion of Bond Counsel to maintain the exemption from federal income taxation of the interest income on the Bonds, or to delete or impose less restrictive requirements, as appropriate; and the Owner, the Trustee and the Issuer shall execute, deliver, and if applicable, file of record any and all documents and instruments necessary in the opinion of Bond Counsel to maintain the tax-exempt status of the interest on the Bonds, and if the Owner or the Issuer defaults in the performance of its obligation under this subsection; the Owner and the Issuer hereby appoint the Trustee as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument; provided, however, that the Trustee shall take no action under this subsection without first notifying the Owner and the Issuer of its intention to take such action, without provision for indemnification by the Owner and without first providing the Owner or the Issuer, or all such parties, as is applicable, an opportunity to comply with the requirements of this subsection; and provided further that the Trustee shall take no action under this subsection which will have substantially detrimental effect upon the Owner or upon the operation of the Project without first notifying the Owner in writing. The Issuer, the Trustee and the Owner may from time to time enter into one or more amendments or supplements this Agreement, for any of the following purposes:

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

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

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

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

(v) To preserve or perfect any exemption from federal income taxes of interest on the Bonds; or
(vi) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the tax-exempt status of interest on the Bonds, to amend the covenants of the Owner hereunder to the extent consistent with any applicable amendment to the Code and the regulations promulgated thereunder.

Section 15. Nonrecourse Liability of the Owner. Notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, (i) from and after the date of this Agreement, the liability of the Owner with respect to its obligations under this Agreement (other than its indemnity obligations) shall be limited to the interest in the Project, and the Issuer shall look exclusively thereto, or to such other security as may from time to time be given for payment of the obligations under the Loan Documents, and any judgment rendered against the Owner in its capacity as such under this Agreement shall be limited to the Project, and any other security so given for satisfaction thereof; and (ii) from and after the date of this Agreement, no deficiency or other personal judgment shall be rendered against the Owner, its heirs, personal representatives, successors, transferees or assigns, as the case may be, in any action or proceeding arising out of this Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding. The Owner (and not its Members) shall have recourse liability to the Issuer and the Trustee for any indemnification obligations of the Owner under this Agreement.

Section 16. HUD Rider. The provisions of this Agreement are subject to the provisions of the HUD Rider attached hereto as Exhibit D and made a part hereof.

Section 17. Notice. Any notice required to be given hereunder shall be given by personal delivery, by registered U.S. mail or by registered expedited service at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto, and any such notice shall be deemed received on the date of delivery if by personal delivery or expedited delivery service, or upon actual receipt if sent by registered U.S. mail.

Issuer: Housing Finance Authority of Pinellas County, Florida
26750 U.S. Hwy 19 N., Suite 110
Clearwater, Florida 33761
Attention: Executive Director

Owner: Oceanside Housing Partners, LP
c/o Vitus Development IV, LLC
1700 Seventh Avenue, Suite 2000
Seattle, WA 98101
Attn: Stephen R. Whyte
Phone: (206) 621-7420
Email: stephen.whyte@vitus.com
And AOF Oceanside Affordable Housing Corp.
4401 Northside Parkway, Suite 711
Atlanta, GA 30327
Attention: Philip Kennedy
Phone: (770) 933-2262
Email: aofkennedy@mindspring.com

With copy to: VLP Law Group LLP
548 Market Street, Suite 3200
San Francisco, CA 94104
Attention: Byron Rodriguez
Phone: (415) 963-4327
Email: brodriguez@vlplawgroup.com

Guarantors: Vitus Development IV, LLC
Vitus Group, LLC
Stephen R. Whyte
1700 Seventh Avenue, Suite 2000
Seattle, WA 98101
Phone: (206) 832-1315
Email: stephen.whyte@vitus.com

Trustee: U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309
Attention: Scott Schuhle

If to Investor Limited
Partner: The address and representative as filed with the Issuer and Trustee upon satisfaction of Conditions to Disbursement.

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

Section 19. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.
IN WITNESS WHEREOF, the Issuer, the Trustee and the Owner have caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first written hereinabove.

[SEAL] HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

ATTEST:

By: __________________________________________
   Casey Cane, Chairman

___________________________
Kathryn Driver
Assistant Secretary/Executive Director

ACKNOWLEDGEMENT OF ISSUER

STATE OF FLORIDA )
COUNTY OF PINELLAS )

The foregoing LAND USE RESTRICTION AGREEMENT was executed and acknowledged before me this _____ day of __________, 2017, by Casey Cane and Kathryn Driver, respectively, as Chairman and Assistant Secretary/Executive Director, respectively of the Housing Finance Authority of Pinellas County, Florida, who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that they did such on behalf of the Issuer.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal the day and year in this Land Use Restriction Agreement first above written.

___________________________
NOTARY PUBLIC -- STATE OF FLORIDA

Personally Known _____
OR Produced Identification ___
Type of Identification Produced

Print, Type or Stamp Commissioned
Name of Notary Public

[Issuer’s Signature page to LURA – Pinellas]
Witness:
By: ____________________________
    Signature
______________________________
Printed Name

Witness:
By: ____________________________
    Signature
______________________________
Printed Name

ACKNOWLEDGEMENT OF OWNER

STATE OF FLORIDA       )
COUNTY OF PINELLAS     )

The foregoing LAND USE RESTRICTION AGREEMENT was executed and acknowledged before me this _____ day of ________, 2017, by Thomas J. Null, as Vice President of AOF Oceanside Affordable Housing Corp., a Florida nonprofit corporation, the General Partner of Oceanside Housing Partners, LP, a Florida limited partnership, who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that he did such on behalf of Oceanside Housing Partners, LP.

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

______________________________
NOTARY PUBLIC

Personally Known _____
OR
Produced Identification _____
Type of Identification
Produced ________________

[Owner's Signature page to LURA - Pinellas]
U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: ______________________________
Name: Scott A. Schuhle
Title: Vice President

ACKNOWLEDGEMENT OF TRUSTEE

STATE OF FLORIDA )
COUNTY OF BROWARD )

The foregoing LAND USE RESTRICTION AGREEMENT was executed and acknowledged before me this _____ day of ________, 2017, by Scott A. Schuhle, as Vice President of U.S. Bank National Association, a national banking association, who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that he did such on behalf of U.S. Bank National Association.

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

________________________________________
NOTARY PUBLIC -- STATE OF FLORIDA

Personally Known ______
OR
Print, Type or Stamp Commissioned
Produced Identification ___
Name of Notary Public

Type of Identification
Produced _____________

My Commission Expires:

[Trustee's Signature page to LURA - Pinellas]
EXHIBIT A

LEGAL DESCRIPTION

[TBD]
EXHIBIT B

FORM OF INCOME CERTIFICATION

INCOME CERTIFICATION

The undersigned hereby (certify) (certifies) that:

1. This Income Certification is being delivered in connection with the undersigned’s application for occupancy of apartment #__________ in the ____________________________, in ________County, Florida.

2. List all occupants of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is an individual who is or will be, a full-time student at an educational institution during five (5) months of the year in which this application is submitted, other than correspondence school, with regular facilities and students).

The total anticipated income as acceptable with the Housing Finance Authority and consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended for each person listed below during the 12 month period commencing with the date occupancy will begin.

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
<th>Age</th>
<th>Student</th>
<th>Anticipated Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td></td>
<td></td>
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<tr>
<td>(c)</td>
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<tr>
<td>(e)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(f)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL INCOME ____________________

3. Are any of the students listed above eligible to file a joint return for Federal Income Tax purposes? Yes:_____  No:_____

4. If any of the occupants listed in Section 2 has any savings, bonds, or equity in real property, or other forms of capital investment (but do not include necessary items such as furniture or automobiles) * enter the following amounts:

* Include the value over and above actual consideration received, except in foreclosure or bankruptcy, of any asset disposed of for less than fair market value within two (2) years of the date of this Income Certification.
a. The total value of all such assets owned by all persons: $________________.

b. A percentage of the value of such assets based on the current passbook savings rate, as determined by HUD (applicable passbook savings rate____%): $______________. ** If assets do not exceed $5,000 and resident is not Low, do not impute assets.

c. The amount of income expected to be derived from such assets in the 12 month period commencing with the occupancy of the unit: $____________.

5. RESIDENT'S STATEMENT: The information on this form is to be used to determine maximum income for eligibility. I/We have provided, for each person set forth in Section 2, either (a) An Employer’s Verification of current anticipated annual income, if the occupant is currently employed, or (b) if the occupant is currently unemployed, such other evidence of current anticipated income as is consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended, or (c) copies of the occupants most recent Federal Income Tax Return, if a return was filed for the most current year. I/We certify that the statements above are true and complete to the best of my/our knowledge and belief on the date hereof and are given under penalty of perjury.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
<th>Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>________</td>
<td>(c)</td>
<td>________</td>
</tr>
<tr>
<td>(b)</td>
<td>________</td>
<td>(d)</td>
<td>________</td>
</tr>
</tbody>
</table>

6. OWNER/DEVELOPER STATEMENT: The family or individual(s) named in Section 2 of the Income Certification attached hereto is/are eligible under the provisions of the Land Use Restriction Agreement, to live in a unit in the Project, as defined in the Loan Agreement, between the owner and the Housing Finance Authority, and based upon the aggregate anticipated annual income set forth in Section 2 and, if applicable, the greater of the amounts in Section 4 (b), or (c), which in the aggregate will be $(_____________________________), constitutes (check one):

___ a. A Very Low Income Tenant (maximum income $______________________); or

___ b. A Lower-Income Tenant (maximum income $______________________); or

___ c. An Eligible Tenant other than a Lower-Income Tenant (Maximum income $______________________).

__________________________________  ________________
Signature of Owner's Authorized Representative  Date
EXHIBIT C

FORM OF CERTIFICATE CONCERNING COMMENCEMENT AND TERMINATION OF QUALIFIED PROJECT PERIOD

THIS CERTIFICATE is being executed pursuant to the provisions of the Loan Agreement, dated as of _______ 1, 2017 (the "Agreement"), among the Housing Finance Authority of Pinellas County, Florida (the "Issuer"), U.S. Bank National Association (the "Trustee") and Oceanside Housing Partners, LP (the "Owner"), in connection with the financing by the Issuer of Oceanside Estates (the "Project") in the County located on real property described on Exhibit "A" hereto, through the issuance of the Issuer’s $11,000,000 Multi-Family Housing Revenue Bonds, Series 2017 (Oceanside Estates ) (the "Bonds")

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

"Qualified Project Period" shall mean a period beginning on the date on which ten percent of the units are first occupied, and ending on the latest of the date (x) which is thirty (30) years after the date on which at least 50 percent of the residential units in the Project are first occupied; (y) the first day on which no tax-exempt private activity bonds issued with respect to the Project are outstanding; or (z) on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

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

This Instrument prepared by
(and after recording should be returned to):
Robert Reid
Bryant Miller Olive P.A.
101 North Monroe Street, Suite 900
Tallahassee, FL 32301
1. The Bonds were issued on December __, 2017.

2. The date of acquisition of the Project was ________ __, 2017.

3. The maturity date of the Bonds with the longest maturity is January 1, 2022.

4. The first day on which at least ten percent (10%) of the units in the Project were first occupied was ____________.

5. The date on which at least fifty percent (50%) of the units in the Project were first occupied was ____________.

6. The date of initial occupancy of any unit in the Project was ____________.

7. Assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates on ____________.

8. The Qualified Project Period is extended a minimum of 15 years beyond the period provided by the Code.

Prior to the recording of this Certificate in the land records of the County, the Owner has supplied the Issuer with documentation to establish the facts relating to the Project set forth in this Certificate, which documentation has been found satisfactory to all parties. Nothing in this Certificate is intended to modify the requirement that all units in the Project be rented as residential rental property for the term during which any of the Bonds are outstanding or any provision of the Agreement.

IN WITNESS WHEREOF, the Owner has caused this Certificate to be executed by its duly authorized representative, and the Issuer has caused this Certificate to be accepted by its duly authorized representative as of this __ day of ___________, 20__. 

[Counterpart Signature page to Exhibit C - LURA – Pinellas follow]
WITNESS this __ day of ____________, 201_.

OCEANSIDE HOUSING PARTNERS, LP,
a Florida limited partnership

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ____________________________
Thomas J. Null, Vice President

ACKNOWLEDGEMENT OF OWNER

STATE OF FLORIDA  )
COUNTY OF PINELLAS  )

The foregoing Certificate was executed and acknowledged before me this _____ day of _____, 20__, by Thomas J. Null, as Vice President of AOF Oceanside Affordable Housing Corp., a Florida nonprofit corporation, the General Partner of Oceanside Housing Partners, LP, a Florida limited partnership, who executed the within Certificate Concerning Commencement and Termination of Qualified Project Period and acknowledged to me that he did such on behalf of Oceanside Housing Partners, LP.

NOTARY PUBLIC -- STATE OF ___________

Personally Known ___
OR
Produced Identification ___

Type of Identification
Produced _______________
Acceptance by Issuer:

HOUSING FINANCE AUTHORITY OF
PINELLAS COUNTY, FLORIDA

ATTEST:

__________________________________________      By: ________________________________
Kathryn Driver                                                                    Casey Cane, Chairman
Assistant Secretary/Executive Director

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing Certificate was executed and acknowledged before me this ____ day of
_______, 20__, by Casey Cane, as Chairman and Kathryn Driver, as Assistant
Secretary/Executive Director of the Housing Finance Authority of Pinellas County, Florida, on
behalf of said Issuer.

__________________________________________
NOTARY PUBLIC -- STATE OF _____________

Personally Known ____
OR
Produced Identification ____

Print, Type or Stamp Commissioned
Name of Notary Public

Type of Identification
Produced ___________________
My Commission Expires:
EXHIBIT D

HUD RIDER

This HUD RIDER (this "Rider"), is attached to and forms a part of the Land Use Restriction Agreement (the "LURA"), dated as of ________ 1, 2017, by and among Oceanside Housing Partners, LP, a Florida limited partnership (together with its successors and assigns collectively, "Owner"), the Housing Finance Authority of Pinellas County, Florida, a public body corporate and politic of the State of Florida ("Issuer"), and U.S. Bank National Association, a national banking association, as Trustee ("Trustee").

RECITALS:

A. Owner is the owner of certain real property located in the County of Pinellas, State of Florida, as more particularly described in Exhibit A attached to the LURA and made a part hereof, on which is constructed that certain rental apartment project known as Oceanside Estates (the “Project”).

B. Owner has entered into a certain first lien mortgage loan (the “Loan”) made by Lender (as defined below), which Loan is evidenced and/or secured by that certain Note (Multistate) dated as of ________ 1, 201__ in the amount of $____________ (the “Note”) for the benefit of the project known as Oceanside Estates (the "Project"), which Loan is secured by the Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement of even date herewith and recorded in the official real estate records of Pinellas County, Florida (the “Security Instrument”) and certain other Mortgage Loan Documents (as defined below), which Loan is insured by HUD (as defined below).

C. Owner has received tax exempt bond financing from the Issuer, which Issuer is requiring certain restrictions (the “Restrictive Covenants”) be recorded against the Project.

D. Owner, Issuer, and Trustee entered into the Land Use Restriction Agreement ("LURA") to which this Rider is attached, that contains Restrictive Covenants with respect to the Project.

E. HUD is requiring that the lien and Restrictive Covenants of the LURA be subordinated to the lien, covenants, and enforcement of the Security Instrument.

F. The Issuer, as the holder of the Restrictive Covenants, has agreed to subordinate the Restrictive Covenants in all respects to the lien of the Security Instrument as provided in this Rider.

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

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

2. In the event of any conflict between any provision contained elsewhere in the LURA and any provision contained in this Rider, the provision contained in this Rider shall govern and be controlling in all respects.

3. The following terms shall have the following definitions:


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

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

“Lender” means Hunt Mortgage Group, its successors and assigns.

“Mortgage Loan” means the mortgage loan made by Lender to the Owner pursuant to the Mortgage Loan Documents with respect to the Project.

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

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

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

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

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

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

4. Notwithstanding anything in the Restrictive Covenants to the contrary except the requirements in 26 U.S.C., the provisions of the Restrictive Covenants are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation the Security Instrument, and
(ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Owner covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Authority’s ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Owner represents and warrants that to the best of Owner’s knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

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

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

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

   i. Available Surplus Cash, if the Owner is a for-profit entity;

   ii. Available distributions of Surplus Cash and residual receipts authorized for release by HUD, if the Owner is a limited distribution entity; or

   iii. Available residual receipts authorized by HUD, if the Owner is a non-profit entity, or

   iv. A HUD-approved collateral assignment of any HAP contract, if any.
8. For so long as the Mortgage Loan is outstanding, Owner and Issuer shall not further amend the LURA, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD’s prior written consent.

9. Subject to the HUD Regulatory Agreement, the Issuer or the Trustee may require the Owner to indemnify and hold the Issuer or the Trustee harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against the Issuer or Trustee relating to the subordination and covenants set forth in the LURA; provided, however, that Owner’s obligation to indemnify and hold the Issuer or the Trustee harmless shall be limited to available Surplus Cash and/or residual receipts of the Owner.

10. No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds or prohibiting the Owner from taking any action that might jeopardize the tax-exemption except in strict accord with Program Obligations.
This FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT (herein this "Agreement") is made and entered into as of December 1, 2017, by and among the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body corporate and politic of the State of Florida (together with its successors and assigns, the "Issuer"), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, and having a designated corporate trust office located in Ft. Lauderdale, Florida, as trustee (together with its permitted successors and assigns, the "Trustee"), and OCEANSIDE HOUSING PARTNERS, LP, a Florida limited partnership (together with its permitted successors and assigns, the "Borrower"), AFO OCEANSIDE AFFORDABLE HOUSING CORP., a Florida nonprofit corporation, as its general partner and VITUS DEVELOPMENT IV, LLC, a Delaware limited liability company, VITUS GROUP, LLC, a Delaware limited liability company and Stephen R. Whyte, an individual (collectively, the "Indemnitors").

WITNESSETH:

WHEREAS, the Borrower has requested that the Issuer issue its $11,000,000 Multifamily Housing Revenue Bonds, Series 2017 (Oceanside Estates) (the "Series 2017 Bonds") for the primary purpose of financing a portion of the costs of the acquisition and rehabilitation of an approximately 104-unit multifamily rental housing project commonly known as Oceanside Estates and located at 6700 102nd Avenue North, Pinellas Park, Florida (the "Project"); and

WHEREAS, the Bonds shall be issued by the Issuer pursuant to the terms and provisions of that certain Trust Indenture dated as of December 1, 2017 (the "Indenture"), by and between the Issuer and the Trustee; and

WHEREAS, any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Indenture or that certain Loan Agreement, dated as of December 1, 2017 (the "Loan Agreement"), between the Issuer and the Borrower; and

WHEREAS, as a condition of the Issuer issuing the Series 2017 Bonds for the benefit of the Borrower, the Issuer has requested that the Indemnitors enter into this Agreement and the Indemnitors have agreed subject to the terms and conditions set forth herein; and

WHEREAS, the Borrower and each Indemnitor acknowledges that it shall receive significant benefit from the issuance of the Series 2017 Bonds and the other financial assistance provided by the Issuer and the application of the proceeds as intended.

NOW, THEREFORE, the parties hereto agree as follows:
Section 1. **Recitals.** That the above recitals are hereby adopted by the parties hereto.

Section 2. **Indemnification.**

A. Notwithstanding any other provision in the Indenture, the Loan Agreement or the Land Use Restriction Agreement (collectively, the "Bond Documents") to the contrary, the Indemnitors hereby agree, jointly and severally, to indemnify and hold harmless the Issuer and the Trustee, its officers, employees, agents, beneficiaries and their successors and assigns (collectively, the "Indemnified Parties" and individually, an "Indemnified Party") from and against all claims, demands, losses, costs, fines, penalties, judgments, suits, proceedings, orders, forfeitures, damages (including without limitation consequential damages suffered by a third party claimant) and expenses of every kind and nature whatsoever, whether joint or several, that arise out of or relate to any Hazardous Material (as hereinafter defined) at, on, in, under, affecting or otherwise related to any portion of the Project.

The foregoing indemnity includes, but is not limited to, the following: reasonable out-of-pocket attorneys' and consultants' fees and court costs (including those incurred at the appellate level); all actual out-of-pocket costs of removing, remediation, and implementing corrective action required by the applicable governmental authority with respect to, abating or otherwise responding to Hazardous Materials relating to the Project; costs incurred to avoid the imposition of, or to discharge, lien on the Project arising out of any environmental law, regulation, order or cleanup; all actual out-of-pocket costs of determining whether the Project is, and causing the Property to be, in compliance with all applicable environmental laws, regulations and orders (provided reasonable cause existed for incurring such costs); all actual out-of-pocket costs associated with claims for injury to persons, property or natural resources and any matter relating to the removal, monitoring or remediation of any material, substance or containment from the underground storage tanks located on the Project.

For purposes herein, "Hazardous Material" means (i) any "hazardous substance" defined as such in (or for the purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601(14), as amended from time to time, or any so-called "superfund" or "super lien" law, including the judicial interpretation thereof, (ii) any "pollutant or contaminant" as defined in 42 U.S.C.A. § 9601(33), (iii) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 260, (iv) any petroleum, including crude oil or any fraction thereof, (v) natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, (vi) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910, and (vii) any other substance, regardless of physical form that is subject to any other law or other past, present or future requirement of any governmental authority regulating, relating to, or imposing obligations, liability or standards of conduct concerning the protection of human health, plant life, animal life, natural resources, property or the reasonable enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy, from whatever source; provided, however, that the term "Hazardous Materials" shall not apply to substances in quantities that are generally recognized to be appropriate to normal
residential uses and to maintenance of mortgaged property and to substances in limits acceptable under applicable law.

B. In the event that any Indemnified Party receives notice that any action or proceeding has been brought against such Indemnified Party with respect to which indemnity may be sought hereunder, such Indemnified Party shall, as a condition of such indemnification, give written notice thereof to the Indemnitors within 15 days after receipt of such notice and notice from any one Indemnified Party shall be deemed notice from all Indemnified Parties. The Indemnitors, upon timely written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the Indemnified Party, which approval shall not be unreasonably withheld, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Issuer and the Trustee shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not unreasonably be conditioned, delayed or denied. In the event of a conflict of interest either between the Borrower and any Indemnified Party or among any Indemnified Parties, each Indemnified Party respecting which such conflict of interest exists shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Indemnitors shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed under the circumstances described above, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

C. Except as otherwise provided herein, the obligations of the Indemnitors under this Agreement shall survive, and shall in no way be limited, impaired or otherwise affected by the foreclosure of any mortgage, acceptance by any person of a deed in lieu of foreclosure, the redemption of the Bonds, and/or the release by the Issuer or the Trustee of the Bond Documents and shall be independent of the obligations of Borrower to the Issuer or the Trustee in connection with any of the Bond Documents. The rights of the Issuer and the Trustee under this Agreement shall be in addition to any other rights and remedies of the Issuer and the Trustee under any of the Bond Documents or at law.

D. Any amount claimed hereunder accompanied by appropriate backup information by an Indemnified Party, not paid by the Indemnitors within thirty (30) days after written demand from such Indemnified Party with an explanation of the amounts claimed, shall bear interest at the prime rate as published in the Wall Street Journal on the date such demand is made (or if no such publication occurs, the prime rate selected by the Indemnified Party), plus 2.00%.

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

F. The liability of the Indemnitors under this Section 2 shall in no way be limited, impaired or otherwise affected by, and the Indemnitors hereby consent to and agree to be bound by, any amendment or modification of the provisions of the Bond Documents with the consent of the Borrower in accordance with the terms thereof so long as same does not expand any liability of any Indemnitor hereunder without such Indemnitor's consent thereto. In addition, except as otherwise provided herein, the liability of the Indemnitors under this Section 2 shall in no way be limited, impaired or otherwise affected by (i) any extensions of time for or waivers of performance of any covenants or obligations set forth in any of the Bond Documents, (ii) any sale, assignment or transfer of the Bonds, the Bond Documents or any sale or transfer of all or part of the Project or other security relating to the Bonds, (iii) the release of Borrower or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Bond Documents by operation of law, the Issuer's or the Trustee's voluntary act, or otherwise, or (iv) the Issuer's or the Trustee's failure to protect, secure or insure any security interest or lien given or granted as security for the performance of the obligations and covenants of Borrower pursuant to the Bond Documents, or (v) any delay or omission by the Issuer or the Trustee in its choice of remedies under the Bond Documents, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Issuer or the Trustee at the lowest cost to Borrower, it being understood that such choice of remedies will necessarily be and should properly be a matter of business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by an Indemnified Party at the lowest cost to the Borrower.

G. To the extent allowed by law, the Indemnitors each hereby waives (i) any and all notices and demands of every kind which may be required to be given by any statute, rule or law except as required hereunder, (ii) any defense, right of set-off or other claim which the Indemnitors may have against any Indemnified Party, or (iii) any and all formalities which otherwise might be legally required to charge the Indemnitors with liability hereunder; provided, however, that the Indemnitors shall have no liability hereunder for any claims settled without the Indemnitors' consent and shall have no liability hereunder unless the Indemnitors receives timely written notice as set forth in paragraph B hereof.

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

I. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given if given in accordance with terms of the Indenture.
J. Notwithstanding anything to the contrary contained herein, the Indemnitors shall have no liability to an Indemnified Party, or, as appropriate, liability shall be reduced by any applicable comparative negligence statutes, in connection with a specific claim for indemnity by an Indemnified Party if a court of competent jurisdiction shall determine that such claim for damages arises out of or was caused by the negligence or willful misconduct or intentional acts of such Indemnified Party. The Indemnitors shall have no further liability under this Agreement for any acts or omissions occurring after a mortgage foreclosure or deed in lieu of foreclosure whereby as a result therefrom neither the Borrower or a related party to the Borrower has any interest in the Project.

Section 3. Fee Guaranty. Notwithstanding any provision in the Bond Documents or any resolution or document to the contrary, the Indemnitors agree to pay the Issuer Fee, the Trustee’s Fee and all other reasonable fees and reasonable out of pocket expenses incurred by the Issuer, their counsel, financial advisors and Bond Counsel, the Trustee and its counsel in connection with the transactions contemplated under the Bond Documents, including, but not limited to, any compliance monitoring fee and expenses under the Land Use Restriction Agreement and any reasonable expenses incurred related to enforcing such agreement. This section, until the agreements set forth in this Agreement are completely executed, shall survive the payment of the Bonds and/or the disposition of the Project.

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

Section 5. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same agreement, and in making proof of this Agreement, it shall not be necessary to produce of account for more than one such counterpart.

Section 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflict of law principles.

Section 7. HUD Required Limitation. Notwithstanding any provision of this Agreement, so long as HUD holds or insures a mortgage on the Project, any and all monetary obligations (including but not limited to indemnification and/or hold harmless obligation) of Borrower shall be limited to available Surplus Cash (as such term is identified in the HUD Regulating Agreement).
IN WITNESS WHEREOF, the parties hereto have caused this Fee Guaranty and Environmental Indemnity Agreement to be executed as of the date set forth above.

Issuer:

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

By: ________________________________
   Casey Cane, Chairman

ATTEST:

By: ________________________________
Name: Kathryn Driver
Title: Assistant Secretary/Executive Director

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

U.S. BANK NATIONAL ASSOCIATION,

By: ________________________________
    Scott A. Schuhle
    Vice President

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]
Borrower/Indemnitor:

OCEANSIDE HOUSING PARTNERS, LP,
a Florida limited partnership

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ______________________________
    Thomas J. Null, Vice President

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

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ______________________________

Thomas J. Null, Vice President

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

By: Vitus Development IV, LLC,
    a Delaware limited liability company

By: Vitus Group, LLC,
    a Delaware limited liability company

By: ______________________
    Stephen R. Whyte, Manager

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

________________________________
Stephen R. Whyte, individually

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

FORM OF
PRELIMINARY OFFICIAL STATEMENT
NEW ISSUE/BOOK-ENTRY ONLY

RATING: S&P: "____" (Expected)
(See "RATING" herein)

In the opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes except that such exclusion shall not apply to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Additionally, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Bonds.

$______________*

Housing Finance Authority of Pinellas County, Florida
Multifamily Housing Revenue Bonds
(Oceanside Estates), Series 2017

HFA LOGO

CUSIP: _________**

Price: ________% Interest Rate: ____%

Dated: Date of Delivery

Maturity: January 1, 2022*

Initial Mandatory Tender Date: January 1, 2020*

The above-captioned Bonds (the "Bonds") are being issued by the Housing Finance Authority of Pinellas County, Florida (the "Issuer") to fund a loan (the "Loan") to Oceanside Housing Partners, LP, a Florida limited partnership (the "Borrower"). The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation, installation and equipping of a 104-unit multifamily rental housing facility to be occupied by persons of low, middle or moderate income to be known as Oceanside Estates and to be located in Pinellas Park, Pinellas County, Florida. The Issuer is issuing the Bonds pursuant to a Trust Indenture dated as of December 1, 2017 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The Issuer will loan the proceeds of the Bonds to the Borrower pursuant to the terms of a certain Loan Agreement dated as of December 1, 2017 between the Issuer and the Borrower.

The Bonds will be issued as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of Bonds will be made in book-entry form only in principal amounts of $5,000 each and integral multiples thereof. Individual purchasers of Bonds will not receive certificates evidencing their interest in the Bonds. So long as the Bonds are in book-entry form only, all payments of principal of and interest on the Bonds will be made by the Trustee to DTC or its successors. Disbursement of such payments from DTC to the DTC Participants is the responsibility of DTC and disbursement to the Holder is the responsibility of the DTC Participants. The Bonds will bear interest from their dated date, payable semiannually on January 1 and July 1 of each year, commencing July 1, 2018. Principal of the Bonds will
be payable (i) at the Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due and (ii) upon the request of any registered owner of Bonds on the applicable Record Date (as defined in the Indenture) having an aggregate principal amount of $1,000,000 or more, by wire transfer of immediately available funds.

The Bonds are subject to mandatory tender in whole and not in part on January 1, 2020 (the “Initial Mandatory Tender Date”). See “THE BONDS - Mandatory Tender of Bonds” herein. The Bonds are not subject to optional redemption prior to their stated maturity date. The Bonds are subject to mandatory redemption in whole and not in part on the Initial Mandatory Tender Date in certain circumstances. See “THE BONDS - Redemption of Bonds on or Prior to Initial Mandatory Tender Date” herein. In addition, the maturity of the Bonds may be accelerated upon the occurrence of certain events as described herein. See “APPENDIX B – DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Acceleration” herein.

THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA (THE "STATE") OR ANY LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

This cover page contains only a brief description of the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors must read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Issuer, subject to approval of their legality by Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Miami, Florida and VLP Law Group LLP, San Francisco, California, for the Issuer by its counsel, Johnson, Pope, Bokor, Ruppel & Burns, LLP, Clearwater, Florida and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel and for RBC Capital Markets, LLC (the “Underwriter”) by its counsel, Norris George & Ostrow PLLC, Washington, DC. CSG Advisors Incorporated has acted as independent registered municipal advisor to the Issuer in connection with the financing. The Bonds are expected to be available for delivery in New York, New York through the facilities of DTC on or about December __, 2017.

RBC Capital Markets

Dated: __________ __, 2017

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* Preliminary; subject to change.
** The Issuer is not responsible for the use of the CUSIP number referenced in this Official Statement nor is any representation made by the Issuer as to its correctness; such CUSIP number is included solely for the convenience of the readers of this Official Statement.
RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The Issuer has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.
MEMBERS OF THE
HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

Casey Cane
Chairman

Robyn Fiel
Vice Chairman

Norris E. Counts
Secretary/Treasurer

Steven Beal
Assistant Secretary/Treasurer

Dennis Long
Assistant Secretary

Executive Director
Kathryn Driver

Issuer Counsel
Johnson, Pope, Bokor, Ruppel & Burns, LLP
Clearwater, Florida

Bond Counsel
Bryant Miller Olive P.A.
Tallahassee, Florida

Disclosure Counsel
Bryant Miller Olive P.A.
Tampa, Florida

Financial Advisor
CSG Advisors Incorporated
Alpharetta, Georgia

Trustee
U.S. Bank National Association
Ft. Lauderdale, Florida
TABLE OF CONTENTS

INTRODUCTION ..................................................................................................................................................... 1

THE ISSUER .............................................................................................................................................................. 3
   General 3
   Bonds of the Issuer ................................................................. 4

THE BONDS .............................................................................................................................................................. 4
   General 4
   Mandatory Tender of Bonds .............................................. 5
   Redemption of Bonds on or Prior to Initial Mandatory Tender Date ................................................. 6
   Book-Entry Only System .................................................. 7

SECURITY FOR THE BONDS ................................................................................................................................ 9
   General 9
   Limited Obligations of the Issuer ...................................... 10
   The Bond Fund ................................................................. 10
   The Project Fund and Collateral Fund ............................... 11
   The Capitalized Interest Account .................................. 13
   Permitted Investments .................................................... 13
   Nonrecourse Liability of Borrower ................................. 14

THE LENDER LOAN AND OTHER FINANCING SOURCES ....................................................................... 14

ESTIMATED SOURCES AND USES OF FUNDS .............................................................................................. 16

THE DEVELOPMENT AND THE PARTICIPANTS ......................................................................................... 17
   The Development ............................................................. 17
   The Borrower and the Developer ................................... 19
   Limited Assets and Obligations of the Borrower ............ 20
   The Contractor .............................................................. 20
   The Property Manager .................................................. 20

CERTAIN BONDHOLDERS’ RISKS .................................................................................................................... 20
   Limited Security ......................................................... 21
   Rating Based on Permitted Investments ....................... 21
   Acceleration and Liquidation of Permitted Investments ............................................................... 21
   Exercise of Legal Remedies .......................................... 21
   Taxability of the Bonds ................................................. 21
   Future Legislation; IRS Audit ....................................... 22
   Secondary Markets and Prices ..................................... 22

SUBORDINATION TO FHA LOAN DOCUMENTS AND PROGRAM OBLIGATIONS........................................ 22
The Borrower ............................................................................................................................................ 27
The Issuer .................................................................................................................................................. 27
CONTINUING DISCLOSURE.............................................................................................................................. 28
ENFORCEABILITY OF REMEDIES.................................................................................................................. 28
DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES ................................................ 29
ESCROW VERIFICATION REPORT ................................................................................................................ 29
FINANCIAL ADVISOR......................................................................................................................................... 29
MISCELLANEOUS................................................................................................................................................. 29

APPENDIX A -- DEFINITIONS
APPENDIX B -- DOCUMENT SUMMARIES
APPENDIX C -- FORM OF BOND COUNSEL OPINION
APPENDIX D -- FORM OF CONTINUING DISCLOSURE AGREEMENT
This Official Statement, including the cover page hereof, is provided for the purpose of setting forth information in connection with the issuance and sale of the Bonds. No dealer, broker, salesperson or other person has been authorized by the Issuer, the Borrower or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered herein, nor shall there be any sale of the Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Issuer, the Borrower and other sources which are believed to be reliable, but has not been independently verified, and such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer, the Borrower or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the Borrower, or any other parties described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Issuer has not approved any information in this Official Statement except information relating to the Issuer under the captions "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION – The Issuer" (as such information pertains to the Issuer), and takes no responsibility for any other information contained in this Official Statement.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Official Statement contains statements, which to the extent they are not recitations of historical fact, constitute "forward looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "belief," and similar expressions are intended to identify forward looking statements. Such statements may be subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements.
IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.
OFFICIAL STATEMENT

$_______________*
HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS
(OCESIDE ESTATES), SERIES 2017

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to set forth information concerning the offering and sale by the Housing Finance Authority of Pinellas County, Florida (the "Issuer") of its $_______________* Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 (the "Bonds").

The Bonds are authorized to be issued pursuant to the provisions of Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as now in effect and as it may from time to time hereafter be amended and supplemented (the "Act"), Resolution No. 2017-___ adopted on December 6, 2017 and Section 2-386, Pinellas County Code of Ordinances, as amended, and that certain Trust Indenture dated as of December 1, 2017 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee (the "Trustee").

The Bonds are subject to mandatory tender in whole and not in part on January 1, 2020 (the "Initial Mandatory Tender Date"). The Bonds are not subject to optional redemption prior to their stated date of maturity. The Bonds are subject to mandatory redemption in whole and not in part on the Initial Mandatory Tender Date in certain circumstances. See “THE BONDS – Redemption of Bonds on or Prior to Initial Mandatory Tender Date” and “THE BONDS - Mandatory Tender of Bonds” herein.

The Bonds are being issued for the purpose of funding a loan (the "Loan") to Oceanside Housing Partners, LP, a Florida limited partnership (the "Borrower"), pursuant to the terms of a Loan Agreement dated as of December 1, 2017 (the "Bond Loan Agreement"), between the Issuer and the Borrower. The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation, installation and equipping of a 104-unit multifamily rental housing facility to be occupied by persons of low, middle or moderate income to be known as Oceanside Estates and to be located in Pinellas Park, Pinellas County, Florida (the "Development"), as more fully described under "THE DEVELOPMENT AND THE PARTICIPANTS" herein. The Borrower’s obligations to repay the Loan will be evidenced by a Promissory Note (the "Note") executed by the Borrower in favor of the Issuer and assigned to the Trustee. See "APPENDIX B - DOCUMENT SUMMARIES" herein for summaries of certain provisions of the Indenture and the Bond Loan Agreement.

The Borrower anticipates entering into the Lender Loan with respect to the Development in March, 2018 with Hunt Mortgage Group as the Lender. However, it is possible that a different Lender Loan will be closed with respect to the Development with a different lender. See "THE LENDER LOAN AND OTHER FINANCING SOURCES" herein. The Borrower’s repayment obligations under the Lender Loan will be evidenced by loan documents and will be secured by a first-lien priority mortgage on the Development (the "Lender Mortgage" and, together with the loan documents, the "Lender Loan Documents"). In the event of conflict between the provisions of the Note, the Indenture and Bond Loan

* Preliminary; subject to change.
Agreement (collectively, the “Bond Documents”), and the Lender Loan Documents, the Lender Loan Documents will control. See “SUBORDINATION TO LENDER LOAN DOCUMENTS AND PROGRAM OBLIGATIONS” herein. In no event shall the U.S. Department of Housing and Urban Development (“HUD”) or the Lender have any claim or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds. None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the Lender Loan or under the Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a (i) lien on the real estate on which the Development is located, or (ii) a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the Lender in connection with the Lender Loan.

Upon issuance of the Bonds, the Bond proceeds will be deposited into the Project Fund. Disbursement of Bond proceeds from the Project Fund will be conditioned, among other things, on the closing of the Lender Loan and prior deposit with the Trustee by the Lender of an equal amount of funds in the Collateral Fund (the “Lender Collateral Deposits”). No Lender Collateral Deposits will be deposited into the Collateral Fund upon issuance of the Bonds or until the Lender Loan has closed. In addition, certain other conditions must be met prior to disbursement of Bond proceeds from the Project Fund. See “SECURITY FOR THE BONDS – The Project Fund and Collateral Fund” herein. In the event that the conditions to disbursement from the Project Fund are not met by the earlier of (i) December 1, 2019 or (ii) the date the Borrower delivers a certificate to the Trustee and the Issuer that the conditions to disbursement cannot be met, the Bond proceeds on deposit in the Project Fund, together with any amounts on deposit in the Capitalized Interest Account, will be transferred to a defeasance account to be created by the Trustee under the Indenture and the lien of the Bonds under the Indenture will be defeased in accordance with the defeasance provisions of the Indenture and the Bonds will be redeemed in full on the Initial Mandatory Tender Date. See “THE BONDS – Redemption of Bonds on or Prior to the Initial Mandatory Tender Date” herein and “APPENDIX B DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Discharge of the Lien” attached hereto.

In addition to amounts deposited into the Project Fund, upon issuance of the Bonds, proceeds of a bridge loan will be deposited into the Capitalized Interest Account of the Bond Fund. Interest due on the Bonds to the Initial Mandatory Tender Date is expected to be paid from the funds deposited in the Capitalized Interest Account on the Closing Date and earnings thereon and earnings on funds deposited into the Project Fund and the Collateral Fund. The payment of principal of the Bonds on the Initial Mandatory Tender Date is expected to be made from funds on deposit in the Collateral Fund or, in the event any amounts remain on deposit therein, in the Project Fund. In the event the conditions to disbursement are not met, the principal and interest on the Bonds will be paid from the amounts transferred from the Project Fund and Capitalized Interest Account to a defeasance account in accordance with the Indenture. The Bond Fund, the Project Fund and the Collateral Fund may only be, and are required to be at all times, invested in Permitted Investments sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the Initial Mandatory Tender Date, as further described herein. Therefore, the security for the Bonds prior to the Initial Mandatory Tender Date is such Permitted Investments. See “SECURITY FOR THE BONDS” herein and “APPENDIX A – DEFINITIONS” hereto for a definition of Permitted Investments.

Under the Land Use Restriction Agreement dated as of December 1, 2017 (the "Land Use Restriction Agreement"), by and among the Issuer, the Trustee and the Borrower, the Borrower is required during the Qualified Project Period (as such term is defined in the Land Use Restriction Agreement), among other things, to lease at least 40% of the completed residential units in the Development to persons with an adjusted gross income that is at or below 60% of the median gross
income for the area in which the Development is located, as further described in the Land Use Restriction Agreement. A failure to comply with certain of these requirements could result in the loss of the federal tax exemption on the Bonds retroactive to their date of issuance. See "CERTAIN BONDHOLDERS' RISK – Taxability of the Bonds," "TAX MATTERS" and "APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT" herein. Upon issuance of the Bonds, the Land Use Restriction Agreement will be executed and delivered. However, the Land Use Restriction Agreement will not be recorded against the Development until the closing of the Lender Loan, which recordation is a condition to disbursement of Bond proceeds from the Project Fund.

The Development is also expected to be encumbered by certain rent and occupancy restrictions in connection with the low income housing tax credits (the "Tax Credits") expected to be granted for the Development to a tax credit investor limited partner of the Borrower (the "Investment Limited Partner"). The Investment Limited Partner will not be admitted to the limited partnership upon issuance of the Bonds but is expected to be admitted by March, 2018. Admission of the Investment Limited Partner is a condition to disbursement of Bond proceeds. See "THE DEVELOPMENT AND THE PARTICIPANTS" herein.

Definitions of certain terms used herein and not otherwise defined are set forth in APPENDIX A hereto. Brief descriptions of the Issuer, the Development, the Borrower, the use of proceeds of the Bonds and the Bonds are provided below. Summaries of the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement are provided in APPENDIX B hereto. All information with respect to the Borrower, the Development and the private participants contained in this Official Statement has been furnished by the Borrower. The descriptions and summaries of the Bond Loan Agreement, the Indenture, the Land Use Restriction Agreement and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof included in the Indenture. See "MISCELLANEOUS" herein for the availability of those documents.

THE ISSUER

General

The Issuer was created as a public body corporate and politic in accordance with the Act. The Issuer is authorized, in furtherance of the public purposes described in the Act, to finance the acquisition and rehabilitation of multifamily rental housing for persons of low and moderate income at prices or rentals they can afford.

The Issuer is composed of 5 members appointed by the Board of County Commissioners of Pinellas County, Florida. The members of the Issuer serve for terms of four years, and the current members of the Issuer, the dates on which their respective terms expire and their principal occupations are as follows:
Bonds of the Issuer

The Issuer may from time to time issue bonds as provided in the Act for the purposes set forth in the Act. Any bonds issued by the Issuer (and any interest thereon) shall not be or become an indebtedness or obligation, general or moral, of the State of Florida or any political subdivision thereof nor be or become a pledge of the full faith and credit of the State of Florida or any political subdivision thereof, other than the Issuer. The Bonds of the Issuer as described herein are limited obligations of the Issuer payable solely from the specific sources specified in the Indenture authorizing the issuance of such Bonds. No owner of any Bond shall have the right to compel any taxing power of the State of Florida or any political subdivision thereof to pay the principal of, premium, if any or interest on the Bonds, and the Issuer has no taxing power.

The Issuer makes no warranty or representation, whether express or implied, with respect to the Borrower or the Development or the use thereof. The distribution of this Official Statement has been duly approved and authorized by the Issuer. Such approval and authorization does not, however, constitute a representation or approval by the Issuer of the accuracy or sufficiency of any information contained herein except to the extent of the material under the headings "THE ISSUER" and "NO LITIGATION - The Issuer." The offices of the Issuer are located at 26750 U.S. Highway 19 N., Suite 110, Clearwater, Florida 33761, and its telephone number is (727) 223-6418.

THE BONDS

The following is a summary of certain provisions of the Bonds. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Bond, a copy of which is on file with the Trustee.

General

The Bonds will be dated and will bear interest from their dated date at the rate per annum, and mature in the principal amount and on the maturity date set forth on the front cover of this Official Statement. Interest on the Bonds will be payable initially on July 1, 2018* and semiannually thereafter on January 1* and July 1* of each year until maturity or earlier tender or redemption. Principal of the Bonds will be payable (i) at the Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due, and (ii) upon the request of any registered owner of Bonds on the applicable Record Date having an aggregate principal amount of $1,000,000 or more, by wire transfer of immediately available funds from the Trustee. If the date of payment of principal or interest on the Bonds shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

* Preliminary; subject to change.
The Bonds will be issued in book-entry form only in denominations of $5,000 and integral multiples thereof and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). See "THE BONDS – Book-Entry Only System" below.

Mandatory Tender of Bonds

Initial Mandatory Tender Date. The Bonds are subject to mandatory tender for purchase in whole and not in part on the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. The purchase price for the Bonds on the Initial Mandatory Tender Date shall be payable in Preference Proof Moneys by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any to the Initial Mandatory Tender Date, and shall be paid in full on such Initial Mandatory Tender Date.

Holding of Tendered Bonds. While tendered Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

Purchase of Tendered Bonds. The Trustee shall utilize the following sources of payment to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Bonds deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase under such remarketing; (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase; (iii) amounts on deposit in the Capitalized Interest Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase; (iv) amounts on deposit in the Project Fund, if any, to pay the accrued interest, if any, on the Bonds tendered for purchase; and (v) any other Preference Proof Moneys available or made available for such purpose at the written direction of the Borrower.

Undelivered Bonds. The Bonds shall be deemed to have been tendered whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds and interest accrued thereon to the Mandatory Tender Date, such Undelivered Bonds shall be null and void.

Mandatory Tender Notice. Not less than 20 days or more than 30 days preceding a Mandatory Tender Date, the Trustee shall give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Investor Limited Partner, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(1) the Mandatory Tender Date and that (A) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date, (B) all Outstanding Bonds must be tendered for purchase no later than 12:00 Noon, Local Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Bonds;

(2) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;
(3) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date; and

(4) that any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Bond.

Failure to Give Notice. Neither failure to give or receive any notice of mandatory tender described above, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for with respect to such mandatory tender.

The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Redemption of Bonds on or Prior to Initial Mandatory Tender Date

No Optional Redemption Prior to Mandatory Tender Date. The Bonds are not subject to optional redemption prior to the Initial Mandatory Tender Date.

Mandatory Redemption if Conditions to Disbursement Not Met. Upon delivery of a written certificate from the Borrower that the Conditions to Disbursement cannot be met by the Borrower, or in the event the Conditions to Disbursement have not been met by December 1, 2019, the Bonds are subject to mandatory redemption in whole and not in part on the Initial Mandatory Tender Date and may not be remarketed. In such event, the Trustee is required to transfer all moneys and investments then held in the Project Fund, Collateral Fund and Capitalized Interest Account from such accounts and deposit the same in a defeasance account to be created under the Indenture to defease the Bonds for mandatory redemption on the Initial Mandatory Tender Date.

Notice of Redemption. The Trustee shall cause notice of redemption to be given by mailing by first class mail a copy of the redemption notice to the Bondholders designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 30 nor less than 20 days prior to the redemption date, provided, however, that failure to receive such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds. So long as the Bonds are in Book Entry Form, notice of redemption will be given by the Trustee only to DTC or its successor. The redemption notice may be given as a conditional
notice provided the Trustee shall have sufficient moneys on deposit in the Project Fund, the Capitalized Interest Account and the Collateral Fund, on or prior to the redemption date, to redeem all of the Bonds called for redemption, and if the Trustee does not have sufficient funds for this purpose, no Bonds shall be redeemed.

Payment of Redeemed Bonds. Notice having been mailed in the manner provided in the Indenture, subject to conditions stated in the notice, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including interest accrued to the redemption date. If money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee on the redemption date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding under the Indenture. If such money shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

Book-Entry Only System

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be initially issued and issuable only as one fully registered Bond certificate for each maturity, registered in the name of Cede & Co. as partnership nominee of DTC. Those fully registered Bonds will be deposited with and retained in the custody of DTC.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, DTC will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book entry interests in the Bonds (book entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and
pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (‘DTCC’). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the book entry interest owner) is in turn to be recorded on the Direct and Indirect Participant’s records. Book entry interest owners will not receive written confirmation from DTC of their purchase, but are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the book entry interest owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of book entry interest owners. Book entry interest owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in actual ownership. DTC has no knowledge of the book entry interest owners (or beneficial owners) of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the book entry interest owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to book entry interest owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).
Redemption proceeds, distributions, and debt service payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to book entry interest owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the book entry interest owners will be the responsibility of Direct and Indirect Participants.

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

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

With regard to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Trustee will have no responsibility or obligation to any Direct Participant or to any Indirect Participant. Without limiting the preceding sentence, the Issuer and the Trustee will have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Direct Participant or Indirect Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Direct Participant or Indirect Participant or any other person, other than Cede & Co., as nominee of DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Direct Participant or Indirect Participant or any person, other than Cede & Co., as nominee of DTC, of any amount with respect to principal of, premium, if any, or interest on, the Bonds.

SECURITY FOR THE BONDS

General

At all times the Bonds will be secured by Permitted Investments sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on __________*, the Initial Mandatory Tender Date, either upon mandatory tender or mandatory redemption, as further described herein.
Pursuant to the Indenture, the Issuer grants, bargains, sells, conveys and assigns, without recourse, unto the Trustee and its successors in trust forever, and grants to the Trustee and to its successors in trust, a security interest in, the following (such property being herein referred to as the Trust Estate): (i) all right, title and interest of the Issuer in and to all Revenues (as defined below), derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Bond Loan Agreement, other than the Unassigned Rights of the Issuer (as defined in Appendix A), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate; (ii) all right, title and interest of the Issuer in and to the Note (other than the Unassigned Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof; (iii) any fund or account created under the Indenture except for the Cost of Issuance Fund, the Expense Fund, the Rebate Fund and the Remarketing Proceeds Account, which Remarketing Proceeds Account shall be pledged only to the Holders of the Bonds which have been remarkedeted pursuant to the Indenture and the Rebate Fund; (iv) all right, title and interest of the Issuer in and to, and remedies under, the Bond Loan Agreement; and (v) all funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security by the Issuer or by anyone on its behalf or with its written consent to the Trustee under the Indenture for the Bonds, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture. "Revenues" means all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement.

The Bonds will not be secured by a mortgage or other security interest in the Development.

Limited Obligations of the Issuer

THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

*Preliminary, subject to change

The Bond Fund

On or before the Closing Date, the Trustee shall deposit the Capitalized Interest Deposit, upon receipt from the Borrower, to the Capitalized Interest Account. All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein) or the Collateral Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent of any fees, costs or expenses described in the Indenture which are due and payable, and then to the Bond Fund. The funds on deposit in the Bond Fund shall be used
by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made, whether by maturity, tender, scheduled Interest Payment Date or as a result of an early redemption of the Bonds.

The Project Fund and Collateral Fund

On the Closing Date, the proceeds of the Bonds will be deposited in the Project Fund pursuant to the Bond Loan Agreement and the Indenture and invested in Permitted Investments. After the conditions to disbursement of funds from the Project Fund provided in the Indenture (the “Conditions to Disbursement”) have been met, Bond proceeds will be disbursed by the Trustee, upon deposit by the Lender of an equal amount of Lender Loan proceeds into the Collateral Fund, to be applied to the costs of the Development. The Conditions to Disbursement include the following:

(a) closing of the acquisition of the land on which the Development is located under the Pinellas County LAF program together with the execution and delivery of all related real estate documents, including but not limited to the land trust agreement, ground lease, and memorandum of ground lease, and the recording of same, as applicable, in the Official Records of Pinellas County, Florida;

(b) closing of the Lender Loan, including the execution and delivery of all Lender Loan Documents, and, if applicable, recording of all Lender Loan Documents in the Official Records of Pinellas County, Florida;

(c) recording of the Land Use Restriction Agreement in the Official Records of Pinellas County, Florida;

(d) delivery to the Issuer and Lender of a certified copy of the Amended and Restated Limited Partnership Agreement reflecting the admission of any investor limited partners;

(e) admission of the Investment Limited Partner;

(f) written evidence from the Credit Underwriter of the satisfaction of all conditions set forth in the Credit Underwriting Report;

(g) building permits;

(h) general construction agreement;

(i) delivery of the initial tax credit equity advance as required by the Lender Loan;

(j) delivery of any subordination agreements required by the Lender Loan or the Lender Loan Documents; and

(k) delivery to the Issuer and the Trustee of an opinion of Bond Counsel that the delivery of the documents required to satisfy the Conditions to Disbursement and any required amendment to any Bond Loan Documents will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.
On the earlier of (i) the date the Borrower delivers a certificate to the Trustee and the Issuer that the Conditions to Disbursement will not be satisfied or (ii) December 1, 2019, if the Conditions to Disbursement have not been satisfied by such date, the Bond proceeds on deposit in the Project Fund (or Permitted Investments held to the credit thereof) will be transferred, together with funds on deposit in the Capitalized Interest Account (or Permitted Investments held to the credit thereof), to a defeasance account created by the Trustee and the Bonds will be subject to mandatory redemption on the Initial Mandatory Tender Date. Upon satisfaction of the provisions of the Indenture regarding discharge of the lien of the Bonds, the lien of the Bonds will be discharged and the Bonds will be secured solely by the Permitted Investments held in the defeasance account until redeemed on the Initial Mandatory Tender Date. See “– Discharge of the Indenture” below.

Discharge of the Indenture

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

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

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

The Capitalized Interest Account

On the date of issuance of the Bonds, the Borrower shall deposit the proceeds of a bridge loan from ______________ in the Capitalized Interest Account, which amounts will be invested in Permitted Investments. Amounts in the Capitalized Interest Account shall be used to pay interest coming due on the Bonds. Permitted Investments in the Capitalized Interest Account shall be used to pay interest coming due on the Bonds. Permitted Investments in the Capitalized Interest Account, together with the amount on deposit in the Project Fund and Collateral Fund, as invested pursuant to the Indenture, shall at all times be sufficient to pay, without the need for reinvestment, principal and interest on the Bonds upon mandatory tender or redemption on the Initial Mandatory Tender Date.

Permitted Investments

Amounts on deposit in the Project Fund, the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein) shall be invested at all times in Permitted Investments. All interest earned from the foregoing investments shall be deposited in the Bond Fund or the defeasance account to which any Permitted Investments have been transferred. Any investment made under the Indenture shall not bear a yield which is in excess of the yield on the Bonds.

In the event that any investments in the Project Fund, the Bond Fund or the Collateral Fund must be liquidated prior to the Initial Mandatory Tender Date, such investments shall be liquidated under the Indenture. The Trustee may not sell any investment at a loss, unless being sold (i) pursuant to provisions of the Indenture requiring moneys in the Collateral Fund invested in Permitted Investments to be sold in the event such Permitted Investments fail to satisfy the requirements of the Indenture, or (ii) in connection with an acceleration of the Bonds as described in "APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Acceleration" herein.

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

The following investments are "Permitted Investments" under the Indenture: (i) direct obligations issued by the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, including, when available, time deposit SLGS, on which the full and timely payment of principal and interest is unconditionally guaranteed by the United States of America and (ii) to the extent permitted in the Indenture, money
market funds rated “AAAm” by S&P that invest in Government Obligations which funds are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended (including any money market funds of the Trustee or its affiliates). Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings or Permitted Investments after the initial purchase of such Permitted Investments.

Nonrecourse Liability of Borrower

The Bond Loan Agreement provides that (i) the liability of the Borrower and the General Partner under the Bond Loan Agreement shall be limited to the Trust Estate, and such amounts as may be invested in accordance with the Indenture, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower or the General Partner under the Bond Loan Agreement shall be limited to the Development and moneys derived from the operation of the Development, and any other security so given for satisfaction thereof, and (ii) no deficiency or other personal judgment shall be sought or rendered against the Borrower or the General Partner or their respective successors, transferees or assigns, in any action or proceeding arising out of the Bond Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing contained in the Bond Loan Agreement shall limit the Issuer’s or the Trustee’s ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or to any trustee under the Bond Loan Agreement, or both, or to exercise any right against the Borrower or the General Partner, on account of any claim for fraud or deceit, and against any other person or entity on account of any claim for fraud or deceit. Notwithstanding anything in the Bond Loan Agreement to the contrary, nothing in the provisions of the Bond Loan Agreement described in this section shall limit the rights of indemnification against the Borrower and the General Partner pursuant to the terms of the Bond Loan Agreement. Furthermore, notwithstanding anything to the contrary, the Borrower and the General Partner shall be fully liable for (1) amounts payable to the Issuer constituting Unassigned Rights of the Issuer, (2) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, (3) payment of the Issuer Fee, and (4) any indemnification or payment obligations to the Issuer as more particularly described in the Bond Loan Agreement.

THE LENDER LOAN AND OTHER FINANCING SOURCES

Lender Loan. The Borrower anticipates that it will enter into the Lender Loan in March, 2018 for the permanent financing of the Development pursuant to the HUD Section 223(f) loan program. The Borrower has been invited to submit its application to HUD for the Lender Loan. However, the Lender Loan has not been approved by the Lender or HUD and will not be closed until after the issuance of the Bonds. The Lender Loan may or may not be approved by HUD and may or may not close. In that event, the Borrower anticipates that it would secure alternate permanent financing through other federal programs. [The Development has been pre underwritten by Freddie Mac and Fannie Mae.] The failure to close the Lender Loan or provide alternate permanent financing will not affect the security for the Bonds or result in a default under the Bond Loan Agreement or the Indenture and will not result in payment of the Bonds prior to the Initial Mandatory Tender Date.
Tax Credit Equity. As described under “THE DEVELOPMENT AND THE PARTICIPANTS – The Borrower and the Developer – The Borrower” herein, the Investment Limited Partner is expected to fund tax credit equity totaling approximately $________ when fully funded.

Bridge Loan. Upon the issuance of the Bonds, the Borrower will deposit with the Trustee the proceeds of a loan from __________ to the Borrower (the “Bridge Loan”) to fund the deposit to the Capitalized Interest Account of the Bond Fund, which deposit has been calculated to be sufficient to pay, together with projected investment earnings on Permitted Investments in the Capitalized Interest Account and Project Fund deposited with the Trustee on the Closing Date, and without the need for reinvestment, interest which will become due on the Bonds to the Initial Mandatory Tender Date.
ESTIMATED SOURCES AND USES OF FUNDS*

The sources and uses of funds for the Development to be applied under the Indenture are estimated by the Borrower to be approximately as follows.

**SOURCES**:  
- Bond Proceeds $_______________  
- Bridge Loan  
Total Sources of Funds: $_______________  

**USES**:  
- Deposit to Project Fund from Bond proceeds $_______________  
- Deposit to Capitalized Interest Account from Bridge Loan  
- Deposit to Costs of Issuance Fund from Borrower equity  
Total Uses of Funds: $_______________  

* Preliminary; subject to change.

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THE DEVELOPMENT AND THE PARTICIPANTS

The Development

General. The Development consists of the acquisition, rehabilitation, installation and equipping of a 104-unit multifamily rental housing project to be occupied by persons of low, middle or moderate income to be known as Oceanside Estates and to be located in Pinellas Park, Pinellas County, Florida. The renovation of the Development is expected to begin after the closing of the Lender Loan and admission of the Investment Limited Partner (as defined below) and satisfaction of other Conditions to Disbursement. Once commenced, the rehabilitation is expected to be completed within 12 months. See “THE LENDER LOAN AND OTHER PERMANENT FINANCING” herein.

On-site amenities of the Development will include a community room/clubhouse, central laundry facility, elevators, shuffle board court and on-site management. Planned renovations include replacement of kitchen cabinets with eco-friendly cabinets and countertops; replacement of bathroom vanities and cabinets; installation of Energy Star rated appliances; installation of Energy Star exhaust fans in bathrooms; installation of programmable thermostats in each unit; replacement of water fixtures in bathrooms with low-flow fixtures; replacement of PTAC units (minimum SEER of 14); repair/replacement of storefront entries to each building; flooring replacement as needed; painting of kitchens, bathrooms, hallways and community areas; exterior painting; modernization of the elevator systems; asphalt repair/replacement; restriping of parking lots; trip hazard repairs; addition of outdoor benches for recreation areas; installing garbage and recycling concrete pad and enclosure; repair of outdoor site amenities including shuffleboard courts; handicap accessibility upgrades for 6 units (5% of total), common area restrooms and site amenities; and landscaping improvements.

All units in the Development will be approximately __ square foot units with one bedroom and one bathroom.

Ground Lease. Prior to the issuance of the Bonds, the Borrower will purchase the land upon which the Development is located. The Issuer, as trustee (the “Land Trust Trustee”) of the Oceanside Estates Land Trust (the “Land Trust”) will enter into a sales and purchase agreement with the Borrower to acquire the land. Pinellas County, Florida will be the beneficial owner of the land. Title to the land will remain with Land Trust in perpetuity. The Land Trust Trustee and the Borrower will enter into a ground lease (the “Ground Lease”) whereby the Land Trust Trustee will lease the land back to the Borrower for 99 years. The Borrower will complete the Development on the land and the Borrower will own the Development. However, the Borrower’s interest in the Development with revert to ________ upon termination of the Ground Lease. The execution and delivery of the Ground Lease and purchase of the land from the Borrower is expected to occur in March, 2018 and will be a condition to disbursement as described in the Indenture.

The HAP Contract. The Borrower will receive the benefit of a Section 8 Housing Assistance Payment Contract (the "HAP Contract") covering 100% of the units at the Development. The current HAP Contract expires on _________. Upon closing the Lender Loan, the Borrower expects to [renew the HAP Contract][enter into a new 20-year HAP Contract.]

Funding under the HAP Contract is subject to annual Congressional appropriations, as more particularly described below. The Section 8 project-based housing assistance payment program (the
"Section 8 Program") is authorized by Section 8 of the United States Housing Act of 1937, as amended, and is administered by HUD. Renewals of Section 8 HAP contracts are governed by the Multifamily Housing Mortgage and Assistance Restructuring Act, as amended ("MAHRA"). The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the area median gross income ("AMI") as determined by HUD), and very low-income families (defined generally as families whose incomes do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the "contract rent" (as defined below) for the unit approved by HUD and the eligible tenant’s contribution, which is generally 30% of such tenant’s household income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Development, as they may be adjusted from time to time with procedures set forth in MAHRA and the HAP Contract, are the "contract rents" for the Development. The HAP Contract requires the Borrower to maintain the Development in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Development, use of project funds, and other matters. If the Borrower fails to comply with the terms of the HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the HAP Contract, or take other sanctions. MAHRA requires that upon the request of the Borrower, HUD shall renew the HAP Contract under the Section 8 Program. However, because the HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the HAP Contract will be renewed or replaced upon its expiration. Funding for HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the HAP Contract. Since payments received under the HAP Contract constitute a primary source of revenues for the Development, the expiration of the HAP Contract without renewal or replacement, or the failure of Congress to appropriate funds sufficient to fund the HAP Contract during each year of its terms, would have a material adverse effect on the ability of the Development to generate revenues.

The Land Use Restriction Agreement. At all times during the Qualified Project Period, not less than 100% of the completed residential units in the Development, other than those units occupied by the Borrower or an Affiliated Party to the Borrower, shall be occupied (or held available for occupancy) on a continuous basis by persons or families at or below 60% of the median gross income for the area in which the Development is located.

The Borrower will agree that each individual rental unit in the Development will be rented or held for rental on a first-come, first-served basis, to the general public on a continuous basis, subject to the restrictions in the Land Use Restriction Agreement. In addition, the Borrower will agree to the occupancy requirements described under this heading. See "APPENDIX B – DOCUMENT SUMMARIES– SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT."

The Land Use Restriction Agreement will also contain provisions for verifying compliance with the terms thereof. The provisions of the Land Use Restriction Agreement discussed herein are intended, among other things, to ensure compliance with the requirements of the Code with respect to the excludability of the interest on the Bonds from gross income. Upon any breach by the Borrower of any provisions of the Land Use Restriction Agreement, the Issuer or the Trustee may (in some cases only with the consent of Lender) take such actions at law or in equity as deemed appropriate under the circumstances, including an action for specific performance of the Land Use Restriction Agreement, as described under the heading "APPENDIX B – DOCUMENT SUMMARIES– SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT." Such a breach by the Borrower may
result in interest on the Bonds being included in gross income of the holders of the Bonds for purposes of federal income taxation as described in "CERTAIN BONDHOLDERS’ RISK - Taxability of the Bonds" and "TAX MATTERS."

Additional Restrictive Covenants. In connection with the Tax Credits expected to be allocated to the Borrower in connection with the Development, the Borrower will execute an Extended Low-Income Housing Agreement for the Development in compliance with Section 42 of the Code (the "Extended Low-Income Housing Agreement"). The Extended Low-Income Housing Agreement extends the low-income housing tax credit targeting and rent restrictions for the Development under Section 42 of the Code for at least 15 years beyond the initial 15 year compliance period, subject only to a few exceptions. The Extended Low-Income Housing Agreement will be executed by the Borrower and the Issuer before the end of the first year of the credit period (as defined in Section 42 of the Code) and recorded in the public records of the county in which the Development is located as a covenant running with the land. The Extended Low-Income Housing Agreement for the Development will, among other things, require that at least 100% of the residential rental units in the Development must be occupied by or set aside for individuals or families whose income does not exceed 60% of the AMI for Pinellas County, Florida, adjusted for family size in accordance with Section 142(d) of the Code.

Under the Code, the restricted use period terminates prior to its expiration date if the Development is acquired by foreclosure or deed in lieu thereof unless after foreclosure or deed in lieu of foreclosure a transfer is made to a person or entity related to the Borrower. Notwithstanding the foregoing, the Code requires that any termination of the extended use period due to foreclosure shall not permit, before the close of the three year period following such foreclosure, (i) the eviction or termination of tenancy of a tenant without cause, or (ii) any increase in the gross rent of any such units not otherwise permitted by Section 42 of the Code.

The Borrower and the Developer

The Borrower. The Borrower entity was formed in 2017 to acquire, rehabilitate and equip the Development. The general partner of the Borrower is AOF Oceanside Affordable Housing Corp., a Florida nonprofit corporation (the "General Partner"), who will have a 0.01% ownership interest in the Borrower. The sponsor limited partner is Oceanside Housing Management, LLC, a Florida limited liability company who will have a ___% ownership interest in the Borrower. The limited partner is Stephen R. Whyte, an individual, who will have a 99.__% interest in the Borrower (the "Limited Partner"). Simultaneously with the closing of the Lender Loan, the Limited Partner expects to sell to __________, a __________ limited liability company, the Investment Limited Partner, its interest in the Borrower.

The Investment Limited Partner is expected to make capital contributions to the Borrower, in the aggregate amount of approximately $____________* paid in installments. The total amounts to be funded and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly, and no representation is made as to the availability of such funds.

The Developer. Vitus Development IV, LLC, a Delaware limited liability company (the "Developer") has been in the business of acquiring, owning and developing affordable apartment

* Preliminary, subject to change.
complexes for more than ____ years. Founded in ____, the Developer and its affiliates have been involved in the development of more than ____ apartment complexes containing approximately ______ units in ____ states and the District of Columbia. These projects include more than ____ low income housing tax credit projects. ______ shares like principals with the Borrower. The prior experience of the Developer or its affiliates is no assurance that the Development will be successful.

**Limited Assets and Obligations of the Borrower**

The Borrower has no material assets other than the Development and has covenanted not to engage in any activities unrelated to the Development. However, affiliates of the Borrower are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Development.

The obligations and liabilities of the Borrower under the Note are of a non-recourse nature and are limited to funds deposited or to be deposited under the Indenture to enable the Borrower to satisfy such obligations. Neither the Borrower nor its members have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Development. Accordingly, neither the Borrower’s financial statements nor those of its members are included in this Official Statement.

**The Contractor**

The General Contractor for the Development will be Vaughn Bay Construction, Inc. (the "Contractor"). The Contractor and its affiliates have been constructing and rehabilitating multifamily housing developments for over __ years and have constructed in excess of __ projects consisting of more than ____ units nationwide, including projects in ___________ and ________. The Contractor is part of __________'s general contracting division and is owned by ______________. Any previous experience of the Contractor is no assurance that the Development will be successful.

**The Property Manager**

The Development will be managed by U.S. Residential Group LLC, a __________ limited liability company, doing business in Florida as __________ (the "Property Manager"). The Property Manager currently manages more than 206 multifamily housing projects representing over 40,527 units located in __________, _______ and ________, with ____ of those properties located in Florida. The Property Manager is affiliated with the Borrower and the Manager. Any previous experience of the Property Manager is no assurance that the Development will be successful.

**CERTAIN BONDHOLDERS’ RISKS**

The following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. The Bonds are payable from the payments to be made by the Borrower under the Bond Loan Agreement and the Note and from amounts on deposit in the Capitalized Interest Account, the Project Fund and the Collateral Fund, and the projected investment earnings thereon.
Limited Security

The Bonds are special, limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture, including the Bond Fund, the Project Fund and the Collateral Fund. See “SECURITY FOR THE BONDS - Limited Obligations of the Issuer” herein. The Bonds will not be secured by a mortgage or other security interest in the Development.

Rating Based on Permitted Investments

The rating on the Bonds is based upon the Bonds being fully secured by Permitted Investments held in the Trust Estate. If one or more of such investments fail to meet the rating standards for Permitted Investments after their purchase and prior to their maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

Acceleration and Liquidation of Permitted Investments

If an Event of Default due to failure to pay the Bonds shall occur and be continuing, the Trustee, may, and upon written request of the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided in such notice, anything in the Indenture or in the Bonds to the contrary notwithstanding.

If an Event of Default occurs under the Bond Loan Agreement or due to the Issuer’s failure to perform its obligations under the Bonds or the Indenture other than a payment obligation, and such default is not cured within 90 after written notice thereof, the Trustee, upon written request of the Holders of not less than 100% in aggregate principal amount of the Bonds then Outstanding, shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

Pursuant to the Indenture, the Trustee may sell investments at a loss is sold in connection with an acceleration as set forth in the Indenture. See “DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE” hereto.

Exercise of Legal Remedies

The ability of the Issuer to enforce its rights or exercise its remedies upon default under the Bond Loan Agreement is dependent upon regulatory and judicial actions which may be subject to discretion and delay. Under existing law and judicial decisions (including laws relating to bankruptcy), the remedies provided for under the Documents may not be readily available or may be limited.

Taxability of the Bonds

THE BONDS ARE NOT SUBJECT TO ACCELERATION OR REDEMPTION UPON ANY DETERMINATION OF TAXABILITY OF INTEREST ON THE BONDS. IN ADDITION, THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT BY REASON OF THE INTEREST ON
THE BONDS BEING INCLUDED IN GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION. Such event could occur if the Borrower (or any subsequent owner of the Development) or other parties to the transaction do not comply with the provisions of the Land Use Restriction Agreement, certain other tax-related agreements executed in connection with the Bonds, and the Bond Loan Agreement, or if the transaction is deemed not to comply with requirements of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes. Under such circumstances, interest on the Bonds might become subject to federal income taxation retroactive to the date of issuance or some other subsequent date. See "APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT" and "TAX MATTERS" herein.

Future Legislation; IRS Audit

The Development, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations may not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the trust estate created under the Indenture, the Development, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents or the Bonds offered hereby.

In recent years, the IRS has increased the frequency and scope of its examination and other enforcement activity regarding tax-exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on tax-exempt bonds is subject to federal income taxation possibly retroactively to the date of issuance of the Bonds. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith, and certain other matters. See "TAX MATTERS" herein and "APPENDIX B – BOND DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT" hereto.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

SUBORDINATION TO FHA LOAN DOCUMENTS AND PROGRAM OBLIGATIONS

The Bond Documents provide that, notwithstanding anything in such documents to the contrary, the Bond Documents will be subordinate to the Lender Loan Documents. In the event of any conflict between the provisions of the Bond Documents and the Lender Loan Documents, the Lender Loan Documents will control. Enforcement of the Bond Documents will not result in any claim against the Development, the Lender Loan proceeds, any reserve or deposit required by HUD in connection with the Lender Mortgage, or the rents or other income from the Development (except "surplus cash," as defined
in the HUD Regulatory Agreement). No assurance can be made that such provision will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes.

**TAX MATTERS**

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Bryant Miller Olive P.A., Tallahassee, Florida, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix C.

Section 142(d) of the Code provides an exclusion from federal income tax for interest on certain governmental obligations, such as the Bonds, the proceeds of which are used to provide financing for a "qualified residential rental project". The Bonds shall be exempt from federal income tax if at all times during the Qualified Project Period either 20% or more of the units are set aside for tenants having incomes of 50% or less of area median gross income or 40% or more of the units are set aside for tenants having incomes of 60% or less of area median gross income.

Under the Treasury Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Treasury Regulations will, unless corrected within a reasonable period of time of not less than sixty (60) days after such noncompliance is first discovered or should have been discovered, cause loss of the tax exempt status of the Bonds as of the date of issuance of the Bonds, irrespective of the date such noncompliance actually occurred.

The Issuer has established requirements, procedures and safeguards which it believes to be sufficient to ensure the Development’s compliance with the requirements of Section 142(d) of the Code and the Treasury Regulations. Such requirements, procedures, and safeguards are incorporated into the Bond Loan Agreement and the Land Use Restriction Agreement. Additionally, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer or the Trustee can be judicially enforced in such manner as to assure compliance with Section 142(d) of the Code and therefore to prevent the loss of tax exemption of interest on the Bonds. The opinion of Bond Counsel described below relies, in part, upon certifications by the Borrower as to compliance with Section 142(d) of the Code.

Section 148 of the Code provides that interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) the investment of the proceeds of the Bonds meets certain arbitrage requirements and (b) certain "excess" earnings on such investments are rebated to the United States of America (collectively, the "Arbitrage Restrictions"). To the extent that the Arbitrage Restrictions are applicable to the Borrower, the Borrower has covenanted in the Bond Loan Agreement and the Issuer has covenanted in the Indenture, that each will comply with such restrictions. In the event of non-compliance by the Issuer, the Trustee or the Borrower with the Arbitrage Restrictions, interest on the Bonds may be taxable for federal income tax purposes from the date of issuance of the Bonds.

The Issuer and the Borrower have each covenanted to comply with certain other applicable provisions of the Code which are required as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Code includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer's or the Borrower’s failure to meet
these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Borrower have covenanted in the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Borrower (and, except as permitted by Treasury Regulation Section 1.103(b)(6)(iii), any successor owner of the Development) with the above referenced requirements of the Code, interest on the Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, except for interest on any Bond for any period during which the Bond is held by a person who is a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Code. Additionally, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations and is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds or, in the case of a financial institution, that portion of the Bondholder’s interest expense allocable to interest on the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies, (iii) the inclusion of interest on Bonds in the earnings of certain foreign corporations doing business in the United States of America for purposes of a branch profits tax, (iv) the inclusion of interest on Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on Bonds by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining the taxability of such benefits.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Bonds.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES
FOR CERTAIN INDIVIDUALS AND CORPORATE BONDHOLDERS. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The opinion of Bond Counsel will be delivered contemporaneously with the delivery of the Bonds substantially in the form attached hereto as APPENDIX C.

UNDERWRITING

RBC Capital Markets, LLC (the “Underwriter”) has agreed to purchase the Bonds from the Issuer at a price of one hundred percent (100%) of the principal amount thereof. The Underwriter will be paid an aggregate fee of $_________ for underwriting the Bonds, inclusive of expenses, except for the fees and expenses of its counsel. The Bond Purchase Agreement provides that the obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions and the approval of certain legal matters by counsel.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriter and its affiliates may engage in transactions for its own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter does not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

The initial public offering prices of the Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers
depositing Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering price stated on the inside cover of this Official Statement.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter will also serve as bidding agent for certain of the Permitted Investments to be purchased with amounts on deposit in the Project Fund, Collateral Fund and Bond Fund under the Indenture. For this service, the Underwriter will be compensated a fee of $__________ by the provider of such Permitted Investments. This fee is separate from and in addition to the fee set forth above for underwriting the Bonds.

In addition to serving as Underwriter, RBC Capital Markets, LLC will also serve as Remarketing Agent in the event the Bonds are remarketed and will receive a fee for its services in connection with such remarketing, if any.

**RATING**

The Bonds are expected to be assigned a rating of "____" by S&P Global Ratings ("S&P," and in its capacity as rating agency for the Bonds, the "Rating Agency"). On August 5, 2011, S&P lowered the long-term sovereign credit rating of the United States of America to "AA+" from "AAA" but affirmed the "A-1+" short-term rating of the United States of America. No assurance can be given that the rating of the United States of America or the rating on the Bonds will continue for any given period of time or that they will not be revised downward, suspended or withdrawn entirely by S&P, if in the judgment of the Rating Agency circumstances so warrant. Any such downward revision or withdrawal of the rating of the United States of America may have an adverse effect on the market price of the Bonds.

The rating expected to be assigned to the Bonds described above reflects only the view of the Rating Agency, and an explanation of the significance of such rating may be obtained from the Rating Agency at 55 Water Street, 38th Floor, New York, New York 10041-0003.

The Issuer has not assumed any responsibility either to notify the owners of any proposed change in, suspension or withdrawal of such rating subsequent to the date of this Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement (hereafter defined). Neither of them has any responsibility to contest any such revision, suspension or withdrawal.

**CERTAIN LEGAL MATTERS**

Bryant Miller Olive P.A., whose legal services as Bond Counsel have been retained by the Issuer, will opine on the date of issuance of the Bonds with regard to the exclusion from gross income of interest on the Bonds. See "TAX MATTERS" herein. The proposed text of the legal opinion is set forth in APPENDIX C. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery of the Bonds. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no
implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

In rendering its approving opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified.

Certain legal matters will be passed upon for the Borrower by its counsel, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Miami, Florida and VLP Law Group LLP, San Francisco, California, for the Issuer by its counsel, Johnson, Pope, Bokor, Ruppel & Burns, LLP, Clearwater, Florida, and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel, and for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, DC.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

**NO LITIGATION**

**The Borrower**

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Borrower or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the exclusion of interest on the Bonds from the gross income, for federal income tax purposes, of the owners of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

**The Issuer**

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the validity or enforceability of the Bonds, the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.
CONTINUING DISCLOSURE

The Borrower has undertaken all responsibilities for any continuing disclosure to Owners of the Bonds as described below, and the Issuer shall have no liability to the Owners or any other person with respect to such disclosure. The Borrower will enter into a Continuing Disclosure Agreement dated as of December 1, 2017 (the “Continuing Disclosure Agreement”) with the Trustee, acting as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Development to the Municipal Securities Rulemaking Board annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, of certain enumerated events for the benefit of the beneficial owners and Holders of any of the Bonds, pursuant to the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the “Rule”). See APPENDIX D - "FORM OF CONTINUING DISCLOSURE AGREEMENT."

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Indenture or Bond Loan Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower is a new entity and has not previously been subject to the continuing disclosure requirements of the Rule.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, the Issuer and the Owners of the Bonds upon an Event of Default under the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies provided for under the Federal Bankruptcy Code, the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture may not be readily available or may be limited.

In addition, the Bond Loan Agreement and the Land Use Restriction Agreement both provide that the payment obligations of the Borrower contained in such agreements (other than certain obligations to the Issuer and the Trustee individually and not on behalf of the Owners of the Bonds) will be limited obligations payable solely from the income and assets of the Borrower, and that no member of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Banking and Finance, Division of Securities, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the Issuer after December 31, 1975. Rule 69W-400.003 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by amounts on deposit under the Indenture and by other security discussed herein. The Bonds are not being offered on the basis of the financial strength of the Issuer. Accordingly, the Issuer, in good faith, believes that disclosure of any such default on bonds with respect to which the Issuer was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor in the Bonds.

ESCROW VERIFICATION REPORT

_____________________________, certified public accountants (the "Verifier"), concurrently with the issuance of the Bonds, will deliver to the Underwriter its verification report indicating that it has verified the arithmetical accuracy of certain computations provided by the Underwriter relating to the computation of forecasted receipts of principal and interest on the obligations and certain cash deposited as security for the Bonds, and the forecasted payments of principal and interest to pay the Bonds at their redemption or maturity dates. All such computations have been based solely upon assumptions and information supplied by the Underwriter. The Verifier restricted its procedures to verifying the arithmetical accuracy of the computations described above and has not made any study or evaluation of the assumptions and information on which the computations are based, and the Verifier has not expressed any opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcomes.

FINANCIAL ADVISOR

The Issuer has retained CSG Advisors Incorporated, Alpharetta, Georgia, as financial advisor (the "Financial Advisor") to the Issuer in connection with the preparation of the Issuer's plan of financing and with respect to the authorization and issuance of the Bonds. Although the Financial Advisor assisted in the preparation of this Official Statement, the Financial Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

MISCELLANEOUS

The foregoing summaries and explanations do not purport to be comprehensive and are expressly made subject to the exact provisions of documents referred to herein. Copies of the Indenture and the other documents referred to herein may be obtained from the Trustee. Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are
intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the Owners of any Bonds.

The Issuer has not approved any information in this Official Statement except information relating to the Issuer under the captions "THE ISSUER," "NO LITIGATION - The Issuer" and "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and takes no responsibility for any other information contained in this Official Statement.

[Remainder of page Intentionally Left Blank]
OCEANSIDE HOUSING PARTNERS, LP, a Florida Limited Partnership

By: Oceanside Housing Management, LLC, a Florida limited liability company, its general partner

By: Vitus Development IV, LLC, a Delaware Limited liability company, its sole member

By: Vitus Group, LLC, a Delaware limited liability company, its Managing Member

By: ________________________________
[Scott Langan, its Manager]
APPENDIX B

DOCUMENT SUMMARIES
APPENDIX C
PROPOSED FORM OF OPINION OF BOND COUNSEL
APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT
EXHIBIT G

FORM OF
BOND PURCHASE AGREEMENT
BOND PURCHASE AGREEMENT

$11,000,000
Housing Finance Authority of Pinellas County, Florida
Multifamily Housing Revenue Bonds
(Oceanside Estates), Series 2017

____________ __, 2017

Housing Finance Authority of
Pinellas County, Florida
26750 U.S. Highway 191 North, Suite 110
Clearwater, Florida 33761

Oceanside Housing Partners, LP
c/o Vitus Development IV, LLC
1700 Seventh Avenue, Suite 2000
Seattle, Washington 98101

Ladies and Gentlemen:

RBC Capital Markets, LLC (“RBC Capital Markets” or the “Purchaser”), on its own behalf and not as your fiduciary or agent for you, and in its capacity as underwriter of the Bonds (as hereinafter defined), offers to enter into the following agreement (the “Bond Purchase Agreement” or “Purchase Contract”) with the Housing Finance Authority of Pinellas County, Florida (the “Issuer”) and Oceanside Housing Partners, LP, a Florida limited partnership (the “Borrower”), which, upon acceptance of this offer, 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 on or before 5:00 p.m., Eastern time, today; if this offer is not timely accepted, it will thereafter be subject to withdrawal by the Purchaser upon written notice delivered to the Issuer and the Borrower at any time prior to the acceptance hereof by the Issuer and the Borrower. If and when accepted by the Issuer and the Borrower in writing, this Bond Purchase Agreement shall constitute the agreement of the Purchaser to purchase the Bonds on the terms and subject to the conditions herein set forth.

The above-captioned bonds are referred to herein as the “Bonds.” Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture (as such term is hereinafter defined) or the Bond Loan Agreement (hereinafter defined). The Indenture, the Bond Loan Agreement, the Land Use Restriction Agreement and this Bond Purchase Agreement are hereinafter collectively referred to as the “Issuer Documents.” The Bond Loan Agreement, the Land Use Restriction Agreement, the Continuing Disclosure Agreement and this Bond Purchase Agreement are hereinafter collectively referred to as the “Borrower Documents.” The Indenture, the Bond Loan Agreement, the Continuing Disclosure Agreement and the Land Use Restriction Agreement are hereinafter collectively referred to as the “Trustee Documents.”

Section 1. Purchase and Sale of the Bonds.

Subject to the terms and conditions and in reliance on the representations and warranties herein set forth, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Purchaser on the Closing Date (as such term is hereinafter defined), all (but not less than all) of the Bonds for a purchase price of ___% of the principal amount of the Bonds. Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer understands, and hereby confirms, that the Purchaser is
not acting as a fiduciary of the Issuer or the Borrower, but rather is acting solely in its capacity as Purchaser.

The Bonds will be subject to mandatory tender on January 1, 2020, will mature on January 1, 2022 and will bear interest at the rate of [__]% per annum. The Borrower agrees to pay the Purchaser $_________ (which does not include Purchaser’s Counsel fee) in connection with the purchase of the Bonds (the “Underwriting Fee”) in addition to the other expenses stipulated in Section 8 herein (together with the Underwriting Fee, the “Fees”). The Fees are payable on the Closing Date. Payment of the Fees is solely the obligation of the Borrower.

The Bonds shall be as described in, and shall be issued pursuant to, a Trust Indenture, dated as of December 1, 2017 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds shall be issued pursuant to resolutions adopted by the Issuer on September 21, 2016 and May 24, 2017 (collectively, the “Resolution”) and the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Section 2-386, Code of Ordinances of Pinellas County, Florida, a Resolution of the Issuer adopted on July 5, 2017, and a Resolution of the Issuer adopted on December 6, 2017 (collectively, the “Act”). A disclosure statement submitted in compliance with Section 218.385, Florida Statutes, as amended, is attached hereto as Schedule I.

The proceeds of the Bonds will be used by the Issuer to provide funding for a loan (the “Loan”) to the Borrower. The Loan will be evidenced by a Promissory Note (the “Note”). The Issuer and the Borrower will enter into a Loan Agreement (the “Bond Loan Agreement”) and the Issuer, the Borrower and the Trustee will enter into a Land Use Restriction Agreement (the “Land Use Restriction Agreement”), in each case regarding the operation of the Development. The Bonds will be secured by collateral held under the Indenture. The disbursement of any Bond proceeds pursuant to the Indenture and the Bond Loan Agreement will be conditioned upon, among other things, the satisfaction of the Conditions to Disbursement, the prior deposit of an equal amount of funds by the Lender pursuant to the Indenture and a Disbursement Agreement among the Lender, the Borrower and the Trustee (the “Lender Disbursement Agreement”).

It shall be a condition (a) to the obligations of the Issuer to sell and deliver the Bonds to the Purchaser, and (b) to the obligations of the Purchaser with respect to the Bonds, to purchase and accept delivery of and to pay for the Bonds, that the entire aggregate principal amount of the Bonds to be sold and delivered by the Issuer in accordance with this Section 1 shall be sold and delivered simultaneously by the Issuer and be purchased, accepted and paid for simultaneously by the Purchaser.

Section 2. Official Statement.

(a) Prior to the date hereof, the Borrower and the Issuer shall have provided to the Purchaser the Preliminary Official Statement related to the Bonds (the “Preliminary Official Statement”), that each of the Borrower and the Issuer (as to the sections entitled “THE ISSUER,” “DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES” and “NO LITIGATION – The Issuer” (collectively, the “Issuer Information”) deem final as of its date, except for certain omissions in connection with the pricing of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). The Purchaser has received such Preliminary Official Statement prior to the execution of this Purchase Contract for the purpose of marketing and pricing the Bonds.

(b) With its acceptance hereof, the Issuer will deliver, at the Borrower’s expense, to the Purchaser within seven (7) business days of the date hereof (or within such shorter period as may be
requested by the Purchaser in order to accompany any confirmation that requests payment from any customer to comply with paragraph (b)(4) of the Rule, Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board), copies of the final Official Statement (the “Official Statement”) in an amount mutually agreed upon, dated the date hereof, together with all supplements and amendments thereto, as shall have been accepted by the Purchaser, signed on behalf of the Borrower.

The Issuer hereby ratifies and consents to the use of the Official Statement by the Purchaser in conjunction with the public offering and pricing of the Bonds.

(c) The Issuer agrees with the Purchaser that if between the date of this Purchase Contract and the date which is the earlier of (i) 90 days from the end of the “underwriting period,” as determined in subparagraph (d) below, or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the end of the underwriting period, any event shall occur which would or might cause the information supplied by or concerning the Issuer, contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of circumstances under which they were made, not misleading, the Issuer shall notify the Purchaser thereof, and if in the reasonable opinion of the Purchaser such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall cooperate with the Purchaser in supplementing or amending the Official Statement, the printing of which will be at the Borrower’s expense, in such form and manner and at such time or times as may be reasonably called for by the Purchaser.

(d) Unless otherwise notified in writing by the Purchaser on or prior to the date of the Closing, the Issuer and the Borrower can assume that the “end of the underwriting period” for the Bonds for all purposes of the Rule is the date of the Closing. In the event such notice is given in writing by the Purchaser, the Purchaser agrees to notify the Issuer and the Borrower in writing following the occurrence of the “end of the underwriting period” (as defined in the Rule) for the Bonds identified in such notice. The “end of the underwriting period” as used herein shall mean the date of the Closing or such later date as to which notice is given by the Purchaser in accordance with the preceding sentence.

(e) At or prior to the Closing, the Purchaser shall file, or cause to be filed, the Official Statement with a nationally recognized municipal securities information repository.

(f) In order to assist the Purchaser in complying with the Rule, the Borrower will undertake, pursuant to a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) to provide annual financial information and notices of the occurrence of specified events. The form of the Continuing Disclosure Agreement is attached to the Official Statement.

Section 3. Representations and Warranties of the Issuer.

The Issuer represents and warrants as of the date hereof to the Purchaser and the Borrower as follows:

(a) By its execution hereof, the Issuer represents and warrants to, and agrees with the Purchaser that it is and will be on the Closing Date validly existing as a public body corporate and politic of the State of Florida (the “State”) pursuant to the Act, and has, and at the Closing Date will have, full legal right, power and authority (i) to enter into this Purchase Contract; (ii) to adopt the
Resolution and cause the delivery of the Bonds to the Purchaser pursuant to the Resolution and the Indenture as provided herein; (iii) to loan the proceeds of the Bonds to the Borrower for the purpose set forth in the Official Statement; and (iv) to carry out and consummate the transactions contemplated by the Official Statement and the Issuer Documents.

(b) The Issuer, with respect to the Bonds, will at the Closing Date be in compliance in all material respects with the Issuer Documents and the relevant laws of the State;

(c) (i) At or prior to the Closing, the Issuer will have taken all action required to be taken by it to authorize the issuance and sale of the Bonds and the performance of its obligations hereunder; (ii) the Issuer has, and at the date of the Closing will have, full legal right, power and authority to enter into this Purchase Contract and the Issuer Documents, each as described in the Official Statement, and, at the Closing Date, will have full legal right, power and authority to deliver the Bonds to the Purchaser and to perform its obligations hereunder as provided in this Purchase Contract, the Bonds and the Issuer Documents, and all other documents to be executed by the Issuer in accordance with the issuance of the Bonds, and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Official Statement, and the Issuer Documents (iii) as of the Closing, the execution and delivery of, and the performance by the Issuer of the obligations contained in the Bonds, this Purchase Contract (as of the date hereof) and the Issuer Documents shall have been duly authorized, and when executed this Purchase Contract, and the Issuer Documents (assuming the due authorization, execution and delivery by the other parties thereto) will constitute valid and legally binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors’ rights generally and the application of equitable principles where equitable remedies are sought and limitations on the enforcement of judgments against public bodies; (iv) the Issuer has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract; and (v) the Issuer Documents have been duly and validly authorized by the Issuer and will be at Closing in full force and effect;

(d) To the best of its knowledge, no further consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body which shall not have been obtained on or prior to Closing is required for the issuance, delivery or sale of the Bonds, or the consummation of the other transactions effected or contemplated herein or hereby except for such actions as may be necessary to be taken to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Purchaser shall designate;

(e) At the time of the Issuer’s acceptance hereof and at all times subsequent thereto during the period up to and including the date of Closing, the information in the Official Statement (including any supplements and amendments to the Official Statement) under the Issuer Information does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(f) The Issuer, with respect to the Bonds, is not in material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject; and the adoption of the Resolution and the execution and delivery of this Purchase Contract, the Bonds, the other Issuer Documents and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, and compliance with the provisions of each
thereof do not conflict with or constitute a material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree, or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject;

(g) To the best of its knowledge, all approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Resolution, the Issuer Documents and the Bonds and all other documents to be executed by the Issuer in connection with the issuance of the Bonds have been obtained;

(h) The Bonds, when delivered and sold to the Purchaser as provided herein, will have been duly authorized and executed and will constitute validly issued and binding limited obligations of the Issuer in conformity with, and entitled to the benefit and security of, the Act, the Resolution and the Issuer Documents;

(i) The Issuer will take no action after the date hereof which would cause the Bonds not to conform in all material respects to the description thereof contained in the Official Statement;

(j) The Issuer will furnish such information, execute such instruments and cooperate with the Purchaser as the Purchaser may reasonably request in order for the Purchaser (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Purchaser may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided that the Issuer shall not be required to register as a dealer or broker in any jurisdiction or execute a general or special consent to service of process or qualify to do business in any jurisdiction or comply with any other requirements reasonably deemed by it to be unduly burdensome;

(k) No litigation is pending or, to the best knowledge of the Issuer, threatened in any court in any way affecting the existence of the Issuer or the title of any member of the Issuer to the office held by such member or employee, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or the Issuer Documents or contesting the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer, or its authority with respect to the Bonds, the Resolution and the Issuer Documents;

(l) Any certificate relating to the issuance and delivery of the Bonds signed by an authorized member or officer of the Issuer and delivered to the Purchaser or Trustee at or prior to the Closing Date shall be deemed a representation and warranty by the Issuer in connection with this Purchase Contract to the Purchaser or the Trustee as to the statements made therein; and

(m) The Issuer agrees that all representations, warranties and covenants made by it herein, and in certificates, agreements or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Purchaser.
Section 4. Representations, Warranties and Agreements of the Borrower.

The Borrower represents, warrants and agrees with the Purchaser as follows:

(a) The Borrower is duly organized and existing as a limited partnership under the laws of the State, has full legal right, power and authority to own its properties and to conduct its business as described in the Official Statement and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Official Statement, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required, including the State.

(b) By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(c) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors’ rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) As of the date hereof, the Borrower is not in any material respect in violation of, breach of or default under any applicable law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower’s part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or default under any law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound which violation, breach or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.
(e) All consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or commission of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect or will be timely obtained.

(f) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers executing this Bond Purchase Agreement to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower’s financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

(g) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Purchaser as the Purchaser may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Purchaser may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts upon the reasonable request of the Purchaser to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(h) Any certificate signed by the Borrower and delivered to the Purchaser or the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty by the Borrower to the Purchaser and the Issuer as to the statements made therein as of the date thereof.

(i) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under the Internal Revenue Code of 1986, as amended.

(j) The Borrower shall honor all other covenants contained in the Borrower Documents.

(k) All permits, licenses and other authorizations necessary for the ownership, acquisition, renovation, and equipping of the Development in the manner contemplated by the Official Statement and the Borrower Documents have been obtained or will be obtained by the time required, and said ownership, acquisition, renovation, and equipping are not in conflict with any zoning or similar ordinance applicable to the Development.
(l) At the time of the Borrower’s acceptance hereof and at all times subsequent thereto during the period up to and including the date of Closing, the information in the Official Statement (and including any supplements and amendments to the Official Statement) under the captions “ESTIMATED SOURCES AND USES OF FUNDS,” “THE DEVELOPMENT AND THE PARTICIPANTS,” “CERTAIN BONDHOLDERS’ RISKS” (but only with respect to those risks that expressly relate to the Borrower, the Development or the private participants) and “NO LITIGATION – The Borrower” does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Nothing has come to the attention of the Borrower to cause it to believe that any of the information contained in the Official Statement is untrue or incomplete.

The execution and delivery of this Bond Purchase Agreement by the Borrower shall constitute a representation to the Purchaser that the representations and warranties contained in this Section 4 are true as of the date hereof.

Section 5. Indemnification.

(a) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer, the Trustee, the Purchaser (collectively, the “Principal Indemnified Parties”) and each affiliate, member, officer, director, official, employee and agent of the Issuer, the Trustee or 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 (i) the Bonds, the Loan, the Bond Loan Agreement, the Indenture, this Bond Purchase Agreement or any document related to the Bonds, the Loan (the “Transaction Documents”) or any transaction or agreement, written or oral, pertaining to the foregoing or (ii) any untrue or misleading statement of a material fact contained in the Official Statement (other than the Issuer Information) or any omission or alleged omission from Official Statement (other than the Issuer Information) of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however that the foregoing indemnity of an Indemnified Party pursuant to this Section 5(a) or Section 5(b) below 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.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer and the Purchaser and each affiliate, member, officer, director, official, employee and agent of the Purchaser 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.

(c) Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower’s expense and with counsel 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 reasonably 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.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (a) or (b) of this Section 5 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 arising from the gross negligence or willful misconduct of the Purchaser. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act of 1933) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

(e) The Indemnified Parties, other than the Issuer, the Purchaser and the Trustee, shall be considered to be third-party beneficiaries of this Bond Purchase Agreement for purposes of this Section 5. The provisions of this Section 5 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 Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

(f) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Bond Loan Agreement or any other document.

(g) 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.

(h) Nothing herein shall be construed to create recourse debt to the Borrower for the Loan or the Bonds.

Section 6. Closing.

At 11:00 a.m., Eastern time, on _______, 2017, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower and the Purchaser, the Issuer shall direct the Trustee to deliver the Bonds to the Purchaser through the facilities of The Depository Trust Company (“DTC”), New York, New York, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer shall deliver at the Issuer’s offices the other documents and instruments to be delivered pursuant to this Bond Purchase Agreement (the “Closing
Documents”) and the Purchaser shall accept delivery of the Bonds and Closing Documents and pay the purchase price for the Bonds by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer shall direct. As a condition precedent to such acceptance, the Purchaser shall have received the Underwriting Fee by wire transfer in immediately available federal funds to the order of the Purchaser, in such manner as shall be agreed upon by the Borrower and the Purchaser (but in no event shall such fee be netted against the purchase price of the Bonds). This delivery and payment is herein called the “Closing” and the date on which the Closing occurs is herein called the “Closing Date.”

Section 7. Closing Conditions.

The Purchaser has entered into this Bond Purchase Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Purchaser’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations and warranties of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Resolution shall have been duly approved and adopted by the Issuer and shall be in full force and effect and the Issuer Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Purchaser and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel, and counsel for the Purchaser, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) The Purchaser may terminate this Bond Purchase Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) (A) legislation shall be enacted by the Congress of the United States or adopted by the Senate or House of Representatives of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to the Senate or House of Representatives by any committee of either such body to which such legislation has been referred for consideration or by a conference committee of such bodies, (B) a decision shall be rendered by a court of the United States or by the Tax Court of the United States, (C) a ruling, regulation or official action shall be rendered by or on behalf of the United States, or (D) a ruling, regulation or official action shall be proposed or issued, in any manner, including by pronouncement, press release or any other form of notice, by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or another governmental agency of the United States or by or on behalf of any member of the Senate or House of Representatives of the United States in any such instance with respect to federal taxation of interest received on obligations of the general character of the Bonds and which (1) in the reasonable opinion of counsel for the Purchaser would have or proposes action which would have the effect of making such interest includable in gross income for federal income tax purposes or (2) which, in the reasonable opinion of the Purchaser would materially adversely affect any intended utilization of Bond proceeds or other intended action described in the Official Statement;
(ii) between the date hereof and the Closing, payment for and delivery of the Bonds is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been established by Federal or New York authorities or (B) a war involving the United States shall have been declared, or there shall have occurred any other outbreak or escalation of hostilities or another national or international calamity shall have occurred, the effect of any of which, in the reasonable judgment of the Purchaser materially adversely affects the marketability of the Bonds (it being agreed by the parties hereto that there is no war or national calamity of such a nature as of the date hereof);

(iii) any event shall occur or exist which, in the reasonable judgment of the Purchaser either makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, as amended and supplemented, any statement or information is not reflected in the Official Statement, as amended and supplemented, but should be reflected therein for the purpose for which the Official Statement is to be used in order to make the statements or information contained therein not misleading in any material respect;

(iv) legislation shall be enacted, or any action shall be taken by the Securities and Exchange Commission, which, in the opinion of counsel for the Purchaser has or may have the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended;

(v) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service of the Bonds;

(vi) the purchase of and payment for the Bonds by the Purchaser, or the resale of the Bonds by the Purchaser, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(vii) an occurrence, in the reasonable judgment of the Purchaser, of a material adverse change in the capital markets which makes the syndication, sale or financing contemplated hereby impractical or which makes it inadvisable to proceed with the syndication, sale or financing contemplated hereby on the terms, manner and basis contemplated hereby; or

(viii) any fact or event shall exist or have existed that, in the Purchaser’s judgment, requires or has required an amendment of or supplement to, the Official Statement.

(c) At or prior to the Closing, the Purchaser shall receive the following documents:

(i) an approving opinion of Bond Counsel addressed to the Issuer, dated the Closing Date substantially in the form attached to the Official Statement, and a reliance letter of such counsel dated the Closing Date and addressed to the Purchaser and the Trustee;

(ii) opinions or certificates, as the case may be, dated the Closing Date and addressed to the Purchaser and to such other parties as may be appropriate, of

(A) Bond Counsel, in form and substance acceptable to the Purchaser;
(B) Borrower’s Counsel, in form and substance satisfactory to the Purchaser and Bond Counsel; and

(C) Counsel to the Trustee, substantially in the form attached hereto as Appendix B.

(d) The Purchaser shall have received an opinion of its counsel in a form satisfactory to the Purchaser;

(e) The Purchaser shall have received an opinion of Johnson, Pope, Bokor, Ruppel & Burns, P.A., Counsel to the Issuer, in form and substance acceptable to the Purchaser;

(f) The Purchaser and the Borrower shall have received a certificate, dated the Closing Date and signed on behalf of the Issuer, to the effect that:

(i) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, pending or to the Issuer’s knowledge threatened against or affecting the Issuer (or to the knowledge of the Issuer, any meritorious basis therefore), wherein an unfavorable decision, ruling or finding would: (a) affect the creation, existence or powers of the Issuer, or the title to the office of the officers thereof, (b) limit, enjoin or restrain the issuance, sale and delivery of the Bonds, or the payment, collection or application of the revenues and limit, enjoin or restrain other moneys and securities pledged or to be pledged under the Indenture or the pledge thereof, (c) contest or affect any of the rights, powers, duties or obligations of the Issuer with respect to the moneys and assets pledged or to be pledged to pay the principal of or redemption price, if any, or interest on the Bonds, (d) question or affect the authority for or validity of the Bonds, the Indenture, the Issuer Documents and the applicable Borrower Documents to which the Issuer is a party or the Resolution, or (e) question or affect its obligations as contemplated by any other agreement or instrument executed and delivered by the Issuer in connection with the issuance of the Bonds;

(ii) the Issuer has complied or will comply with all agreements, covenants and arrangements and has satisfied all conditions on its part to be complied with, performed or satisfied in connection with the issuance and delivery of the Bonds at or prior to the Closing Date; and

(iii) the representations and warranties of the Issuer contained herein, and in the Issuer Documents are true, complete and correct in all material respects as of the Closing Date;

(g) a certificate of the Issuer and the Borrower as to arbitrage and other federal tax matters in form and substance acceptable to Bond Counsel and the Purchaser.

(h) a certificate of the Borrower, dated the Closing Date, that (A) each of the representations and warranties set forth in the Borrower Documents (including this Bond Purchase Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) to the Borrower’s knowledge, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect, and (C) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date.
(i) counterpart originals or certified copies of each of the Issuer Documents, Borrower Documents and Trustee Documents.

(j) written evidence satisfactory to the Purchaser that S&P Global Ratings has issued a rating of “AA+” for the Bonds which rating has not been placed under review or on “Credit Alert” with negative implications or a similar credit alert by a national rating service and such rating shall be in effect on the Closing Date.

(k) such agreements, certificates and opinions as requested by the Purchaser to evidence the closing of the Loan.

(l) such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Bonds from gross income for federal income tax purposes), instruments and other documents as the Purchaser may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Issuer’s representations herein and in the Official Statement and the due performance or satisfaction by the Issuer at or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by the Issuer.

If the obligations of the Purchaser shall be terminated for any reason permitted by this Bond Purchase Agreement, neither the Purchaser nor the Issuer shall be under further obligation hereunder.

Section 8. Expenses.

The Purchaser shall be under no obligation to pay, and the Borrower hereby agrees to pay, all expenses incident to the performance of the Issuer’s obligations hereunder, including, but not limited to, (a) the costs of printing and preparation for printing or other reproduction for distribution and use in connection with the offering and placement of the Bonds, such number of copies as the Purchaser shall require of the Indenture, the Resolution and the Official Statement, as well as any delivery costs incurred in connection with the distribution of the foregoing documents; (b) the cost of preparing the definitive Bonds; (c) the fees and disbursements of Bond Counsel in connection with the authorization and issuance of the Bonds; the fees and expenses of the Trustee and its counsel; the fees and expenses of the Issuer and its counsel; and the fees and disbursements of any other experts or consultants retained by the Issuer; (d) the fees of any rating agencies in connection with the rating of the Bonds; (e) all advertising expenses in connection with the public offering of the Bonds; (f) the fees and expenses of counsel to the Purchaser; and (g) all other expenses in connection with the offer, sale and placement of the Bonds. The Borrower shall also pay for any expenses (included in the expense component of the Purchaser’s discount) incurred by the Purchaser which are incidental to implementing this Bond Purchase Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs. The Borrower acknowledges it had an opportunity, in consultation with such advisors as it deemed appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

The Issuer shall not have any obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds.


Any notice or other communication to be given to the Issuer or the Borrower at the respective addresses set forth on the first page hereof and any such notice or other communication to be given to the
Section 10. Parties in Interest.

This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Purchaser (including any successor or assignees of the Purchaser), and, except as provided in Section 5 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

Section 11. Amendments.

This Bond Purchase Agreement may not be amended without the written consent of the Issuer, the Borrower and the Purchaser.


The representations and warranties of the Issuer and the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Purchaser (or statements as to the results of such investigations) concerning such representations and statements of the Issuer and the Borrower and regardless of delivery of and payment for the Bonds.

Section 13. Execution in Counterparts.

This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 14. No Prior Agreements.

This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer.

Section 15. Effective Date.

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.


This Bond Purchase Agreement shall be governed by the internal laws of the State without giving effect to the conflict of law principles of the State. Venue shall be in the 6th Judicial Circuit of Florida for Pinellas County.

Section 17. [Bidding Agent;] Purchaser Not Acting as Advisor or Fiduciary.

[The Purchaser will also serve as bidding agent for certain of the Permitted Investments to be purchased with amounts on deposit in the Project Fund, Collateral Fund and Bond Fund under the Indenture. For this service, the Purchaser will be compensated a fee of $2,500 by the provider of such Permitted Investments. This fee is separate from and in addition to the Underwriting Fee.]
The Issuer and the Borrower each acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction among the Issuer, the Borrower, and the Purchaser, (ii) in connection therewith and with the discussions, undertaking and procedures leading up to the consummation of such transaction, the Purchaser is and has been acting solely as a principal and is not acting as the agent, advisor, or fiduciary of the Issuer or the Borrower, (iii) the Purchaser has not assumed an advisory or fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the Issuer or the Borrower on other matters) and the Purchaser has no obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement and (iv) the Issuer and the Borrower have consulted their own legal, financial and other advisors to the extent they deem appropriate.

Section 18. Establishment of Issue Price.

(a) The Purchaser agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) Except as otherwise set forth in Section 1 hereto, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Purchaser shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Purchaser confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Section 1 hereto, except as otherwise set forth therein. Section 1 also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Purchaser, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Purchaser will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Purchaser has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.
The Purchaser shall promptly advise the Issuer when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Purchaser confirms that any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser. The Issuer acknowledges that, in making the representation set forth in this subsection, the Purchaser will rely on in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires. The Issuer further acknowledges that the Purchaser shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Purchaser acknowledges that sales of any Bonds to any person that is a related party to an Purchaser shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.
If the foregoing is in accordance with your understanding of the Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Purchaser in accordance with its terms.

Very truly yours,

RBC CAPITAL MARKETS, LLC

By: ________________________________
Name: Helen H. Feinberg
Title: Managing Director

[Signatures continue on next page]
ACCEPTED at Clearwater, Florida _______ __.m. Eastern time this ____ day of December, 2017.

HOUSING FINANCE AUTHORITY OF
PINELLAS COUNTY, FLORIDA

By: __________________________
Name: Casey Cane
Title: Chairman

ATTEST:

By: __________________________
Secretary

[SIGNATURES CONTINUE ON NEXT PAGE]
OCEANSIDE HOUSING PARTNERS, LP,
a Florida limited partnership

By: AOF Oceanside Affordable Housing Corp.,
a Florida nonprofit corporation,
its General Partner

By: ________________
    Thomas J. Null, Vice President
SCHEDULE I

DISCLOSURE LETTER

_________ __, 2017

Housing Finance Authority of Pinellas County, Florida
26750 U.S. Highway 191 North, Suite 110
Clearwater, Florida 33761

Ladies and Gentlemen:

In reference to the issuance of those certain $11,000,000 Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 (the “Bonds”), RBC Capital Markets, LLC (the “Purchaser”), pursuant to the Bond Purchase Agreement (the “Purchase Contract”) between the Purchaser, Oceanside Housing Partners, LP (the “Borrower”) and the Housing Finance Authority of Pinellas County, Florida (the “Issuer”), hereby makes the following disclosures to the Issuer:

1. The Purchaser is acting as underwriter to the Issuer for the public offering of the Bonds. The total fee to be paid to the Purchaser pursuant to the Purchase Contract is equal to approximately $[_____] per bond, of the total face amount of the Bonds, or $[_________].

2. The estimated expenses not included in the above number to be incurred by the Purchaser and to be charged to the Borrower in connection with the issuance of the Bonds are:

Purchaser’s Counsel (including disbursements) $[_____] (or $[_____] per Bond)

3. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker or financial consultant or advisor and who enters into an understanding with either the Issuer or the Purchaser, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or who exercises or attempts to exercise any influence to effect any transaction in the purchase of the Bonds are:

None

4. The amount of the underwriting risk and takedown expected to be realized is:

Takedown/Concession $[_____] or $[_____] per Bond.

5. The amount of the management fee to be charged by the Purchaser is:

$[_____] or $[_____] per Bond.

6. Any other fee, bonus, and other compensation estimated to be paid by the Purchaser in connection with the Bonds to any person not regularly employed or retained by the Purchaser is as follows:

Fee and Expenses

$[_____] or $[_____] per Bond (in addition to Purchaser’s Counsel fee)
7. The Issuer is proposing to issue $11,000,000 of debt or obligation for the purpose of financing the Development. This debt or obligation is expected to be repaid over a period of [___] years. At a forecasted interest rate of [___]%, total interest paid over the life of the debt or obligation will be $[__________].

8. The source of repayment or security for the Bonds is the Trust Estate. Authorizing this debt or obligation will result in $0.00 of the Issuer’s moneys not being available to finance the other services of the Issuer each year the Bonds are Outstanding.
9. The name and address of the Purchaser connected with the Bonds is:

RBC Capital Markets, LLC
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701

RBC CAPITAL MARKETS, LLC

By: ____________________________
Name: Helen H. Feinberg
Title: Managing Director
APPENDIX A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[TO COME]
APPENDIX B

OPINION OF COUNSEL TO THE TRUSTEE

______________, 2017

Housing Finance Authority of Pinellas County, Florida
26750 U.S. Highway 191 North, Suite 110
Clearwater, Florida 33761

RBC Capital Markets, LLC
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701

U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309

Re: $11,000,000 Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017

Ladies and Gentlemen:

We have served as counsel to U.S. Bank National Association, as trustee (the “Trustee”), in connection with the issuance by the Housing Finance Authority of Pinellas County, Florida (the “Issuer”) of its $11,000,000 Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 (the “Bonds”), pursuant to the Trust Indenture dated as of December 1, 2017 (the “Indenture”) by and between the Issuer and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

In that connection we have examined originals or copies certified or otherwise identified to our satisfaction of: (i) the Indenture; (ii) the Land Use Restriction Agreement dated as of December 1, 2017, by and among Oceanside Housing Partners, LP, a Florida limited partnership (the “Borrower”), the Issuer and the Trustee; (iii) the Continuing Disclosure Agreement dated as of December 1, 2017, by and between the Borrower and the Trustee, as Dissemination Agent; (iv) the Arbitrage Rebate Agreement dated ____________, 2017 by and between the Issuer and the Borrower, and acknowledged by the Trustee; (v) the Articles of Association and by-laws of the Trustee; and (vi) such other documents as we have deemed necessary for purposes of this opinion. We have not been asked to review or express any opinion with respect to any documents other than the Trustee Documents, and our opinion, accordingly, is limited to those documents.

In rendering the opinions expressed herein, we have assumed: (a) the genuineness of the signatures of all persons (other than representatives of the Trustee) executing instruments or documents examined or relied upon by us and the capacity of all natural persons; (b) the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies; (c) the correctness and accuracy of all facts set forth in all certificates and reports identified in this opinion; and (d) compliance with all requirements of the Indenture to be met in connection with the issuance of the Bonds. In addition, we have relied upon certificates of public officials as to matters contained therein and upon certain certificates of representatives of the Trustee as to matters of fact. Any opinion expressed herein as being made “to our knowledge” means the lawyers currently in this firm who are actively involved in negotiating or documenting this transaction are without any actual knowledge or conscious awareness that the opinion or confirmation is untrue in any respect material to the opinion or confirmation.
In rendering the opinions expressed below, we have also assumed, to the extent relevant with respect to the Trustee Documents and any other documents referred to in this opinion, that:

(A) to the extent such documents purport to constitute agreements, they constitute legal, valid, binding and enforceable obligations of all of the parties to such documents (other than the Trustee); and

(B) all parties to such documents (other than the Trustee) have obtained all approvals, authorizations, consents and licenses from, and have made all filings and registrations with, all governmental or regulatory authorities or agencies required for the execution or delivery of, or for the incurrence or performance of any obligations under, any of such documents, and the incurrence and performance by the Trustee of its obligations under any such documents comply with applicable laws of any jurisdiction where such obligations are to be incurred or performed (other than those specifically opined to herein).

Based on the foregoing we are of the opinion that

1. The Trustee is a national banking association, duly organized, validly existing and in good standing under the laws of the United States of America.

2. The Trustee has full corporate power and authority, including all necessary trust powers, to execute and deliver the Trustee Documents and to perform its obligations thereunder and to authenticate the Bonds.

3. The Trustee Documents constitute valid and binding obligations of the Trustee, enforceable against the Trustee in its capacity therein stated. The Bonds have been duly authenticated by an authorized officer of the Trustee.

4. Neither the execution nor delivery by the Trustee of the Trustee Documents nor the performance by the Trustee of its duties thereunder will result in any violation of the Articles of Association or by-laws of the Trustee, and no approval or other action by any governmental authority or agency having supervisory authority over the Trustee is required to be obtained by the Trustee in order to authorize or permit the Trustee to execute and deliver the Indenture or to perform its duties thereunder.

5. To our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, regulatory agency, public board or body pending or overtly threatened in writing against or affecting the creation, organization or existence of the Trustee where an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Trustee to perform its obligations under the Trustee Documents.

For purposes of our opinions in paragraphs 2 and 3 above, we reviewed only those statutes, rules and regulations that in our experience are applicable to transactions by a bank performing corporate trust functions of the type contemplated by the Trustee Documents.

Our opinion concerning the validity, binding effect and enforceability of the Trustee Documents means that (i) each of the Trustee Documents constitutes an effective contract under applicable law, (ii) the Trustee Documents are not invalid in their entirety because of a specific statutory prohibition or public policy and are not subject in their entirety to a contractual defense, and (iii) subject to the last sentence of this paragraph, some remedy is available if the Trustee is in material default under the Trustee Documents. This opinion does not mean that (a) any particular remedy is available upon a material default, or (b) every respective provision of the Trustee Documents will be upheld or enforced in any or
each circumstance by a court. Furthermore, the validity, binding effect and enforceability of the Trustee Documents may be limited or otherwise affected by (A) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statutes, rules, regulations or other laws affecting the enforcement of creditors’ rights and remedies generally and (B) the unavailability of, or limitation on the availability of, a particular right or remedy (whether in a proceeding in equity or at law) because of an equitable principle or a requirement as to commercial reasonableness, conscionability or good faith.

To the extent, if any, to which the same may be relevant to our opinions hereinabove set forth, we express no opinion as to any provision of the Trustee Documents that (i) relates to severability or separability, or (ii) relates to indemnification, to the extent such indemnification is not within the reasonable contemplation of the parties or is contrary to public policy, federal or state securities laws or the policy underlying such laws, or (iii) purports to authorize the Trustee to file and prove a claim in any bankruptcy or insolvency proceeding for sums not yet due. In addition, we express no opinion as to the enforceability of any provision of the Trustee Documents to the extent related to any failure to comply with requirements concerning notices, relating to delay or omission to enforce rights or remedies or purporting to waive or affect rights, claims, defenses, or the application of any provision of law or other benefits to the extent that any of the same cannot be waived or so affected under applicable law. Further, we express no opinion, and no such opinion is to or may be inferred herefrom, relating to the applicability or effect of any federal or state tax or securities laws, including, but not limited to, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, as amended, or any state securities or “blue sky” law with respect to any Trustee Document. Finally, we express no opinion as to the status of any Trustee Document under any usury law.

No opinion is expressed as to the matters relating to the laws of any jurisdiction other than federal laws and the laws of the State of Florida (other than municipal and local ordinances and regulations as to which we do not opine).

This opinion is furnished by us as counsel for the Trustee, as trustee, to the persons to whom this opinion is addressed and is solely for the benefit of such persons, may not be relied upon by any other person or entity, and may not be disclosed, quoted, filed with a governmental agency or otherwise referred to without the prior written consent of the undersigned. This opinion speaks as of its date, and we undertake no (and hereby disclaim any) obligation to update this opinion.

Very truly yours,
Memorandum

Housing Finance Authority
26750 US Highway 19 N., Suite 110
Clearwater, FL 33761
Phone: 727-223-6418

TO: Casey Cane, Chairman
And Members of the Housing Finance Authority

FROM: Kathryn Driver, Executive Director

SUBJECT: Consideration of amendment to the contract for services – Barbara Clark & Company

DATE: December 6, 2017

RECOMMENDATION: Staff recommends that the Housing Finance Authority (Authority) approve the amendment to the contract for services for Barbara Clark & Company.

BACKGROUND: On February 4, 2015 the Authority entered into a contract for services with Barbara Clark & Company (Company) to provide a variety of accounting services including weekly cash deposits posting, monthly bank reconciliations, monthly accounts receivable reconciliations, journal entries, monthly financial reports, attendance at monthly board meetings, assistance with audit requests, etc. The monthly fee for these services was initially set at $6,675 per month. On August 27, 2015 the Authority executed an addendum to the original contract to include processing of invoices. The fee for these additional services was initially set at $640 per month.

Since the contract and addendum have been executed we have added the Land Assembly Fund which includes all the properties in the various Trusts including Lealman Heights. This has added increased work to the Company. There has also been a significant amount of work involved with updating our chart of accounts and especially accounting for our down payment assistance loans.

Currently the Company is paid $7,315 per month. The proposed amendment would increase this amount by $3,375 per month ($10,690 total per month) for the all-inclusive accounting services.

This amount would be effective as of October 1, 2017.
November 6, 2017

Ms. Kathryn Driver
Executive Director
26750 US 19 North, Suite 110
Clearwater, FL 33761

Re: Amendment to Engagement Letter

Reference is made to the engagement letter (the “Engagement Letter”) dated February 4, 2015 and amended on August 27, 2015 pursuant to which Barbara Clark & Company, PA was engaged to provide accounting services. Terms used in this letter and not otherwise defined herein have the meanings ascribed thereto in the Engagement Letter.

The purpose of this amendment is to increase the engagement fees and extend the engagement term.

FEES

Fees for our services as outlined in the Engagement Letter are billed at $7,315 per month. This amendment will increase the amount by $3,375 per month for the all-inclusive accounting services effective October 1, 2017.

ENGAGEMENT TERM

The term of the engagement will be extended for a 3 year period to include the fiscal years ended September 30, 2018, 2019 and 2020, with an option to renew for a subsequent mutually agreed upon period of time.
If you agree with the terms of this amendment to our engagement as described, please acknowledge by signing below.

Very truly yours,

[Signature]

Barbara Clark & Company, PA

ACCEPTANCE:

I have reviewed the arrangements outlined above and I accept on behalf of the HFA of Pinellas County the terms and conditions as stated.

______________________________
Signature

______________________________
Printed Name

______________________________
Title
August 27, 2015

Ms. Kathryn Driver  
Executive Director  
26750 US 19 North, Suite 110  
Clearwater, Fl. 33761

Re: Addendum to Engagement Letter

Reference is made to the engagement letter (the “Engagement Letter”) dated February 4, 2015 pursuant to which Barbara Clark & Company, PA was engaged to provide accounting services. Terms used in this letter and not otherwise defined herein have the meanings ascribed thereto in the Engagement Letter.

As the nature and scope of our original engagement has changed and expanded, we have drafted an amendment to the original Engagement Letter to include the additional work you have requested. The purpose of this letter is to set forth the expanded services and assign responsibilities for their completion.

PURPOSE AND SCOPE

In connection with the foregoing understanding, the parties agree to amend the Engagement Letter to include the following services:

1. Process invoices and prepare the invoice register weekly
2. All Invoices received by Wednesday of each week by 4:00pm will be delivered by noon of the following Thursday
FEES

Fees for our services itemized above will include charges for professional time, and other expenses, if any. We will invoice you on a monthly basis. Our invoices are due and payable within 30 days of receipt. Based on past experience with similar projects, our fee will be $640 per month.

If you agree with the terms of this addendum to our engagement as described, please acknowledge by signing below.

Very truly yours,

Barbara Clark & Company, PA

ACCEPTANCE:

I have reviewed the arrangements outlined above and I accept on behalf of the HFA of Pinellas County the terms and conditions as stated.

Signature

Kathryn Driver

Printed Name

Executive Director
February 4, 2015

Ms. Kathryn Driver
Executive Director
HFA of Pinellas County
2805 Enterprise Road E., Ste. 230
Clearwater, Florida 33759

Dear Ms. Driver:

This letter confirms the arrangement between Barbara Clark & Company, PA and Housing Finance Authority (HFA) of Pinellas County for Barbara Clark & Company, PA to perform the services described below. The attached Barbara Clark & Company, PA Engagement Terms are an integral part of this letter and its terms are incorporated herein. If you are in agreement with the terms herein, please sign a copy of this letter and return it to the attention of Barbara Clark. After receipt of the signed letter, we will begin our services in accordance with the proposed service timeline included in the service plan.

OUR SERVICES:

1. Weekly Cash Deposits Posting
2. Monthly Bank Reconciliations (7 Accounts)
3. Monthly Accounts Receivable Reconciliations
4. Monthly Accounts Payable Reconciliations
5. Analyze Financial Transactions and Make Appropriate Adjusting or Original Journal Entries
6. Monthly Closing Including Accrual Entries
7. Preparation of Monthly Fund Basis Financial Statements
8. Attendance at Monthly Board Meetings
9. Design of Trial Balance Based Reports Including Quarterly Federal Home Loan Bank Report to Assist Executive Director with External Reporting Requirements
10. Provide Advisory Services to Assist Executive Director with Annual Budget and Subsequent Amendments
11. Coordinate the Completion of the Annual Financial Audit Requests with the External Auditor
13. Oversight of Accounting Processes and Internal Controls

Our work in connection with the services described above does not include any procedures designed to discover defalcations or other irregularities, should any exist.

YOUR RESPONSIBILITIES

It is understood that you will provide us with the information required for us to perform the services described above. The completeness and accuracy of the information you provide us remains your responsibility. By signing below, you are warranting the accuracy and completeness of such information.

In connection with our performing this service, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the
adequacy and results of the services performed; accept responsibility for the accuracy and completeness of all information provided by you to us; accept responsibility for the timely submission to Barbara Clark & Company, PA of all information necessary to perform our work and accept responsibility for the results of, and how you use the results of, our services; and establish and maintain internal controls, including monitoring of ongoing activities. Because of the importance of management’s representations, you agree to release Barbara Clark & Company and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

OTHER INFORMATION
Barbara Clark & Company, PA and its personnel do not practice law and have not been engaged to provide any legal advice. You acknowledge and agree that neither Barbara Clark & Company, PA nor any of our personnel will be asked or engaged to provide any legal advice in providing any services to you.

By signing below, you authorize Barbara Clark & Company, PA to disclose your information within Barbara Clark & Company, PA or to third-party firms or service providers assisting with the completion of the services under this engagement letter. Barbara Clark & Company, PA does utilize third-party firms and service providers when performing services under this engagement letter. Your consent will be valid until such time as we have completed the services described in, and any services that are ancillary to, those described in this engagement letter.

FEES
Fees for our services will include charges for professional time, and other expenses, if any. We will invoice you on a monthly basis. Our invoices are due and payable within 30 days of receipt. Based on past experience with similar projects, our fee will be $6,675 per month.

These fees assume your personnel will provide the appropriate level of assistance, including the timely provision of all requested information, such information to be accurate, complete and in the format requested. If requested, we can provide additional services beyond those described above. If any such services are requested, we can provide you with a fee estimate at that time based on a reduced standard rate of $150 per hour for Ms. Clark and $65 per hour for the other service plan team members. If during the course of our services, any issues arise that may necessitate additional fees, we will apprise you of the nature of the matter and arrange for appropriate fees before we invest significant professional time.

In the event this engagement is terminated before the completion of all services described above, you will be liable for all fees accrued and any expenses incurred through the date of termination. Fees will be based upon time incurred through the date of termination at Barbara Clark & Company, PA’s then standard rates.

ENGAGEMENT TERM
The term of the engagement will be for a 2 year period (excluding the transition period which commences upon the execution date of this contract through the end of the 2015 fiscal year), for the fiscal years ended September 30, 2016 and 2017, with an option to renew for a subsequent mutually agreed upon period of time. We anticipate the engagement services will commence in May 2015.

After September 30, 2016, either party to this engagement may terminate this contract without cause with sixty (60) days prior written notice.
MISCELLANEOUS
Barbara Clark & Company, PA will provide the services to HFA of Pinellas County under this Agreement as an independent contractor and not as HFA’s partner, agent, employee, or joint venture under this Agreement. Neither Barbara Clark & Company, PA nor HFA of Pinellas County will have any right, power or authority to bind the other party.

This engagement letter agreement (the “Agreement”) reflects the entire agreement between us relating to the services (or any deliverables or other work product) covered by this Agreement. The engagement letter and any attachments are to be construed as a single document, with the provisions of each section applicable throughout. This Agreement may not be amended or varied except by a written document signed by both parties. It replaces and supersedes any other proposals, correspondence, agreements and understandings; whether written or oral, relating to the services covered by this letter, and each party agrees it has not relied on any representations or any information not contained herein. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. The agreements of you and Barbara Clark & Company, PA contained in this Agreement will survive the completion or termination of this Agreement. If any phrase, sentence, provision or other term of this Agreement is found unenforceable or invalid, this will not affect the other phrases, sentences, provisions or other terms, all of which will continue in effect as if the stricken term had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This agreement must be construed, governed, and interpreted under the laws of the State of Florida, without regard for choice of law principles.

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter and the attached Barbara Clark & Company, PA Engagement Terms are acceptable to you, please sign below and return a copy of this letter at your earliest convenience to the attention of Barbara Clark. If you have any questions, please contact Barbara Clark at 727-698-3320.

ACCEPTANCE:

I have reviewed the arrangements outlined above and in the attached “Barbara Clark & Company, PA Engagement Terms,” and I accept on behalf of the HFA of Pinellas County the terms and conditions as stated.

IN WITNESS WHEREOF, HFA of Pinellas County and Barbara Clark & Company, PA have duly executed this engagement letter as of the date first written above.

HFA of Pinellas County

Signature

Printed Name

Title

Barbara Clark & Company, PA

Signature

Printed Name

Title
Barbara Clark & Company, PA Engagement Terms

Barbara Clark & Company, PA wants HFA of Pinellas County to understand the terms under which Barbara Clark & Company, PA provides its services to HFA of Pinellas County and the basis under which Barbara Clark & Company, PA determines its fees. These terms are part of the Agreement and apply to all services described in the Agreement as well as all other services provided to HFA of Pinellas County (collectively, the “Services”), unless and until a separate written agreement is executed by the parties for separate services. Barbara Clark & Company, PA specifically notes that no advice Barbara Clark & Company, PA provides should be construed to be investment advice or legal advice.

HFA’S ASSISTANCE – For Barbara Clark & Company, PA to provide its Services effectively and efficiently, HFA agrees to provide Barbara Clark & Company, PA timely with the information it requests and to make HFA’s employees available for Barbara Clark & Company, PA’s questions. The availability of HFA’s personnel and the timetable for their assistance are key elements in the successful completion of Barbara Clark & Company, PA’s Services and in the determination of Barbara Clark & Company, PA’s fees. Completion of Barbara Clark & Company, PA’s work depends on appropriate and timely cooperation from HFA’s personnel; complete, accurate, and timely responses to Barbara Clark & Company, PA’s inquiries; and timely communication by HFA of all significant accounting and financial reporting matters of which HFA is aware. If for any reason this does not occur, a revised fee to reflect the additional time or resources required by Barbara Clark & Company, PA will be mutually agreed upon, and HFA agrees to hold Barbara Clark & Company, PA harmless against all matters that arise in whole or in part from any resulting delay.

PROFESSIONAL STANDARDS – As a regulated professional services firm, Barbara Clark & Company, PA must follow certain professional standards where applicable, including the Code of Professional Conduct promulgated by the American Institute of Certified Public Accountants (“AICPA”). Therefore, if circumstances arise that, in Barbara Clark & Company, PA’s professional judgment, prevent it from completing this engagement, Barbara Clark & Company, PA retains the right to take any course of action permitted by professional standards, including declining to issue other work products, or terminating the engagement.

REPORTS – Any information, advice, recommendations or other content of any memoranda, reports, presentations, or other communications Barbara Clark & Company, PA provides under this Agreement (“Reports”), other than HFA’s original information, are for HFA’s internal use only, consistent with the purpose of the Services. HFA will not rely on any draft Report, unless required by an audit or other attestation professional standard, Barbara Clark & Company, PA will not be required to update any final Report for circumstances of which we become aware or events occurring after delivery.

THIRD PARTY PROVIDER – Barbara Clark & Company, PA may use a third-party service provider in providing Services to HFA which may require Barbara Clark & Company, PA’s sharing HFA’s confidential information with the provider. If Barbara Clark & Company, PA uses a third-party service provider, Barbara Clark & Company, PA will enter into a confidentiality agreement with the provider to require them to maintain the confidentiality of HFA’s confidential information, and Barbara Clark & Company, PA will be responsible to HFA for maintaining its confidentiality. The terms of Barbara Clark & Company, PA’s engagement letter and these engagement terms will apply to any third party provider.

CONFIDENTIALITY – Except as otherwise permitted by this Agreement or as agreed to in writing or as may be required by law, including the Sunshine Laws imposed upon public agencies in the State of Florida, neither Barbara Clark & Company, PA nor HFA may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. HFA use of any Barbara Clark & Company, PA work product will be limited to its stated purpose and to HFA business use only. However, HFA and Barbara Clark & Company, PA each agree that either party may disclose such information to the extent that it: (i) is or becomes public other than through a breach of this Agreement, (ii) is subsequently received by the recipient from a third party who, to the recipient’s knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (iii) was known to the recipient at the time of disclosure or is thereafter created independently, (iv) is disclosed as necessary to enforce the recipient’s rights under this Agreement, or (v) must be disclosed under applicable law, regulations, legal process or professional standards.
HFA-REQUIRED CLOUD USAGE – If HFA requests that Barbara Clark & Company, PA access files, documents or other information in a cloud-based or web-accessed hosting service or other third-party system accessed via the internet, including, without limitation iCloud, Dropbox, Google Docs, Google Drive, a data room hosted by a third-party, or a similar service or website (collectively, "Cloud Storage"), HFA will confirm with any third-parties assisting with or hosting the Cloud Storage that either such third-party or HFA (and not Barbara Clark & Company, PA) is responsible for ensuring the confidentiality of all information while utilizing the Cloud Storage, complying with all applicable laws relating to the Cloud Storage and any information contained in the Cloud Storage, providing Barbara Clark & Company, PA access to the information in the Cloud Storage, and protecting the information in the Cloud Storage from any unauthorized access to the information, including without limitation unauthorized access to the information when in transit to or from the Cloud Storage. HFA warrants that it has authority to provide Barbara Clark & Company, PA access to information in the Cloud Storage and that providing Barbara Clark & Company, PA with access to information in the Cloud Storage complies with all applicable laws, regulations, or duties owed to third-parties, and HFA agrees to hold Barbara Clark & Company, PA harmless from and against any matters relating to or arising from Firm's use of the Cloud Storage.

DATA PROTECTION – If Barbara Clark & Company, PA holds or uses HFA information that can be linked to specific individuals who are HFA’s customers, borrowers, lenders, service providers or who otherwise do business by and through or with the Authority ("Personal Data"), Barbara Clark & Company, PA will treat it as confidential as described above and comply with applicable US state and federal law and professional regulations in disclosing or using such information to carry out the Services. Barbara Clark & Company, PA has implemented and will maintain physical, electronic and procedural safeguards reasonably designed to (i) protect the security, confidentiality and integrity of the Personal Data, (ii) prevent unauthorized access to or use of the Personal Data, and (iii) provide proper disposal of the Personal Data (collectively, the "Safeguards"). HFA warrants that it has the authority to provide the Personal Data to Barbara Clark & Company, PA in connection with the Services and that HFA has processed the Personal Data provided to Barbara Clark & Company, PA in accordance with applicable law. To provide the Services, HFA may also need to provide Barbara Clark & Company, PA with access to Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event HFA provides Barbara Clark & Company, PA access to Restricted Personal Data, HFA will consult with Barbara Clark & Company, PA on appropriate measures (consistent with professional standards applicable to Barbara Clark & Company, PA) to protect the Restricted Personal Data, such as: deleting or masking unnecessary information before making it available to Barbara Clark & Company, PA, encrypting it when transferring it to Barbara Clark & Company, PA, or providing it to Barbara Clark & Company, PA only during on-site review on HFA's site. HFA will provide Barbara Clark & Company, PA with Restricted Personal Data only in accordance with mutually agreed protective measures. Otherwise, HFA and Barbara Clark & Company, PA agree each may use unencrypted electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.

INTELLECTUAL PROPERTY – Barbara Clark & Company, PA may use ideas, concepts, methodologies, data, software, designs, utilities, tools, models, techniques, data, systems, or other know-how that it develops, owns or licenses ("Materials") in performing the Services. Notwithstanding the delivery of any Reports, Barbara Clark & Company, PA retains all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not HFA information reflected in them). Upon payment for particular Services and subject to the other terms of this Agreement, HFA will use Reports, as well as any Materials owned by Barbara Clark & Company, PA included therein, solely to the extent necessary and permitted under this Agreement.

LEGAL AND REGULATORY CHANGE - Barbara Clark & Company, PA may periodically communicate changes in laws, rules or regulations to HFA. However, HFA has not engaged Barbara Clark & Company, PA, and Barbara Clark & Company, PA does not undertake an obligation, to advise HFA of changes in laws, rules, regulations, industry or market conditions, HFA’s own business practices or other circumstances, except to the extent required by professional standards or as indicated in the service plan. In addition, the scope of Services and the fees for Services are based on current laws and regulations. If changes in laws or regulations change HFA’s requirements or the scope of Barbara Clark & Company, PA’s work, the parties agree that Barbara Clark & Company, PA’s fees will be modified to a mutually agreed upon amount to reflect the changed level of Barbara Clark & Company, PA’s effort.
PUBLICATION - HFA agrees to obtain Barbara Clark & Company, PA's specific permission before using any Report or Barbara Clark & Company, PA work product or Barbara Clark & Company, PA's firm's name in a published document, and HFA agrees to submit to Barbara Clark & Company, PA copies of such documents to obtain Barbara Clark & Company, PA's permission before they are filed or published.

HFA REFERENCE - From time to time Barbara Clark & Company, PA is requested by prospective HFAs to provide references for Barbara Clark & Company, PA's service offerings. HFA agrees that Barbara Clark & Company, PA may use HFA's name and generally describe the nature of the engagement(s) provided to HFA in marketing to prospective HFAs, and Barbara Clark & Company, PA may also provide prospective HFAs with contact information for HFA personnel familiar with Barbara Clark & Company, PA's Services for HFA.

NO PUNITIVE OR EXEMPLARY DAMAGES - Any liability of Barbara Clark & Company, PA will not include any punitive or exemplary damages or loss.

LIMIT OF LIABILITY - Except where it is judicially determined that Barbara Clark & Company, PA performed its Services with gross negligence or willful misconduct, Barbara Clark & Company, PA's liability will not exceed fees paid by HFA to Barbara Clark & Company, PA. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, and including, without limitation, claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This limitation of liability will also apply after termination of this agreement.

INDEMNIFICATION FOR THIRD-PARTY CLAIMS - In the event of a legal proceeding or other claim brought against HFA by a third party, where it is judicially determined that Barbara Clark & Company, PA performed Services with gross negligence or willful misconduct, Barbara Clark & Company, PA agrees to indemnify and hold harmless HFA and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fees or defense costs, associated with such third-party claim. This indemnification is intended to apply to the fullest extent allowed by law, regardless of the grounds or nature of any claim, liability, or damages asserted, including, without limitation, to claims, liability or damages based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This indemnification will also apply after termination of this agreement.

NO TRANSFER OR ASSIGNMENT OF CLAIMS - No claim against Barbara Clark & Company, PA, or any recovery from or against Barbara Clark & Company, PA, may be sold, assigned or otherwise transferred, in whole or in part.

TIME LIMIT ON CLAIMS - In no event will any action against Barbara Clark & Company, PA, arising from or relating to this engagement letter or the Services provided by Barbara Clark & Company, PA relating to this engagement, be brought after the earlier of 1) two (2) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

RESPONSE TO LEGAL PROCESS - If Barbara Clark & Company, PA is requested by subpoena, request for information, or through some other legal process to produce documents or testimony pertaining to HFA or Barbara Clark & Company, PA's Services, and Barbara Clark & Company, PA is not named as a party in the applicable proceeding, then HFA will reimburse Barbara Clark & Company, PA for its professional time, plus out-of-pocket expenses, as well as reasonable attorney fees, Barbara Clark & Company, PA incurs in responding to such request.

MEDIATION - If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between HFA or any of HFA's affiliates or principals and Barbara Clark & Company, PA, and if the dispute cannot be settled through negotiation, HFA and Barbara Clark & Company, PA agree first to try, in good faith, to settle the dispute by mediation administered by the American Arbitration Association, under its mediation rules for professional accounting and related services disputes, before resorting to litigation or any other dispute-resolution procedure. The results of mediation will be binding only upon agreement of each party to be bound. Costs of any mediation will be shared equally by both parties. Any mediation will be held in St. Petersburg, Florida.
JURY TRIAL WAIVER – FOR ALL DISPUTES RELATING TO OR ARISING BETWEEN THE PARTIES, THE PARTIES AGREE TO WAIVE A TRIAL BY JURY TO FACILITATE JUDICIAL RESOLUTION AND TO SAVE TIME AND EXPENSE. EACH PARTY AGREES IT HAS HAD THE OPPORTUNITY TO HAVE ITS LEGAL COUNSEL REVIEW THIS WAIVER. THIS WAIVER IS IRREVOCABLE, MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND APPLIES TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A BENCH TRIAL WITHOUT A JURY. HOWEVER, AND NOTWITHSTANDING THE FOREGOING, IF ANY COURT RULES OR FINDS THIS JURY TRIAL WAIVER TO BE UNENFORCEABLE AND INEFFECTIVE IN WAIVING A JURY, THEN ANY DISPUTE RELATING TO OR ARISING FROM THIS ENGAGEMENT OR THE PARTIES’ RELATIONSHIP GENERALLY WILL BE RESOLVED BY ARBITRATION AS SET FORTH IN THE PARAGRAPH BELOW REGARDING “ARBITRATION.”

ARBITRATION – If any court rules or finds that the JURY TRIAL WAIVER section above is not enforceable, then any dispute between the parties relating to or arising from this engagement or the parties’ relationship generally will be settled by binding arbitration in St. Petersburg, FL or a location agreed in writing by the parties). Any dispute between the parties will be arbitrated by the arbitrator(s) in accordance with this section, including without limitation any dispute relating to whether a dispute is subject to arbitration or any issue concerning the applicability, interpretation or enforceability of this section or any of its procedures. The arbitration will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The parties will use the International Institute for Conflict Prevention & Resolution (the “CPR Institute”) Global Rules for Accelerated Commercial Arbitration (the “Accelerated Rules”) then in effect, or such other rules or procedures as the parties may agree. In the event of a conflict between those rules and this Agreement, this Agreement will control. If a party has a basis for injunctive relief, this paragraph will not preclude a party seeking and obtaining injunctive relief in a court of proper jurisdiction. The parties will agree within a reasonable period of time after notice is made of instituting the arbitration process whether to use one or three arbitrators, and if the parties cannot agree within fifteen (15) business days, the parties will use a single arbitrator. In any event the arbitrator(s) must be retired federal judges or attorneys with at least 15 years commercial law experience and no arbitrator may be appointed unless he or she has agreed to these procedures. If the parties cannot agree upon arbitrator(s) within an additional fifteen (15) business days, the arbitrator(s) will be selected by the CPR Institute. The arbitrator(s) may authorize only limited discovery upon a showing of substantial need by the party seeking discovery. The arbitrator(s) may rule on a summary basis, including without limitation on a motion to dismiss basis or on a summary judgment basis. The arbitrator(s) may enter such prehearing orders as may be appropriate to ensure a fair hearing. The hearing will be held within one year of the demand or less and must be concluded within ten business days absent written agreement by the parties to the contrary, but these time limits are not jurisdictional. The arbitrator(s) will apply substantive law and may award injunctive relief or any other remedy available from a judge. The arbitrator(s) may award attorney fees and costs to the prevailing party, and in the event of a split or partial award, the arbitrator(s) may award costs or attorney fees in an equitable manner. Any award by the arbitrator(s) will be accompanied by a reasoned opinion describing the basis of the award. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. All aspects of the arbitration will be treated by the parties and the arbitrator(s) as confidential.

NON-SOLICITATION - HFA and Barbara Clark & Company, PA acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement, and for one (1) year after its expiration or termination, neither party will solicit any personnel or subcontractors (if any) of the other party for employment without the written consent of the other party. If an individual becomes an employee of the other party, the other party agrees to pay a fee equal to the individual’s compensation for the prior full twelve-month period to the original employer.

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