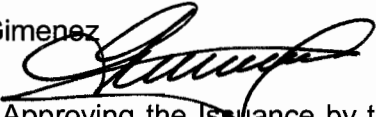


Memorandum



Date: November 3, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Resolution Approving the Issuance by the Housing Finance Authority of Miami-Dade of its Multifamily Mortgage Revenue Bonds for Palm Lake Apartments for the purpose of Section 147(f) of the Internal Revenue Code of 1986

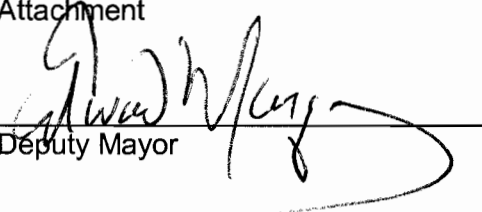
Agenda Item No. 10(A)(1)

As outlined in the enclosed memorandum from the Housing Finance Authority of Miami-Dade County (Authority), the attached resolution authorizes the Authority to issue Revenue Bonds (Bonds) in one or more series in an aggregate principal amount not to exceed \$18,400,000 for the rehabilitation of the Palm Lake Apartments (Project). The principal and interest on the Bonds shall not constitute a debt, liability or a general obligation of the Authority, County, the State of Florida or any political subdivision of each, but shall be the responsibility of the owner of the Project.

As stipulated in Section 147(f) of the Internal Revenue Code of 1986, as amended (Code), the Board of County Commissioners, as the highest governing body, must approve the issuance of the Bonds by the Authority as required by the Code after a public hearing. The public hearing was held by the Authority and such public hearing disclosed no reason why the Bonds should not be issued.

The Series 2011 Bonds are expected to be issued by the end of 2011.

Attachment


Deputy Mayor

Memorandum



Date: November 3, 2011

To: Carlos A. Gimenez
Mayor

From: Don Horn, Chairman *Don Horn/B. Horn*
Housing Finance Authority of Miami-Dade County

Subject: Resolution Approving the Issuance of Multifamily Mortgage Revenue Bonds for Palm Lake Apartments for the purpose of Section 147(f) of the Internal Revenue Code of 1986

The Housing Finance Authority of Miami-Dade County (the "Authority") requests that the attached Resolution be placed on the appropriate agenda for consideration by the Board of County Commissioners ("BCC") for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Resolution approves the issuance by the Authority of its Multifamily Mortgage Revenue Bonds ("Bonds") in an aggregate principal amount not to exceed \$18,400,000 to finance the rehabilitation of the Palm Lake Apartments (the "Project").

Scope

The Project is located in Commission District 2 at 2575 NW 115th Street in unincorporated Miami-Dade County (the "County").

Funding Impact/Funding Source

Neither the County or the Authority has any liability with respect to the repayment of the Bonds. The developer/owner of the Project is solely responsible for repayment of principal and interest on the Bonds.

Track Record/Monitoring

Palm Lake Apartments will be owned by TRG-Palm Lake, LP or such successors in interest in which an affiliate of Rainbow Housing Assistance Corporation or The Reliant Group, Inc. is a managing member, general partner and/or controlling stockholder depending on the final business structure of the owner.

Background

The Code requires that a public hearing be held and that the BCC approve the issuance of the Bonds by the Authority after considering the results of the public hearing.

On May 23, 2011, the Authority held a public hearing, with no complaints filed, and adopted Resolution No. HFA 2011-5 on May 23, 2011 (the Authority Resolution), which authorized the issuance of the Bonds to rehabilitate the Palm Lake Apartments and requesting the BCC to approve the Bonds. This project will be occupied by low-income families earning 80 percent or less of the area median income.

The Project serves a public purpose in that it will provide 300 apartment units to be occupied by in part by persons or families of low, moderate or middle income, elderly and disabled persons.

The Bonds are expected to be issued before the end of 2011.

Attachment

PUBLISHED DAILY
MIAMI-DADE-FLORIDA

STATE OF FLORIDA
COUNTY OF DADE

Before the undersigned authority personally
appeared:

Jeannette Martinez

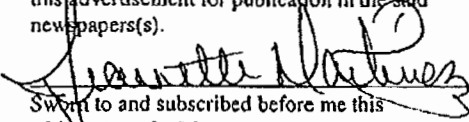
who on oath says that he/she is

CUSTODIAN OF RECORDS

of The Miami Herald, a daily newspaper published at
Miami in Dade County, Florida; that the attached
copy of advertisement that was published in the Local
Section in said newspaper in the issue of:

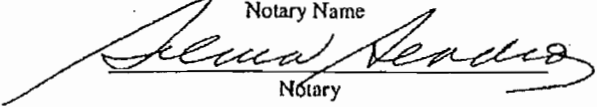
May 4, 2011

Affiant further says that the said The Miami Herald
is a newspaper published at Miami, in the said Dade
County, Florida and that the said newspaper has
heretofore been continuously published in said Dade
County, Florida each day and has been entered as
second class mail matter at the post office in Miami,
in said Dade County, Florida, for a period of one
year next preceding the first publication of the
attached copy of advertisement; and affiant further
says that he has neither paid nor promised any
person, firm or corporation any discount, rebate,
commission or refund for the purpose of securing
this advertisement for publication in the said
newspaper(s).



Sworn to and subscribed before me this
5th day of May, 2011

My Commission
Expires: August 1, 2014
Notary Name



NOTICE OF PUBLIC HEARING
The Housing Finance Authority of Miami-Dade County, Florida (the Authority) will conduct a public hearing on the proposed...
DATE AND TIME: Monday, May 23, 2011, 10:00 a.m.
PLACE: 401 Miami Street, Suite 401, Miami, Florida 33129
The Authority is invited to...
Palm Lakes Apartments, 300...
The Authority is invited to...
500...
Notice of the Public Hearing...
All interested parties...
Any person who desires...
appear at the public hearing...
The Authority will respect...
public hearing will be...
record of the proceedings...
teimony and evidence...
which the appeal is to be...
heard.



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: November 3, 2011

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 10(A)(1)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 10(A)(1)
11-3-11

RESOLUTION NO. _____

RESOLUTION APPROVING ISSUANCE BY HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) OF ITS MULTIFAMILY MORTGAGE REVENUE BONDS (PALM LAKE APARTMENTS PROJECT) SERIES 2011A AND SUBORDINATE MULTIFAMILY MORTGAGE REVENUE BONDS (PALM LAKE APARTMENT PROJECT) SERIES 2011B, IN TOTAL AMOUNT NOT TO EXCEED \$18,400,000 IN ONE OR MORE SERIES FOR BENEFIT OF PALM LAKE RENOVATION LLLP, A FLORIDA LIMITED LIABILITY LIMITED PARTNERSHIP; AND APPROVING FORM AND EXECUTION AND DELIVERY BY AUTHORITY OF VARIOUS DOCUMENTS IN CONNECTION WITH ISSUANCE OF SUCH BONDS

WHEREAS, the Board of County Commissioners of Miami-Dade County, Florida (the "Board") enacted on December 12, 1978, Ordinance No, 78-79, creating the Housing Finance Authority of Miami-Dade County (Florida) (the "Authority"); and

WHEREAS, by Ordinance 78-79 the Authority was empowered to issue its revenue bonds for the purpose of providing financing for residential housing to be occupied by persons or families of moderate, middle or lesser income pursuant to Chapter 159, Part IV, Florida Statutes; and

WHEREAS, the Owner (defined below) applied to the Authority for multifamily mortgage revenue bond financing assistance in the total amount of not to exceed \$18,400,000 to finance the acquisition and renovation of a rental housing project known as Palm Lakes Apartments consisting of 300 units to be occupied by elderly and disabled persons of low, moderate or middle income and located at 2575 N.W. 115th Street, in Miami, Miami-Dade County, Florida, (the "Project") owned by Palm Lake Renovation, LLLP, a Florida limited liability limited partnership or its successors in interest (the "Owner"); and

WHEREAS, the Authority on March 28, 2011, adopted a resolution (the "Intent Resolution"), approving the financing of the Project through the issuance of revenue bonds and took further action recommending approval by the Board of County Commissioners of Miami-Dade County, Florida of the Project and the proposed multifamily mortgage revenue bond financing, subject to a favorable public hearing to be held by the Authority (the "Public Hearing") pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Authority conducted the Public Hearing on May 23, 2011, at which no reason was disclosed as to why the Bonds (defined below) should not be issued and this Board ratified the issuance of the Bonds in accordance with such findings as required by Section 147(f) of the Code when it adopted Resolution R-464-11 on June 7, 2011; and

WHEREAS, the Authority on September 26, 2011, adopted a resolution, as amended on October 24, 2011 (the "Authorizing Resolution") attached as Attachment "A" to this Resolution approving (i) the Project; (ii) the issuance of its Multifamily Mortgage Revenue Bonds, (Palm Lake Apartments) Series 2011A and Subordinate Multifamily Mortgage Revenue Bonds, (Palm Lake Apartments Project), Series 2011B in a total amount not to exceed \$18,400,000 in one or more series (collectively, the "Bonds"); (iii) the forms of Trust Indentures and Financing Agreements, Regulatory Agreement, Bond Purchase Agreement and other documents, relating to issuance of the Bonds (the "Bond Documents"); and (iv) the negotiated sale of the Bonds; and

WHEREAS, this Board wishes, at the request of the Authority and as required by Section 2-191.7 of the County Code ("County Code Section 2-191.7"), to approve the issuance of the Bonds by the Authority pursuant to the terms and conditions of the Authorizing Resolution and the use and form of the Bond Documents to be entered into by the Authority in connection with the issuance of the Bonds; and

WHEREAS, this Board concurs with the findings of the Authority that the Project will inure to the benefit of the citizens of Miami-Dade County, Florida,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. The issuance by the Authority of the Bonds pursuant to the terms and conditions set forth in the Authorizing Resolution and the forms of the documents attached as Attachment “B” to this Resolution (the “Authority Bond Documents”) are approved pursuant to County Code Section 2-191.7.

Section 2. The Authority Bond Documents and all other documents and certificates determined to be necessary in connection with the issuance of the Bonds may be executed by the Chairman, Vice Chairman, Secretary or any other officer or member of the Authority, with such additional changes, insertions, and omissions as may be made and approved by said officer or member of the Authority upon advice of the County Attorney, Financial Advisors to the Authority and Co-Bond Counsel.

Section 3. The Bonds shall not be deemed to constitute a debt, liability or obligation of the Authority or the County or of the State of Florida or of any political subdivision of the County or the State, but shall be payable solely from the revenues and the other security identified in the Bond Documents.

Section 4. All County resolutions or parts of such resolutions in conflict with the provisions of this Resolution are, to the extent of such conflict, superseded and repealed.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barriero	Lynda Bell
Eseban I. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara A. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared this Resolution duly passed and adopted this 3rd day of November, 2011. This Resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Gerald T. Heffernan

**Attachment “A”
Authority Authorizing Resolution**

**RESOLUTION NO. HFA-2011-7
(As Amended and Restated)**

RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS MULTIFAMILY MORTGAGE REVENUE BONDS (PALM LAKE APARTMENTS PROJECT) SERIES 2011A, AND SUBORDINATE MULTIFAMILY MORTGAGE REVENUE BONDS, (PALM LAKE APARTMENT PROJECT) SERIES 2011B, IN A TOTAL AMOUNT NOT TO EXCEED \$18,400,000 IN ONE OR MORE SERIES, FOR THE BENEFIT OF PALM LAKE RENOVATION, LLLP, A FLORIDA LIMITED LIABILITY LIMITED PARTNERSHIP, TO PROVIDE FINANCING FOR THE ACQUISITION AND RENOVATION OF A MULTIFAMILY HOUSING PROJECT KNOWN AS PALM LAKE APARTMENTS FOR MODERATE, MIDDLE AND LESSER INCOME RESIDENTS IN MIAMI-DADE COUNTY; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST INDENTURES, LOAN AGREEMENTS, LAND USE RESTRICTION AGREEMENT, AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SUCH BONDS; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A SERVICER AND BOND TRUSTEE; AUTHORIZING REQUEST FOR A WAIVER OF STATUTORY INTEREST RATE LIMITATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to the Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended (the “Act”), the Board of County Commissioners of Miami-Dade County, Florida (the “Board”), by its Resolution R-1194-78, adopted October 17, 1978, declared the need for a housing finance authority to function in Miami-Dade County, Florida (the “County”) and enacted on December 12, 1978, Ordinance No. 78-79, creating the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”); and

WHEREAS, the Act authorizes the Authority: (a) to make loans to any person, or to purchase loans, including federally insured mortgage loans, in order to provide financing for residential rental developments located within the County, which are to be occupied by persons

of moderate, middle or lesser income; (b) to issue its revenue bonds and notes pursuant to the Act, for the purpose of obtaining money to make or to purchase such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds and notes; and (c) to pledge all or any part of the revenues, and receipts to be received by the Authority from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds. and notes; and

WHEREAS, the Authority intends to provide financing to fund a mortgage loan (the “Loan”) financed by obligations of the Authority in an amount not to exceed \$18,400,000 to Palm Lake Renovation, LLLP, a Florida limited liability limited partnership (the “Borrower”) for the acquisition and renovation of a 300-unit multifamily residential rental development (the “Project”) to be located at 2575 N.W. 115th Street, in Miami, Miami-Dade County, Florida, and to be occupied by elderly and disabled persons of moderate, middle and lesser income within the meaning of the Act, all for the purpose of assisting such elderly and disabled persons of moderate, middle and lesser income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Authority, has determined to issue, sell and deliver its not to exceed \$18,400,000 in aggregate amount of its Multifamily Mortgage Revenue Bonds, (Palm Lake Apartments) Series 2011A and Subordinate Multifamily Mortgage Revenue Bonds, (Palm Lake Apartments Project), Series 2011B (the “Bonds”) for the purpose of funding the Loan; and

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

WHEREAS, the Authority has determined that a negotiated sale of the Bonds is in the best interest of the Authority, and RBC Capital Markets (“RBC Capital Markets”) has expressed its intention to purchase the Series 2011A Bonds authorized hereby in whole and to act as placement agent for the sale of the Series 2011B Subordinate Bonds, and the Authority finds that the public interest and necessity require that the Authority at this time make arrangements for the sale of such Bonds; and

WHEREAS, the developer has advised the Authority that the entity which will be the Borrower will be Palm Lake Renovation, LLLP rather than TRG – Palm Lake, LP, and has requested that this resolution be amended and restated to reflect such entity name,

NOW, THEREFORE, BE IT RESOLVED by the Housing Finance Authority of Miami- Dade County (Florida), as follows:

SECTION 1. The recitals hereinabove set forth are true and correct, and the Authority so finds. This Resolution is being adopted pursuant to the Act.

SECTION 2. Pursuant to the Act and in accordance with the Act and the Funding Loan Agreement (as hereinafter defined), revenue bonds of the Authority, to be designated as “Housing Finance Authority of Miami-Dade County (Florida) Multifamily Mortgage Revenue Bonds, (Palm Lake Apartments) Series 2011A and Subordinate Multifamily Mortgage Revenue Bonds, (Palm Lake Apartments Project), Series 2011B” in an aggregate principal amount not to exceed \$18,400,000, are hereby authorized to be issued. The principal amount of the Bonds to be issued shall be determined by a Designated Officer (as defined below) in accordance with this Resolution.

SECTION 3. The proposed form of Trust Indenture and Subordinate Trust Indenture (the “Indentures”) each by and between the Authority, and U.S. Bank, National

Association as trustee (the "Trustee"), in substantially the form attached hereto as Exhibit A-1 and A-2, are hereby approved. The Chairman, Vice Chairman, or any other officers or members of the Authority (each hereinafter referred to as a "Designated Officer") are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute the Indentures, with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the County Attorney, Financial Advisor and Co-Bond Counsel and approval by the County Attorney, such approval to be conclusively evidenced by the execution of said Indentures with such additions, changes or corrections.

SECTION 4. The proposed form of Loan Agreement and Subordinate Loan Agreement (the "Loan Agreements"), each by and among the Authority, the Borrower and the Trustee, substantially in the forms attached hereto as Exhibit B-1 and B-2. are hereby approved along with any additions or supplements which may in the determination of a Designated Officer, be necessary to document the issuance of the Bonds authorized hereunder. Any Designated Officer is hereby authorized and directed to execute and deliver, for and in the name and on behalf of the Authority, said Loan Agreements with such additions, changes or corrections as the Designated Officer executing the same may approve upon consultation with the County Attorney, Financial Advisor to the Authority and Co-Bond Counsel to the Authority and approval of the County Attorney, provided that such additions or changes shall not authorize an aggregate principal amount of the Bonds in excess of the amount stated above, such approval by the County Attorney, to be conclusively evidenced by the execution and delivery of the Loan Agreements with such additions, changes or corrections.

SECTION 5. The proposed forms of the Bonds, as set forth in the respective Indentures, are hereby approved, and the Chairman and Vice-Chairman or member of the

Authority designated by the Chairman are hereby authorized and directed to execute, by manual or facsimile signatures of such officers under the seal of the Authority, and the Trustee or an authenticating agent is hereby authorized and directed to authenticate, by manual signatures of one or more authorized officers of the Trustee or an authenticating agent, the Bonds in substantially such forms, and the Trustee is hereby authorized and directed to deliver the Bonds to the purchasers thereof in accordance with the Indentures. The date, maturity dates, interest rate or rates (which may be either fixed or variable), interest payment dates, denomination, form of registration privileges, manner of execution, place of payment, terms of redemption, use of proceeds, and other terms of the Bonds shall be as provided in the Indenture as finally executed; provided, however, that the principal amount of the Bonds shall not exceed \$18,400,000, the interest rate on the Series 2011A Bonds shall not exceed 7% per annum, the interest rate on the Series 2011B Subordinate Bonds shall not exceed 10% per annum and the final maturity of the Bonds shall be no later than December 31, 2028 and the initial purchase price of the Bonds shall be not less than 98% of the principal amount thereof.

SECTION 6. The proposed form of Land Use Restriction Agreement (the “Regulatory Agreement”) to be entered into by and among the Authority, the Trustee and TRG—Palm Lake, LLC, a Florida limited liability company, as fee owner of the Project site, substantially in the form attached hereto as Exhibit C, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the County Attorney, the Financial Advisor and Co-Bond Counsel and approval of the County Attorney, such approval to be conclusively evidenced by the execution of said Regulatory Agreement with such additions,

changes or corrections. Any Designated Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute amendments to the Regulatory Agreement in order that interest on the Bonds remains tax-exempt.

SECTION 7. The proposed form of Assignment and Intercreditor Agreement (the “Intercreditor Agreement”) to be entered into by and among the Authority, the Trustee, Fannie Mae and the Borrower, substantially in the form attached hereto as Exhibit D, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Intercreditor Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the County Attorney, the Financial Advisor and Co-Bond Counsel and approval of the County Attorney, such approval to be conclusively evidenced by the execution of said Intercreditor Agreement with such additions, changes or corrections.

SECTION 8. The proposed form of Bond Purchase Agreement (the “Bond Purchase Agreement”) to be entered into by and among the Authority, RBC Capital Markets and the Borrower, substantially in the form attached hereto as Exhibit E, is hereby approved. Any Designated Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, with such additions, changes and corrections as the Designated Officer may approve upon consultation with the County Attorney, the Financial Advisor and Co-Bond Counsel and approval of the County Attorney, such approval to be conclusively evidenced by the execution of said Bond Purchase Agreement with such additions, changes or corrections.

SECTION 9. The proposed form of Official Statement relating to the Series 2011A Bonds (the “Official Statement”), substantially in the form attached hereto as Exhibit D,

is hereby approved. The Director is hereby authorized and directed to approve the final form of the Official Statement, with such additions, changes and corrections as the Director may approve upon consultation with the County Attorney, the Financial Advisor and Co-Bond Counsel, such approval to be conclusively evidenced by the delivery of said Official Statement with such additions, changes or corrections.

SECTION 10. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and each Designated Officer, the Director and other properly authorized officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Indenture, the Loan Agreements, the Bonds, the Regulatory Agreement, the Intercreditor Agreement (collectively, the “Bond Documents”) and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the implementation of the loan program described herein in accordance with the Act and this Resolution and resolutions heretofore adopted by the Authority.

SECTION 11. The Vice-Chairman or other Designated Officer is hereby authorized to countersign or to attest the signature of any other Designated Officer and to affix and attest the seal of the Authority as may be appropriate in connection with the execution and delivery of any of the documents authorized by this resolution, provided that the due execution and delivery of said documents or any of them shall not depend on such signature of the Vice- Chairman or other

Designated Officer or affixing of such seal. Any of such documents may be executed in multiple counterparts.

SECTION 12. A negotiated sale of the Bonds is in the best interest of the Authority and is found to be necessary on the basis of the following specific findings:

(a) Multifamily housing revenue bonds and notes are traditionally sold on a negotiated sale basis and consequently a competitive sale of the Bonds would in all probability not produce better terms than a negotiated sale particularly in view of the timing of such an offering.

(b) The principal of, premium, if any, and the interest on the Bonds will be payable solely out of the revenues arising from the pledge and assignment of the payments by the Borrower on the Loan, and the other funds and, moneys pledged and assigned under the Indenture, and therefore the Authority will not be liable for the payment of principal of, redemption premium, if any, and any interest on Bonds except from moneys held under, the Indentures. The Borrower has expressed its unwillingness to undertake the risks and expenses attendant to competitive sale of the Bonds.

(c) The nature of the security for the payment of the Bonds requires complex cash flow review and computations of the Project which would be financially impractical for bidders to undertake in a competitive sale context.

(d) Based upon such findings, the Authority approves (i) the negotiated sale of the Series 2011A Bonds to the RBC Capital Markets in accordance with the provisions of the Bond Purchase Agreement, the Indentures and Section 5 of this resolution and (ii) the private placement negotiated sale of the Series 2011B Subordinate Bonds to the purchasers thereof in accordance with the Indentures and Section 5 of this resolution. Prior to executing and

delivering the Indentures, the Authority shall have received disclosure statements from RBC Capital Markets and from the purchaser of the Series 2011B Subordinate Bonds, if applicable, setting forth the information required by Section 218.385, Florida Statute, as amended.

SECTION 13. U.S. Bank, National Association, is designated as Trustee for the Bonds under the Indentures and the Regulatory Agreement.

SECTION 14. The Bonds, upon execution in the form and manner set forth in the Indentures, shall be delivered to the Trustee for authentication and the Trustee is authorized and directed to authenticate and deliver the Bonds to, or on behalf of, the purchasers thereof, upon payment of the purchase price.

SECTION 15. The Designated Officers, Director, employees and agents of the Authority are authorized and directed to do all acts and things required by the provisions of the Bonds authorized by this resolution, and by the provisions of the Bonds and any additional documents required to be delivered in connection with the issuance and delivery of the Bonds and for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the Bonds and the Bond Documents. The Director is authorized to request from the State Board of Administration a waiver of the interest rate limitations set forth in Section 215.84, Florida Statutes, to allow the Series 2011B Bonds to bear interest at a rate not to exceed 9.5% per annum.

SECTION 16. In case any one or more of the provisions of this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution and it shall be construed and enforced as if such illegal or invalid provision had not been contained in this resolution.

SECTION 17. The Chairman, Vice Chairman, and other members or officers of the Authority, the Director, the County Attorney and Co-Bond Counsel for the Authority are each designated agents of the Authority in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, to take all actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Authority which are necessary or desirable in connection with the execution and delivery of the Bonds which are not inconsistent with the terms and provisions of this resolution and other actions relating to the Bonds taken by the Authority.

SECTION 18. All resolutions of the Authority in conflict with the provisions of this resolution are, to the extent of such conflict, superseded and repealed.

SECTION 19. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of this resolution is not intended to express any position or opinion regarding same.

SECTION 20. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any, which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

SECTION 21. This resolution shall become effective immediately upon its adoption.

The roll being called on the question of adoption of this resolution, the final vote is:

AYES:

NAYS:

ABSTENTIONS:

The Presiding Officer declared said resolution adopted and approved in open meeting.

ADOPTED this __ day of August, 2011.

[SEAL]

HOUSING FINANCE AUTHORITY OF
MIAMI-DADE COUNTY (FLORIDA)

Attest:

By: _____
Name: _____
Title: _____

By: _____
Assistant Secretary

Approved as to form and legal sufficiency.

By: _____
Assistant County Attorney

EXHIBIT LIST

Exhibit A-1	Trust Indenture
Exhibit A-2	Subordinate Trust Indenture
Exhibit B-1	Financing Agreement
Exhibit B-2	Subordinate Loan Agreement
Exhibit C	Land Use Restriction Agreement
Exhibit D	Intercreditor Agreement
Exhibit E	Bond Purchase Agreement
Exhibit F	Official Statement

Attachment "B"
Authority Bond Documents

ATTACHMENT "B"
AUTHORITY BOND DOCUMENTS

The following documents are set forth in this Attachment B:

Subordinate Trust Indenture
Financing Agreement
Land Use Restriction Agreement
Intercreditor Agreement
Bond Purchase Agreement
Trust Indenture
Subordinate Loan Agreement

SUBORDINATE TRUST INDENTURE

THIS SUBORDINATE TRUST INDENTURE (this "Indenture"), dated as of October 1, 2011, is entered into by and between the HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA), a public body corporate and politic, duly organized and validly existing under the laws of the State of Florida (the "Issuer"), and U.S. BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, which is authorized under such laws to exercise trust powers as trustee hereunder (together with any successor trustee hereunder, the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer has been created and organized pursuant to and in accordance with the provisions of Chapter 159, Part IV, Florida Statutes, as amended and other applicable provisions of law (collectively, the "Act") for the purpose, inter alia, of financing and refinancing costs of residential developments that will provide decent, safe and sanitary housing for persons of low, moderate and middle income in the State of Florida; and

WHEREAS, the Act authorizes the Issuer to: (a) make loans to persons to provide financing or refinancing for residential developments within Miami-Dade County, Florida (the "County"), and intended to be occupied to the extent required by applicable federal tax law, by persons or families of low, moderate and middle income, as determined by the Issuer; (b) to authorize the issuance of revenue bonds by the Issuer for the purpose of obtaining moneys to make such loans and provide such refinancing and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans in order to secure payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, pursuant to the Act, resolutions of the Issuer adopted on March __, 2011 and July __, 2011, and the Trust Indenture dated as of October 1, 2011 (the "Senior Indenture") between the Issuer and U.S. Bank, National Association, as trustee (in such capacity, the "Senior

Trustee”), the Issuer is issuing its Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project) in the original aggregate principal amount of \$16,800,000 (the “Senior Bonds”) to provide for the financing of a qualifying housing development as authorized by the Act; and

WHEREAS, the Issuer has agreed to use the proceeds derived from the sale of the Senior Bonds to make a mortgage loan in the principal amount of \$16,800,000 (the “Senior Loan”) to TRG-Palm Lakes, LP, a Florida limited partnership (the “Borrower”), to provide for a portion of the financing of a multifamily rental housing development located at 2575 N.W. 115th Street, Miami, Florida known as Palm Lakes Apartments (the “Project”); and

WHEREAS, the Senior Loan is being made to the Borrower on the terms specified in the Financing Agreement dated as of the date hereof (the “Senior Agreement”) among the Issuer, the Borrower, and the Senior Trustee, and upon the satisfaction of various conditions contained therein and in the Senior Indenture; and

WHEREAS, the Borrower's repayment obligations in respect of the Senior Loan will be evidenced by a Multifamily Note dated October __, 2011 (together with all riders and addenda thereto, the “Senior Note”) delivered to the Issuer, which Senior Note will be endorsed, without recourse, by the Issuer to the Senior Trustee; and

WHEREAS, the Issuer has agreed to use the proceeds derived from the sale of its Housing Finance Authority of Miami-Dade County (Florida) Subordinate Multifamily Mortgage Revenue Bonds, Series 2011B (Palm Lakes Apartments Project) in the principal amount of \$1,600,000 (the “Bonds”) to make a subordinate mortgage loan in the principal amount of \$1,600,000 (the “Subordinate Loan”) to the Borrower, to provide for the additional, subordinate financing of the Project; and

WHEREAS, the Subordinate Loan is being made to the Borrower on the terms specified in the Subordinate Loan Agreement dated as of the date hereof (the “Subordinate Loan Agreement”) between among the Issuer and the Borrower, and upon the satisfaction of various conditions contained therein and in this Indenture; and

WHEREAS, the Borrower's repayment obligations in respect of the Subordinate Loan will be evidenced by a Subordinate Promissory Note dated October __, 2011 (together with all riders and addenda thereto, the “Subordinate Note”) delivered to the Issuer, which Subordinate Note will be endorsed, without recourse, by the Issuer to the Trustee; and

WHEREAS, to secure its obligations under the Subordinate Loan Agreement and the Subordinate Note, the Borrower has executed (i) a [Subordinate Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (as amended, modified or supplemented from time to time, the “Subordinate Mortgage”)], (ii) [other subordinate collateral documents], each dated as of even date with the Subordinate Loan Agreement and for the benefit of the Issuer, as secured party; and

WHEREAS, it is intended that any obligation of the Borrower with respect to the repayment of the Senior Loan be senior to any obligation of the Borrower with respect to the

repayment of the Subordinate Loan and, accordingly, the Borrower, the Senior Trustee and the Trustee have entered into the Subordinate Intercreditor Agreement; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the Issuer has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law, including the Act, necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Trustee, the valid, binding and legal limited obligations of the Issuer, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be delivered and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective registered owners from time to time of the Bonds, and the Issuer has given, granted, pledged, assigned, conveyed and transferred, and does by these presents give, grant, pledge, assign, convey and transfer to the Trustee, and to its successors in the trusts hereby created, and to them and their assigns forever:

GRANTING CLAUSE I

All right, title and interest of the Issuer, except for the Reserved Rights (as hereinafter defined) of the Issuer, in the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage, and all amendments, modifications and renewals thereof, including, without limitation, all payments to be made thereunder;

GRANTING CLAUSE II

All Available NOI (as hereinafter defined) received from the Borrower;

GRANTING CLAUSE III

All money and securities held from time to time in any of the funds and accounts established under this Indenture, including investment earnings thereon, which shall be held as security solely for the Bonds, but excluding any amounts on deposit in the Rebate Fund (the property referred to in Granting Clauses I, II and III shall be collectively referred to herein as the "Trust Estate");

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TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby given, granted, pledged, assigned, conveyed and transferred, or agreed or intended so to be to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of the registered owner of any Bond without preference, priority or distinction as to lien or otherwise of any of the Bonds over any of the others except as expressly provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay or cause to be paid, or provide for the payment, pursuant to the provisions of this Indenture, of the principal of all Bonds and the interest and any redemption premium due or to become due thereon, at the times and in the manner mentioned in the Bonds and this Indenture, according to the true intent and meaning thereof, and shall cause the payments to be made as required under this Indenture, 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 performance and payments this Indenture and the rights hereby granted shall cease, determine and be discharged, as provided in Article X hereof; otherwise this Indenture to be and remain in full force and effect; and

PROVIDED, FURTHER, that neither the Issuer (or any official, employee or member of the Issuer or of its applicable program participant) nor any person executing the Bonds is liable personally on the Bonds or subject to any personal liability or accountability by reason of their delivery. The Bonds are limited obligations of the Issuer payable solely from the Trust Estate. The Bonds are not a debt, or a loan of the credit, of the Issuer, the State or any of its political subdivisions, and the Bonds, shall not be construed to create any moral obligation on the part of the Issuer, the State or any political subdivision thereof with respect to the payment thereof. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation. The delivery of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, and no Bondholder has the right to compel any exercise of the taxing power of the State or any political subdivision thereof. The Issuer has no taxing power.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds secured hereunder are to be issued, authenticated, delivered and dealt with 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 registered owners, from time to time, of the Bonds appertaining thereto, or any part thereof, as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the meanings set forth in this Article, except as otherwise expressly provided or unless the context otherwise

requires. Terms that are not defined in this Indenture shall have the meanings specified in Article I of the Subordinate Loan Agreement, except as expressly provided herein or the context requires otherwise.

“*Act*” means the Florida Housing Finance Authority Law, codified as Chapter 159, Part IV, Florida Statutes, as amended.

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

“*Authorized Borrower Representative*” means any person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer, the Trustee and the Senior Credit Facility Provider containing the specimen signature of such person and signed on behalf of the Borrower by a general partner of the Borrower, which certificate may designate an alternate or alternates.

“*Authorized Denomination*” shall mean an amount equal to the entire principal amount of Bonds outstanding.

“*Authorized Issuer Representative*” means the Chair and Executive Director of the Issuer or any other person duly designated to act on behalf of the Issuer.

“*Authorized Officer*” means the Chairperson and Executive Director of the Issuer designated by certificate of any of the foregoing as authorized by the Issuer to perform a specified act, sign a specified document or otherwise take action with respect to the Bonds.

“*Available NOI*” means, with respect to any period, any revenues of the Borrower from the Project remaining after paying, or setting aside funds for paying, the following: (i) all sums due or currently required to be paid under or with respect to the Senior Bonds or the Senior Loan Documents; (ii) all sums due or currently required to be paid under the Senior Credit Facility Documents; (iii) all deposits to any replacement reserve, completion/repair reserve or other reserve or escrow required by the Senior Loan Documents or the Senior Credit Enhancement Documents that are currently due and payable; (iv) all fees due or currently payable by the Borrower in connection with the Senior Bonds, including but not limited to fees and expenses of the Issuer, the Senior Trustee, the remarketing agent, the tender agent and any rebate analyst; (v) all reasonable operating expenses of the Project, including but not limited to real estate taxes, insurance premiums, utilities, building painting and repairs, property management fees, payroll, administrative expenses, legal expenses, and _____; [(vi) seventy-five percent (75%) of the remaining Available NOI shall be paid to the Trustee for payment to the current holder of the Bonds of interest on, and principal of the Bonds, and the remaining twenty-five percent (25%) shall be paid to the Borrower].

“*Bond Counsel*” means Akerman Senterfitt or any other nationally recognized firm with experience in tax-exempt private activity bond financing, acceptable to the Issuer. An “opinion

of Bond Counsel” means a written opinion of Bond Counsel addressed to the Issuer and the Trustee.

“*Bond Fund*” means the fund created pursuant to Section 4.03 hereof.

“*Bond Purchaser*” means _____.

“*Bond Registrar*” means the Bond Registrar as defined in Section 2.08 hereof.

“*Bondholder*” or “*holder of the Bonds*” means the registered owner of any Bond.

“*Borrower*” means TRG–Palm Lakes LP, a Florida limited partnership, and any permitted successor or assign thereto.

“*Business Day*” means any day other than a Saturday, Sunday, legal holiday, day on which banking institutions in New York, New York, or in the city in which the Principal Corporate Trust Office of the Trustee is located, or day on which the New York Stock Exchange is authorized or obligated by law or executive order to close.

“*Closing Date*” means October __, 2011, the date of the initial delivery of the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated by the Department of the Treasury pursuant to the Code from time to time or pursuant to any predecessor statute to the Code.

“*Costs of Issuance Fund*” means the fund created by Section 4.02 hereof.

“*Dated Date*” means the date of delivery of the Bonds.

“*Event of Default*” means, when used with respect to this Indenture, any of the events set forth in Section 7.01 of this Indenture, and when used with respect to the Subordinate Loan Agreement, means any of the events set forth in Section 7.01 of the Subordinate Loan Agreement.

“*Fees and Expense Fund*” means the fund created by Section 4.04 hereof.

“*Fiscal Year*” means the fiscal year of the Borrower, which shall be the calendar year, unless the Issuer and the Trustee are notified in writing by the Borrower of a change in such fiscal year.

“*Fund*” means any fund created hereunder.

“*Government Obligations*” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and the interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of

the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par by anyone other than the holder.

“*Indenture*” means this Subordinate Trust Indenture, with all amendments hereof or supplements hereto.

“*Independent Counsel*” means any attorney or attorneys duly admitted to practice law before the highest court of any state and not an officer or full time employee of the Issuer, the Trustee or the Borrower.

“*Interest Payment Date*” means April 15 and October 15 of each year, commencing on April 15, 2012.

“*Investment Securities*” means and include any of the following securities:

“Permitted Investments” means, to the extent authorized by law for investment of moneys of the Issuer:

(a) Government Obligations.

(b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.

(d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short-term obligations are rated in the Highest Rating Category.

(e) Commercial paper rated in the Highest Rating Category.

(f) Interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts and bankers’ acceptances, issued by a Qualified Financial Institution if either (A) the Qualified Financial Institution’s unsecured short-term obligations are rated in the Highest Rating Category or (B) such deposits, accounts or acceptances are fully insured by the Federal Deposit Insurance Corporation.

(g) an agreement held by the Trustee for the investment of moneys at a guaranteed rate with (i) the Credit Provider or (ii) a Qualified Financial Institution whose unsecured long-term obligations, obligations for which a current insurer financial

enhancement rating is available or obligations for which an insurer financial strength rating is available are rated in the Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long-term obligations, obligations for which a current insurer financial enhancement rating is available or obligations for which an insurer financial strength rating is available are rated in the Highest Rating Category; provided, however, that:

(1) the agreement is an unconditional and general obligation of the provider, and if applicable the guarantee or insurance is an unconditional and general obligation of the guarantor or insurer of the agreement, and ranks pari passu with all other unsecured, unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(2) the Trustee receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms;

(3) the agreement provides that the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Trustee is required to pay moneys from any Fund established under this Indenture to which the agreement is applicable, or (B) subject to paragraph (4), any Rating Agency lowers, suspends or withdraws the rating on the Bonds on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(4) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, the Provider must:

(A) within five days of such withdrawal, suspension or downgrade, the provider must notify the Trustee, the Borrower and the Credit Facility Provider; and

(B) within 15 days of such withdrawal, suspension or downgrade and at the option of the Provider, either (i) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, such collateralization to be effected in a manner and in an amount reasonably satisfactory to the Credit Provider, or, if the agreement, is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, in an amount reasonably satisfactory to the Credit Provider or (ii) transfer the

agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long term obligations or claims paying ability are then rated in the Highest Rating Category.

(5) the agreement also provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, and the Provider does not satisfy the requirements of paragraph (4) above within the required period of time, then the Trustee may or the Credit Provider may direct the Trustee to notify the provider that it intends to withdraw the entire balance of the agreement then on deposit, together with all of the accrued and unpaid earnings thereon. The provider will, if the requirements of paragraph (4) above have not been timely satisfied, repay the principal of and accrued but unpaid interest on the investment, with no penalty or premium unless required by law, to the Trustee within two (2) Business Days of receipt of such notice from the Trustee. Upon any such withdrawal the agreement shall terminate.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAM-G or AAAM by S&P or Aaa by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Credit Provider, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (b) or (c). If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAM-G or AAAM by S&P, if S&P is a Rating Agency, or Aaa by Moody's, if Moody's is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAM-G or AAAM by S&P or Aaa by Moody's. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Credit Provider.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to any obligation that provides for the optional or mandatory tender, at par, by the holder of such obligation at least once within one year of the date of purchase,

Government Obligations irrevocably deposited with the Trustee for payment of Bonds pursuant to Section 9.3, and Permitted Investments listed in paragraphs (g) and (i)).

(2) Except for any obligation described in paragraph (a) or (b), any obligation with a purchase price greater or less than the par value of such obligation.

(3) Any asset-backed security, including mortgage-backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset-backed securities and auto loan asset-backed securities.

(4) Any interest-only or principal-only stripped security.

(5) Any obligation bearing interest at an inverse floating rate.

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

(8) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment.

(9) Any investment to which S&P has added an “r” or “t” highlighter.

“*Investor Letter*” means a letter substantially in the form set forth in UExhibit BU to this Indenture.

“*Issuer*” means the Housing Finance Authority of Miami-Dade County (Florida), a public body corporate and politic, duly organized and validly existing under the laws of the State of Florida, and its successors and assigns.

“*Issuer Fee*” means the initial financing fee of the Issuer in the amount of \$ _____.

“*Maturity Date*” means October 1, 2027.

“*Officer’s Certificate*” means a certificate signed by the Authorized Issuer Representative or the Authorized Borrower Representative, as the case may be.

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

(i) Bonds canceled at or prior to such date;

(ii) Bonds for the payment or redemption of which sufficient money or Government Obligations meeting the terms and conditions specified in Section 10.01 shall have been theretofore transferred or deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(iii) Bonds in lieu of which others have been authenticated under Section 2.07 or 2.08; and

(iv) For purposes of any consent or other action to be taken by the holders of a specified percentage of outstanding Bonds hereunder, all Bonds held by or for the Issuer or the Borrower, except that for purposes of any such consent or action the Trustee shall be obligated to consider as not being outstanding only Bonds as to which the Trustee has received notice are so held.

“*Paying Agent*” means the Trustee and any other paying agent at the time serving as such hereunder, whether the original or a successor paying agent.

“*Pledge Agreement*” means the Pledged Bonds Custody and Security Agreement, dated as of October 1, 2011, among the Borrower, U.S. Bank, National Association, as pledge custodian and collateral agent, and the Senior Credit Facility Provider.

“*Principal Corporate Trust Office*” means the corporate trust office of the Trustee as set forth in Section 11.03.

“*Project*” has the meaning given such term in the Subordinate Loan Agreement.

“*Rebate Analyst*” means a firm engaged by the Borrower and acceptable to the Issuer to calculate the Rebate Requirement (as defined in the Tax Certificate).

“*Rebate Fund*” means the fund created by Section 4.05 hereof.

“*Record Date*” means the fifteenth day of the calendar month next preceding each Interest Payment Date, whether or not a Business Day.

“*Redemption Price*” means, with respect to any Bond or a portion thereof, the principal amount of such Bond or portion thereof, plus the applicable premium (if any) and accrued interest payable upon redemption thereof in the manner contemplated in accordance with its terms and this Indenture.

“*Regulatory Agreement*” means the Land Use Restriction Agreement, dated as of October 1, 2011, by and among the Issuer, the Senior Trustee and the Borrower, executed, delivered and recorded with respect to the Project, and as it may be supplemented and amended from time to time.

“*Reserved Rights*” means those certain rights of the Issuer under the Subordinate Loan Agreement to indemnification and to payment or reimbursement of fees and expenses of the Issuer, indemnity payments, its right to enforce notice and reporting requirements and restrictions on transfer of ownership, its right to inspect and audit the books, records and premises of the Borrower and of the Project, its right to collect attorneys’ fees and related expenses, its right to enforce the Borrower’s covenant to comply with applicable federal tax law and State law, and its right to receive notices and to consent to any matter thereunder.

“*Senior Agreement*” means the Financing Agreement, dated as of October 1, 2011, among the Issuer, the Borrower and the Senior Trustee, providing for the loan of the proceeds of the Senior Bonds, as it may be amended or supplemented from time to time.

“*Senior Bonds*” means, \$16,800,000 Housing Finance Authority of Miami-Dade County (Florida) Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project).

“*Senior Credit Facility Documents*” means the Reimbursement Agreement, the Certificate of Borrower, all Collateral Agreements, the Construction Phase Financing Agreement, the Hedge Documents, the Hedge Security Agreement, the Hedge Reserve Escrow Account Security Agreement, the Pledge Agreement (as each such document is defined in the Senior Indenture) and all other agreements and documents securing the Senior Credit Facility Provider or otherwise relating to the provision of the Credit Facility, as any such agreement may be amended, supplemented or restated from time to time.

“*Senior Credit Facility Provider*” means the Credit Provider under the Senior Indenture.

“*Senior Indenture*” means the Trust Indenture, dated as of October 1, 2011, between the Issuer and the Senior Trustee, relating to the Senior Bonds, as it may be amended or supplemented from time to time.

“*Senior Lender*” means the Senior Trustee and the Senior Credit Facility Provider, as their interests may appear.

“*Senior Loan Documents*” means the Senior Indenture, the Senior Agreement, the Regulatory Agreement, and the Loan Documents (as such term is defined in the Senior Indenture).

“*Senior Trustee*” means U.S. Bank, National Association, as trustee under the Senior Indenture, together with any successor trustee under the Senior Indenture.

“*State*” means the State of Florida.

“*Subordinate Intercreditor Agreement*” means the Subordinate Intercreditor Agreement, dated as of October 1, 2011, executed by the Issuer, the Trustee, the Senior Trustee, and the Senior Credit Facility Provider, as it may be amended or supplemented from time to time.

“*Subordinate Loan Agreement*” means the Subordinate Loan Agreement, dated as of October 1, 2011, between the Issuer and the Borrower, together with all amendments thereof and supplements thereto that shall be made pursuant to this Indenture and Subordinate Loan Agreement.

“*Subordinate Loan Documents*” means the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage, the Subordinate Intercreditor Agreement, the Tax Certificate and the Regulatory Agreement.

“*Subordinate Loan Fund*” means the Subordinate Loan Fund created by Section 4.02.

“*Subordinate Loan Payments*” means the Subordinate Loan Payments required under the Subordinate Loan Agreement.

“*Subordinate Mortgage*” means the Subordinate Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of October 1, 2011, executed by the Borrower with respect to the Subordinate Loan, as amended, modified, supplemented or restated from time to time to the extent permitted by this Indenture.

“*Subordinate Note*” means the Subordinate Promissory Note, executed by the Borrower and delivered to the Issuer pursuant to the Subordinate Loan Agreement, as amended, modified, supplemented or restated from time to time to the extent permitted by this Indenture or the Subordinate Loan Agreement.

“*Tax Certificate*” means collectively, (i) the Non-Arbitrage Certificate, dated the Closing Date, executed and delivered by the Issuer, and (ii) the Borrower’s Tax Certificate, dated the Closing Date, executed by the Borrower, as amended, supplemented or restated from time to time.

“*Trust Estate*” has the meaning set forth in the Granting Clauses to this Indenture.

“*Trustee*” means the Trustee at any time serving as such hereunder.

“*Written Consent*,” “*Written Demand*,” “*Written Direction*,” “*Written Election*,” “*Written Notice*,” “*Written Order*,” “*Written Request*” and “*Written Requisition*” of the Issuer or the Borrower means, respectively, a written consent, demand, direction, election, notice, order, request or requisition signed by an Authorized Issuer Representative or an Authorized Borrower Representative.

Section 1.02. Rules of Construction.

(a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise

requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

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

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

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

ARTICLE II
TERMS, AUTHORIZATION, EXECUTION,
AUTHENTICATION AND DELIVERY OF BONDS

Section 2.01. Authorization of Bonds; Closing Procedure. There are authorized to be issued and delivered hereunder bonds of the Issuer designated as “Housing Finance Authority of Miami-Dade County (Florida) Subordinate Multifamily Mortgage Revenue Refunding Bonds (Palm Lakes Apartments Project) Series 2011B” in the aggregate principal amount of \$1,600,000. The maximum aggregate principal amount of Bonds that may be delivered and outstanding under this Indenture shall not exceed \$1,600,000.

Section 2.02. Terms of the Bonds.

(a) The Bonds shall be issuable as fully registered Bonds in Authorized Denominations. The Bonds shall be numbered consecutively from R-1 upwards in order of delivery according to the records of the Trustee. The Bonds shall be dated their Dated Date and shall mature, subject to prior redemption as provided in Article III hereof, on the Maturity Date. The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) at a [fixed interest rate of 10]% per annum, payable on each Interest Payment Date to the Maturity Date. Notwithstanding anything herein to the contrary, interest shall be non-compounding and no interest shall accrue on unpaid interest. If the Borrower shall fail to make any Subordinate Loan Payment to the extent and as required in the Subordinate Loan Agreement and all the Senior Bonds have been paid in full and fully discharged, interest payable on the Bonds shall continue as an obligation of the Borrower until the amount in default shall have been fully paid. Such interest may continue to accrue until fully paid but shall not compound.

(b) The interest to be paid on an Interest Payment Date shall be computed from the date to which interest was last paid on the Bonds or, if interest has not previously been paid on the Bonds, from their date of authentication.

The person in whose name a Bond is registered at the close of business on any Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Bond upon any transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent that the Issuer shall default in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the holder in whose name outstanding Bonds are registered on a subsequent Record Date established by notice given by first class mail by the Trustee or by or on behalf of the Issuer to the holders of the Bonds not less than thirty (30) days preceding such subsequent Record Date.

The principal of, the redemption premium (if any) and the interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be payable by check of the Trustee, mailed by first class mail, to any holders in whose names the Bonds are registered on the registration books maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date next preceding such Interest Payment Date. The Trustee shall maintain a record of the amount and date of any payment of principal and/or interest on the Bonds (whether at the maturity date or the redemption date prior to maturity or upon the maturity thereof by declaration or otherwise). In the case of a redemption of any Bond or a portion thereof, the Trustee, as paying agent, shall pay on the applicable redemption date from funds provided hereunder the redemption price upon surrender of such Bond to the Trustee in lawful money of the United States of America.

If any Bond shall not be presented for payment when the principal of or any portion thereof becomes due, either at the stated maturity, at the date fixed for redemption (when such presentation is required) prior to stated maturity, or upon maturity by declaration, provided money sufficient to pay the Redemption Price of such Bond or portion thereof shall have been made available to the Trustee and held for the benefit of the holder of such Bond, all liability of the Issuer to the holder thereof for the payment of such Bond or portion thereof, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such money, without liability for interest thereon, for the benefit of the holder of such Bond, who shall thereafter be restricted exclusively to such money held for any claim of whatever nature on its part hereunder or on, or with respect to, such Bond or portion thereof.

Section 2.03. Execution; Limited Obligation. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of an Authorized Officer and attested by the manual or facsimile signature of an Authorized Attesting Officer. If any officer of the Issuer who shall have executed any Bond shall cease to be such officer before the Bond so executed (by manual or facsimile signature) shall be authenticated and delivered by the Trustee, such Bond nevertheless may be authenticated and delivered as though the person who executed such Bond had not ceased to be such officer of the Issuer, and also any Bond may be executed on behalf of the Issuer by such persons as at the actual time of such execution of such Bond shall be the

proper officers of the Issuer, although at the date of such Bond such persons may not have been officers of the Issuer.

No member, official or employee of the Issuer or any person executing the Bonds shall be liable personally on the Bonds or subject to any personal liability or accountability by reason of their delivery. The Bonds are special, limited obligations of the Issuer, payable solely from the Trust Estate. The Bonds are not a debt of the State or of any other political subdivision of the State, and neither the State nor any other political subdivision of the State will be liable for the payment of the Bonds. The faith and credit of the Issuer, the City of Miami, the State or any political subdivision of the State are not pledged to the payment of the principal of or interest on the Bonds. The Issuer has no taxing power.

No recourse shall be had for the payment of the principal of, interest and premium, if any, on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained herein, against any past, present or future member of the governing body of the Issuer or any officer, employee or agent of the Issuer, under any rule of law or equity, or statutory or constitutional provision or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member of the governing body of the Issuer, or any officer, employee or agent of the Issuer, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the delivery of the Bonds.

Section 2.04. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form herein, manually executed by the Trustee, shall be entitled to any right or benefit hereunder. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been executed by the Trustee, and such executed certificate of authentication of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. Said certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds delivered hereunder.

Section 2.05. Form of Bonds. The Bonds, the Trustee's certificate of authentication and the form of assignment shall be in substantially the form set forth in Exhibit A attached hereto with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon, as may be required to comply with any applicable laws or rules or regulations, or as may, consistently herewith, be determined by the officers executing such Bonds, as evidenced by their execution of the Bonds. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Bond. Bonds may be typewritten, printed, engraved, lithographed or otherwise produced.

Section 2.06. Delivery of the Bonds. The Bonds shall be executed substantially in the form and manner herein set forth and shall be deposited with the Trustee for authentication. The Trustee shall authenticate and deliver the Bonds to, or at the direction of, the Bond Purchaser, but only after there has been filed with the Trustee the following:

(1) original or executed counterparts or certified copies, as appropriate, of this Indenture, the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage, the Tax Certificate, the Regulatory Agreement and the Subordinate Intercreditor Agreement;

(2) an opinion of Bond Counsel as to the validity of the Bonds and the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(3) a Written Order of the Issuer to the Trustee to authenticate and deliver the Bonds as directed in such order, upon payment by the Bond Purchaser of the sum specified therein; and

(4) an Investor Letter and the purchase price for the Bonds.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Bond of the same maturity, interest rate, aggregate principal amount in Authorized Denominations and tenor in lieu of and in substitution for 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, as Bond Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence satisfactory to it of the ownership of such Bond and of such loss, theft or destruction, together with indemnity satisfactory to it. If any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee. The Issuer and the Trustee may charge the holder of such Bond with their reasonable fees and expenses in this connection.

In executing a new Bond and in furnishing the Trustee with the written authorization to authenticate and deliver a new Bond as provided for in this Section, the Issuer may rely conclusively on a written representation of the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

Section 2.08. Exchangeability and Transfer of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided herein to be kept by the Trustee which is hereby constituted and appointed the Bond Registrar of the Issuer.

Subject to the requirements of the following paragraph of this Section, Bonds may be transferred on the books of registration kept by the Trustee by the holder in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer executed by the holder or his duly authorized attorney. Upon surrender for transfer of any Bond with all partial redemptions endorsed thereon at the Principal Corporate Trust Office, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity, interest rate, aggregate principal amount and tenor and of any Authorized Denomination or denominations and numbered consecutively in order of delivery according to the records of the Bond Registrar.

The Trustee shall not register any transfer of any Bonds hereunder unless such transfer is made in compliance with Section 2.09 of this Indenture.

Bonds may be exchanged at the Principal Corporate Trust Office for an equal aggregate principal amount of Bonds of the same maturity, interest rate, aggregate principal amount and tenor and of any Authorized Denomination. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. Such transfers of registration or exchanges of Bonds shall be without charge to the holders of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder of the Bond requesting such transfer or exchange as a condition precedent to the exercise of such privilege.

The Trustee shall not be required to transfer or exchange any Bond after the giving of notice calling such Bond for redemption or partial redemption has been made.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal, redemption premium or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove such Bond to the extent of the sum or sums so paid.

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

The Bonds shall be held only in certificated form, and shall not be Outstanding in book-entry form.

Section 2.09. Restrictions on Transfer. The following shall apply to all sales and transfers of the Bonds after the initial sale and delivery of the Bonds:

- (a) The Bonds shall be transferred only in an Authorized Denomination (only in whole);
- (b) The Bonds shall be transferred only to sophisticated investors who execute and deliver an Investor Letter to the Trustee, unless the transferee is the Borrower;
- (c) If the Senior Bonds are credit enhanced by Fannie Mae, the Bonds shall be transferred only with the consent of Fannie Mae; and
- (d) The Bond Purchaser shall be the beneficial owner of the Bonds upon initial issuance thereof.

The Trustee and the Registrar shall not authenticate or register a Bond unless the conditions of this Section have been satisfied.

Section 2.10. Subordination of Bonds. The indebtedness evidenced by the Bonds is and shall be subordinate in right of payment to the prior payment in full of all the indebtedness under the Senior Bonds, the Senior Loan Documents and the Senior Credit Facility Documents, to the extent and in the manner provided in the Subordinate Intercreditor Agreement. An Event of Default hereunder shall only constitute an event of default under the Senior Loan Documents to the extent provided in the Subordinate Intercreditor Agreement. This Indenture is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Loan Documents. The rights and remedies of the holders and subsequent holders of Bonds under this Indenture are subject to the restrictions and limitations set forth in the Subordinate Intercreditor Agreement. Nothing herein shall be construed to prohibit current payment of amounts due with respect to the Bonds if all payments then due with respect to the Senior Bonds have been made and there is Available NOI available for payment of such amounts.

ARTICLE III REDEMPTION OF BONDS

Section 3.01. Optional Redemption. Subject to the Subordinate Intercreditor Agreement, the Bonds are subject to optional redemption as a whole or in part on any Interest Payment Date from Available NOI upon optional prepayment of the Subordinate Loan pursuant to the terms of Section 3.05(c) of the Subordinate Loan Agreement, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus accrued interest through the redemption date, without premium.

Section 3.02. Extraordinary Redemption. Subject to the Subordinate Intercreditor Agreement, the Bonds are subject to redemption on any Interest Payment Date, in whole or in part, if the Borrower, pursuant to the terms of Section 3.05(a) of the Subordinate Loan Agreement, exercises its option to direct the Trustee to redeem Bonds in the event of (i) certain damage or destruction of the Project or (ii) condemnation of the Project or any part thereof or a sale in lieu of condemnation, at the Redemption Price, without premium, but only to the extent there is Available NOI for such Redemption Price that is not needed for payment of the redemption price of the Senior Bonds or to be applied to the construction or restoration of the Project in accordance with the Senior Loan Documents.

Section 3.03. Mandatory Redemption. (a) Subject to the Subordinate Intercreditor Agreement, the Bonds are subject to mandatory redemption in denominations of \$100,000 and any integral multiple of \$1.00 in excess thereof on any Interest Payment Date to the extent the Trustee holds amounts in the Bond Fund representing deposits of Available NOI that are subject to transfer from the Bond Fund pursuant to Section 4.03(c) – THIRD, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus accrued interest through the redemption date, without premium.

(b) The Bonds shall be redeemed in whole or in part to the extent amounts remaining in the Subordinate Loan Fund are transferred to the Redemption Account pursuant to Section 4.2(c) hereof, on any date, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus accrued interest through the redemption date, without premium.

Section 3.04. Partial Redemption of Bonds. With respect to any partial redemption of the Bonds, the Trustee shall prorate the aggregate principal amount of Bonds to be redeemed among all holders of the Bonds subject to such redemption in proportion to the principal amount of such Bonds registered in the name of each such holder. On each subsequent partial redemption of Bonds, the Trustee shall make such adjustments, to the extent practicable, as will equalize on a cumulative basis, the prorations among Bondholders.

Upon redemption of any Bond in part, the Trustee shall authenticate and deliver to or upon the written order of the registered owner thereof, at the expense of the Borrower, a new Bond or Bonds of the same maturity in an aggregate face amount equal to the unredeemed portion of the Bond redeemed in part.

Section 3.05. Notice of Redemption; Effect of Redemption.

(a) Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than fifteen (15) days or more than thirty (30) days prior to the redemption date to each holder of the Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the Trustee will be given not more than one Business Day prior to such redemption. Failure so to mail any such notice to the holder of any Bond or any defect therein shall not affect the validity of the proceedings for such redemption as to the holders of any Bonds to whom notice has been mailed.

On or prior to the giving of notice of the redemption date, sufficient money shall be deposited in the Bond Fund to pay the principal amount of the Bonds called for redemption and accrued interest or interest due thereon on such redemption date.

(b) On a noticed redemption date, the Bonds called for redemption shall be due and payable at the Redemption Price. If on such redemption date money for payment of the Redemption Price and accrued interest is held by the Trustee as provided herein, interest on such Bonds called for redemption shall cease to accrue and such Bond shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the money held by the Trustee and the amount of such Bonds so called for redemption shall be deemed paid and no longer outstanding.

In the case of a redemption of any Bond or a portion thereof, on the date set for redemption in the written notice to the Bondholders required to be given in this Section, the Trustee, as paying agent, shall pay from funds provided hereunder the redemption price upon surrender of such Bond, to the Trustee in lawful money of the United States of America.

All Bonds paid or redeemed in whole or in part, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made and such Bonds (or the portion thereof paid or redeemed) shall thereupon be canceled. All Bonds canceled under any of the provisions of this Indenture shall be destroyed by the Trustee, and, upon request, the Trustee shall execute a certificate in duplicate, describing the Bonds so destroyed and one executed certificate shall be filed with the Borrower and the other executed certificate shall be retained by the Trustee. Upon written request therefor, a photocopy of such certificate shall be supplied to the Issuer.

**ARTICLE IV
CREATION AND APPLICATION OF FUNDS**

Section 4.01. Application of Proceeds and Other Amounts. On the Closing Date, the Trustee shall receive from the Bond Purchaser the purchase price of the Bonds (\$1,600,000). The Trustee shall deposit all such amounts to the Subordinate Loan Fund. The transfer of the purchase price of the Bonds described herein shall constitute funding of the Subordinate Loan to the Borrower. On the Closing Date, the Trustee shall receive from the Borrower \$_____ for payment of the costs of issuing the Bonds. Such amounts shall be deposited to the Costs of Issuance Fund.

Section 4.02. Subordinate Loan Fund. (a) There is hereby established with the Trustee a trust fund to be designated the "Subordinate Loan Fund." Amounts on deposit in the Subordinate Loan Fund shall be disbursed from time to time by the Trustee for the purpose of paying Project Costs. In addition, amounts in the Subordinate Loan Fund shall be transferred to the Redemption Account at the times and in the manner provided in subsection (c) of this Section 4.02.

(b) The Trustee shall make disbursements from the Subordinate Loan Fund only upon the receipt of Requisitions signed by an Authorized Borrower Representative and countersigned by the Loan Servicer (signifying the consent to the Requisition the Loan Servicer). The countersignature of the Loan Servicer on a Requisition shall be deemed a certification and, insofar as the Trustee and the Issuer are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the Senior Credit Facility Documents applicable to such disbursement have been fully satisfied or waived. The Trustee shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Senior Credit Facility Provider and the Loan Servicer, initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition and the requested disbursement shall be paid by the Trustee as soon as practicable. Upon final disbursement of all amounts on deposit in the Subordinate Loan Fund, including all interest accrued therein, the Trustee shall close the Subordinate Loan Fund.

(c) Immediately prior to any mandatory redemption of Bonds pursuant to Section 3.02 (if redeemed in whole) or 3.03(b), any amount then remaining in the Subordinate Loan Fund shall be transferred to the Redemption Fund to be applied to redeem Bonds. In addition, any amount remaining in the Subordinate Loan Fund upon the earlier of (a) the date of completion of the rehabilitation of the Mortgaged Property and not required to pay Project Costs not yet due and payable or being contested in good faith, or (b) [DATE], shall be transferred to the Redemption Fund and used to redeem of Bonds in accordance with Section 3.03(b).

Section 4.03. Costs of Issuance Fund. There is hereby established with the Trustee a trust fund to be designated the "Cost of Issuance Fund." The Trustee shall deposit to the Costs of Issuance Fund the amounts required to be transferred thereto pursuant to Section 4.01 hereof. Such amounts shall be disbursed pursuant to a written requisition of the Borrower to pay the costs of issuing the Bonds. Amounts remaining in the Costs of Issuance Fund 90 days after the Closing Date shall be returned by the Trustee to the Borrower.

Section 4.04. Creation of the Bond Fund; Use of Money in the Bond Fund.

(a) There is hereby established with the Trustee a trust fund to be designated the "Bond Fund." The principal of and interest on the Bonds shall be paid from the Bond Fund. All money transferred by the Borrower to the Trustee as required by the Subordinate Loan Agreement (except amounts to be deposited in the Fees and Expense Account, as provided in Section 3.06 of the Subordinate Loan Agreement and amounts deposited in the Costs of Issuance Fund) shall be deposited in the Bond Fund for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or by call for redemption or otherwise.

(b) There shall be paid into the Bond Fund, as and when received, all Available NOI deposited by the Borrower with the Trustee pursuant to the Subordinate Loan Agreement, all money held in trust by the Trustee pending payment of the Redemption Price of all or any portion of the Bonds, and all other money received by the Trustee under and pursuant to any of the provisions of the Subordinate Loan Agreement or this Indenture when accompanied by directions from the Borrower that such money is to be paid into the Bond Fund.

(c) Except as provided in this Section (with respect to the release of funds to the Borrower), money in the Bond Fund shall be applied in the following order solely for the payment of the principal and interest on the Bonds, whether at stated maturity, at the date fixed for redemption prior to stated maturity:

FIRST, to the payment of current interest due on the Bonds on an Interest Payment Date accrued from the immediately preceding Interest Payment Date;

SECOND, to the payment of previously accrued but unpaid interest on the Bonds; and

THIRD, to the payment of the redemption price of the maximum aggregate principal amount of Bonds, in Authorized Denominations, for which the Trustee holds sufficient funds to effect redemption pursuant to Section 3.03.

On the Maturity Date or any redemption date prior to maturity of each Bond, and on the date that each installment of interest is due and payable on each Bond, the Trustee shall transfer from the Bond Fund sufficient money to pay all principal of and interest (if any) and the redemption premium (if any) then due and payable with respect to the Bonds. Money so transferred shall be held by the Trustee, without liability on the part of the Trustee or the Issuer for interest thereon, until actually paid out for the purposes intended.

(d) Any money remaining in the Bond Fund after payment in full of all Bonds (taking into consideration that sufficient money or Government Obligations such as are described in Section 10.01 have been transferred to or deposited in the Bond Fund to pay all principal of and the interest and the redemption premium then due and payable with respect to each Bond not yet presented for payment and to pay all principal and interest

relating to each Bond that is not yet due and payable, but with respect to which the lien of this Indenture has been defeased upon compliance with Article X), the fees, charges, and expenses of the Issuer, the Trustee, the Paying Agent and the Bond Registrar, which have accrued and which will accrue, and all other items required to be paid hereunder (other than items payable from the Bond Fund), shall be paid to the Borrower upon the expiration or sooner termination of the term of the Subordinate Loan Agreement as provided in the Subordinate Loan Agreement; provided that such amounts are not required for the payment of obligations under the Senior Loan Documents.

Section 4.05. Creation and Application of Fees and Expense Fund. There is hereby established with the Trustee a trust fund to be designated the “Fees and Expense Fund.” All money transferred by the Borrower to the Trustee as required by Section 3.06 of the Subordinate Loan Agreement shall be deposited in the Fees and Expense Fund. Money in the Fees and Expense Fund shall be used solely for the payment of fees, costs and expenses relating to the Bonds, as set forth in Section 3.06 of the Subordinate Loan Agreement. Amounts on deposit in the Fees and Expense Fund shall be disbursed from time to time by the Trustee, as set forth in the Subordinate Loan Agreement or upon receipt of invoice, to pay such fees, costs and expenses.

Section 4.06. Rebate Fund. There is hereby established with the Trustee a trust fund to be designated the “Rebate Fund.” The Issuer shall require the Borrower to deposit in the Rebate Fund, the Rebate Requirement (as defined in the Tax Certificate, which is incorporated herein by reference). Subject to the provisions of this Section, money held in the Rebate Fund is hereby pledged to secure payments to the United States government, and the Issuer, the Borrower, the Trustee and the Bondholders shall have no rights in or claim to such money. Within 30 days after the end of every fifth Bond Year (as defined in the Tax Certificate), and within 55 days after the date on which no Bonds are Outstanding, the Borrower shall cause the Rebate Analyst to deliver to the Trustee and the Issuer a certificate stating whether any rebate payment is required to be made, as set forth in the Tax Certificate, and the Borrower shall deliver to the Trustee any amount so required to be paid.

ARTICLE V

SECURITY FOR FUNDS; INVESTMENT OF MONEY

Section 5.01. Security for Deposits. Any and all money received by the Issuer under the provisions of this Indenture shall be deposited as received by the Issuer with the Trustee and shall be trust funds held under the terms hereof and shall not be subject to any lien or attachment by any creditor of the Issuer or the Borrower, subject to the terms of the Subordinate Intercreditor Agreement; provided, however, that the foregoing shall not be deemed to prohibit the Issuer from receiving and retaining any amounts paid to it pursuant to the provisions of Sections 3.06, 5.12 or 7.04 of the Subordinate Loan Agreement. Such money shall be held in trust and applied in accordance with the provisions of this Indenture.

Section 5.02. Investment of Money. Money held for the credit of the Bond Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee at the Written Direction of the Borrower, and with the consent of the Senior Credit Facility Provider, in Investment Securities. In the absence of any direction from the Borrower with respect to the investment of money in any fund held hereunder, the Trustee shall invest such money in

Investment Securities described in clause (iv) of the definition thereof. Any such Investment Securities shall mature not later than the respective dates when the money held for the credit of such Funds will be required for the purposes intended. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee shall not be liable for any loss from any investments made or sold or liquidated by it in accordance with the provisions of this Indenture.

The Issuer (and the Borrower by its execution of the Subordinate Loan Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer and the Borrower periodic cash transaction statements that include details for all investment transactions made by the Trustee hereunder.

Securities so purchased as an investment of, and any interest-bearing negotiable or nonnegotiable certificates of deposit made with respect to, any money credited to the Bond Fund and any account therein shall be deemed at all times to be part of such Fund or account and the interest accruing thereon and any profit realized or any loss resulting from such investment shall be credited to, or charged against such Fund. The Trustee shall sell or present for redemption any obligations so purchased or present for payment any such certificates of deposit whenever it shall be necessary so to do in order to provide money to make any payment or transfer of money from either such Fund. The Trustee shall not be responsible for any depreciation of the value of any investment made pursuant to this Section or for losses incurred in the redemption, sale or other disposal of any investments made in accordance with this Section.

ARTICLE VI PARTICULAR COVENANTS

Section 6.01. Payment of Principal, Interest and Redemption Premium. The Issuer covenants that it will promptly pay, or cause to be paid, the principal of, redemption premium (if any) and the interest on the Bonds at the places, on the dates and in the manner provided herein and in said Bonds, and any premium required for the retirement of said Bonds by redemption, but only from the money received by the Issuer from the Borrower and not from any other fund or source. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, in the Bonds or in any proceedings of the Issuer pertaining thereto.

Section 6.02. Covenant as to Subordinate Loan Agreement. The Issuer covenants and agrees that it will not voluntarily take any action or fail to take any action that may result in the termination or cancellation of the Subordinate Loan Agreement, except in accordance with the terms of the Subordinate Loan Agreement; that it will fulfill its obligations under the Subordinate Loan Agreement; that it will not execute or agree to any change, amendment or modification of or supplement to the Subordinate Loan Agreement, except as provided in the Subordinate Loan Agreement or in this Indenture; and that it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent

whatsoever of the obligation of the Borrower to pay the Subordinate Loan Payments as provided in the Subordinate Loan Agreement.

The Issuer covenants that, in the event the Subordinate Loan Agreement shall be terminated or canceled, the Issuer will take, at the request of the Trustee or the Senior Credit Facility Provider and provided sufficient funds are available to pay all costs and expenses reasonably incurred by the Issuer in connection therewith, prompt and reasonable action to assure that the rights and interests of the Bondholders are adequately protected.

Section 6.03. Covenant Against Encumbrances. The Issuer covenants that it will not voluntarily create any lien, encumbrance or charge upon the Subordinate Loan Agreement and the Issuer's right to receive the Subordinate Loan Payments thereunder except the pledge, lien and charge for the security of the Bonds hereby created.

Section 6.04. Recording and Filing. The Borrower has covenanted in the Subordinate Loan Agreement that it will cause any financing statements filed in connection with this Indenture to be kept recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and the rights of the Trustee hereunder.

Section 6.05. Further Instruments and Actions. The Issuer covenants that, at the request of the Borrower or the Trustee and provided sufficient funds are available to pay all costs and expenses, if any, reasonably incurred by the Issuer in connection therewith, it will, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Indenture and the Subordinate Loan Agreement.

Section 6.06. Records and Accounts. The Trustee shall keep proper books of record and account in which complete and correct entries shall be made of all transactions made by it hereunder relating to the receipt, disbursement, allocation, investment, and application of the Trust Estate and the proceeds of the Bonds. Such records and other information shall be open to inspection by the Issuer, the Borrower, the Senior Credit Facility Provider and by any Bondholder at any reasonable time on reasonable notice.

The Trustee shall, on or before the fifth (5th) day of each month, file with the Borrower a statement setting forth in respect to the preceding calendar month:

- (a) the amount withdrawn or transferred by it and the amount deposited within or on account of each Fund held by it under the provision of this Indenture, including the amount of investment earnings on each Fund transferred to the Bond Fund;
- (b) the amount on deposit with it at the end of such month to the credit of each Fund;
- (c) a brief description of all obligations held by it as an investment of money in each such Fund;
- (d) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed; and

(e) any other information that the Borrower or the Senior Credit Facility Provider Issuer may reasonably request and to which the Trustee has access in the ordinary course of its operations.

Upon the written request of any holder of 25% or more in aggregate principal amount of Bonds then Outstanding, the Trustee, at the cost of the Borrower, shall provide a copy of such statement to the Bondholder. All records and files pertaining to the Trust Estate shall be open at all reasonable times to the inspection of the Issuer and its agents and representatives upon reasonable prior notice.

Section 6.07. Assignment; Additional Security. The Issuer hereby grants, assigns and pledges to the Trustee and the Bondholders, as additional security for the Bonds subject to the Subordinate Intercreditor Agreement, the rights and privileges, in addition to all other rights vested in and remedies available to the Trustee and the Bondholders in the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage, to enforce, either jointly with the Issuer or separately and in conformity with the provisions of this Indenture, the performance of the obligations of the Borrower under the Subordinate Loan Agreement and the Subordinate Mortgage, other than any obligations of the Borrower related to the Reserved Rights. The assignment hereunder to the Trustee is to the Trustee solely in its capacity as Trustee under this Indenture, and in exercising any rights or remedies under the Subordinate Loan Agreement, the Trustee shall be entitled to the protections, limitations from liability and provisions of this Indenture.

Section 6.08. Tax Covenants.

(a) The Issuer covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Issuer covenants that it will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Issuer, based upon the opinion of Bond Counsel, is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any money held by the Trustee under this Indenture, the Issuer shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions, notwithstanding any inconsistent directions from the Borrower.

(c) Notwithstanding any provisions of paragraphs (a) or (b) of this Section, if the Issuer shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 6.09. Information to Bondholders. The Trustee agrees that it will, upon written request, forward to any person who holds the aggregate principal amount of Bonds Outstanding copies of all information delivered to the Trustee by the Borrower pursuant to Section 5.08 of the Subordinate Loan Agreement.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. Subject to the Subordinate Intercreditor Agreement, each of the following events is hereby declared an Event of Default hereunder:

(a) payment of any interest on the Bonds shall not be made when the same becomes due and payable, provided sufficient Available NOI has been deposited in the Bond Fund;

(b) payment of the principal of or the Redemption Price of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise, provided sufficient Available NOI has been deposited in the Bond Fund;

(c) failure in the performance or observance of any of the other agreements or conditions on the part of the Issuer (other than as referred to in (a) and (b) above) herein or in the Bonds contained and the continuance of such failure for a period of 60 days after receipt of notice given by the Trustee thereof to the Issuer or the Borrower; provided, however, that if such failure is such that it can be corrected but not within such 30 day period, it shall not constitute an Event of Default if corrective action capable of remedying such default is instituted by the Issuer or the Borrower within such 60 day period and diligently pursued until such failure is corrected but in any event not more than 90 days without the written consent of all Bondholders; or

(d) failure to pay all principal and interest on the Bonds on the Maturity Date.

Notice of an Event of Default hereunder shall be promptly provided by the Trustee to the Borrower, the Senior Trustee and the Senior Credit Facility Provider. An Event of Default hereunder shall not, in and of itself, constitute an event of default with respect to the Senior Bonds, except as provided in the Subordinate Intercreditor Agreement.

Section 7.02. Acceleration of Maturities. Subject to the Subordinate Intercreditor Agreement and the provisions of Section 7.07 hereof, upon the happening and continuance of any Event of Default under Section 7.01, the Trustee shall, upon the written request of the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding hereunder, by a notice in writing to the Issuer and the Borrower, declare the principal of all the Outstanding Bonds (if not then due and payable), to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Indenture to the contrary notwithstanding; provided, however, that if at any time after the principal of such Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under

this Indenture, (i) money shall have accumulated in the Bond Fund sufficient to pay the principal of all matured Bonds that would have been due and payable absent such acceleration and all arrears of interest, if any, upon all Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such since the last Interest Payment Date), (ii) the charges, compensation, expense, disbursements, advances and liabilities of the Trustee, including, without limitation, the fees and expenses of its attorneys, advisors and agents, and all other amounts then payable by the Issuer hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and (iii) every other default in the observance or performance of any covenant, condition or agreement contained in such Bonds, or in this Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section) of which the Trustee has knowledge shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the holders of not less than twenty-five percent (25%) in aggregate principal amount of such Bonds, not then due and payable by their terms and then Outstanding shall, by written notice to the Issuer and the Borrower, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Notwithstanding the foregoing, so long as the Senior Bonds, the Senior Loan Documents or the Senior Credit Facility Documents remain outstanding, the Trustee shall have no right to enforce the provisions hereof on behalf of the holders of the Bonds, except as permitted by the Subordinate Intercreditor Agreement.

Section 7.03. Enforcement of Remedies. Upon the happening and continuance of any Event of Default hereunder, but subject, in all cases, to the terms of the Subordinate Intercreditor Agreement, then and in every such case the Trustee shall upon the written request of the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding hereunder proceed, subject to the provisions of Section 8.06 of this Indenture, to protect and enforce its rights and the rights of the Bondholders under the laws of the State and under this Indenture by such suits, actions or special proceedings in equity or at law (including the power of sale), or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as directed by the Senior Credit Facility Provider.

In the enforcement of any remedy under this Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any of the provisions of this Indenture or of the Bonds and unpaid, with interest on overdue payments of principal at an interest rate per annum equal to the highest lawful rate permitted by applicable law, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money in the Bond Fund and any other money available for such purposes as provided herein), in any manner provided by law, the money adjudged or decreed to be payable.

Section 7.04. Application of Funds. Anything in this Indenture to the contrary notwithstanding, but subject to the Subordinate Intercreditor Agreement, if at any time the money in the Bond Fund shall not be sufficient to pay the interest on or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 7.02), such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall, after payment of fees and expenses of the Trustee, including, without limitation, the fees and expenses of its attorneys, advisors and agents, be applied as follows:

(a) if the principal of all the Bonds shall not have become or shall not have been declared due and payable, subject to the Subordinate Intercreditor Agreement, all such money shall be applied:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds in the order in which such installments become due and payable and, if the amount 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 preference; and

SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Bond that shall have become due and payable, in the order of their due dates, with interest on the principal amount of such Bonds at the rate specified herein from the date upon which Bonds become due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference and second to the payment of such principal, ratably, accordingly to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference.

(b) if the principal of all the Bonds shall have become or shall have been declared due and payable, subject to the Subordinate Intercreditor Agreement, all such money shall be applied:

FIRST: to the payment to the persons entitled thereto of all installments of interest due and payable the Bonds on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount 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 preference, and then to the payment of any interest due and payable after maturity on the Bonds, ratably, to the persons entitled thereto, without any discrimination or preference; and

SECOND: to the payment of the principal of the Bonds, ratably, to the persons entitled thereto, without preference or priority.

(c) if the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 7.02 of this Indenture, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the Bond Fund shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future; the deposit of such money with the Paying Agent, or otherwise setting aside such money, in trust for the proper purpose shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying such money, as long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement, or for cancellation if fully paid.

Section 7.05. Effect of Discontinuance of Proceedings. In case any proceeding taken by the Trustee or the Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason then and in every such case, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 7.06. Control of Proceedings by Bondholders. Anything in this Indenture to the contrary notwithstanding, the majority of the Bondholders shall have the right, subject to the provisions of Section 7.07 of this Indenture and the Subordinate Intercreditor Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder with respect to any Bonds, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture.

Section 7.07. Restrictions Upon Actions by Individual Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or for the execution of any trust hereunder or for any other remedy hereunder unless (i) such

Bondholder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) the holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right 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 to institute such action, suit or proceeding in its or their name, and (iii) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply 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 powers and trusts of this Indenture or to any other remedy hereunder; provided, however, that notwithstanding the foregoing provisions of this Section and without complying therewith, the holders of not less than 51% in aggregate principal amount of Outstanding Bonds may institute any such suit, action or proceeding in their own names for the benefit of all Bondholders hereunder. It is understood and intended that, except as otherwise above provided, no one or more Bondholders hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders, and that any individual rights of action or other right given to one or more of such Bondholders by law are restricted by this Indenture to the rights and remedies herein provided.

Nothing in this Article shall affect or impair the right of any Bondholder to enforce the payment of the principal of, redemption premium (if any) and interest on his Bond or Bonds, or the obligation of the Issuer to pay the principal of, redemption premium (if any) and interest on each Bond to the holder thereof at the time and place in said Bond expressed.

Section 7.08. Enforcement of Rights of Actions. All rights of action (including the right to file proof of claim) under this Indenture or under any Bond, may be enforced by the Trustee without the possession of any Bond or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall be for the equal benefit of the Bondholders, subject to the provisions of Section 7.01 of this Indenture.

Section 7.09. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies herein provided, 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.

Section 7.10. Delay Not a Waiver. No delay or omission of the Trustee, or of any Bondholder 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 or remedy given by this Indenture to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may waive, and upon written request of the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall waive any default or Event of Default hereunder or under the Subordinate Loan Agreement which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or the Subordinate Loan Agreement or before the completion of the enforcement of any subsequent default or defaults or impairment of any rights or remedies thereon.

Section 7.11. Notice of Default. The Trustee shall mail, upon written request therefor, such owners of Bonds at their addresses as they appear on the registration books, written notice of the occurrence of an Event of Default within ten days after the Trustee shall have notice that any such Event of Default shall have occurred.

Section 7.12. Termination. Upon the occurrence of an event of default under any of the Senior Loan Documents that results in a foreclosure or deed in lieu of foreclosure with respect to the Security Instrument (as defined in the Senior Indenture), and the redemption in full of the Senior Bonds, the Trustee shall promptly thereafter apply any money then remaining in the Trust Estate, first, to pay any fees and expenses owed to the Trustee and the Issuer hereunder or under the Subordinate Loan Agreement, and, second, to the holders of the Bonds, whereupon the lien of this Indenture shall ipso facto be deemed to be discharged, and this Indenture, the Subordinate Loan Agreement and the Subordinate Mortgage shall be deemed to be terminated and the Bonds and all obligations owed under this Indenture and the Subordinate Loan Agreement shall be deemed paid and satisfied for purposes of the Regulatory Agreement.

ARTICLE VIII CONCERNING THE TRUSTEE AND PAYING AGENT

Section 8.01. Duties, Immunities and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, and no additional covenants or duties of the Trustee shall be implied in this Indenture, the Subordinate Loan Agreement, the Regulatory Agreement or otherwise. In the event that any Senior Bonds are outstanding, the Issuer, as provided in Section 8.08(c) hereof, shall appoint a separate Trustee for the Bonds during the existence of any such Event of Default (which has not been cured) to the extent necessary to avoid a conflict of interest. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as prudent persons familiar with such matters would exercise or use under similar circumstances in the conduct of their own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action or its own negligent failure to act, except that:

- (a) Prior to such an Event of Default hereunder and after the curing of all Events of Default that may have occurred, (1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically

set forth in this Indenture or for actions not required or permitted of the Trustee by this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and (2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture;

(b) At all times, regardless of whether or not any Event of Default shall exist, (1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers or by any agent or attorney of the Trustee appointed with due care unless the Trustee was negligent in ascertaining the pertinent facts; and (2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with an opinion of counsel as provided herein or in accordance with the directions of the Senior Credit Facility Provider to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture;

(c) The Trustee shall not be required to take notice or be deemed to have notice of (i) any default hereunder or under the Subordinate Loan Agreement, except defaults under Section 8.01(a) or (b) hereof, unless a responsible officer of the Trustee shall be specifically notified in writing of such default by the Issuer or the owners of at least twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding, or (ii) any default under the Regulatory Agreement, unless a responsible officer of the Trustee shall be specifically notified in writing of such default by the Issuer;

(d) Before taking any action under Article VII hereof or this Section at the request or direction of the Bondholders, the Trustee may require that satisfactory indemnity be furnished by the Bondholders, as the case may be, for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken;

(e) Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee a certificate of the Issuer stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and an opinion of counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished;

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder or under the Regulatory Agreement or the Subordinate Loan Agreement either directly or through agents, receivers or attorneys;

(g) Neither the Issuer nor the Borrower shall be deemed to be agents of the Trustee for any purpose, and the Trustee shall not be liable for any noncompliance of any of them in connection with their respective duties hereunder or in connection with the transactions contemplated hereby;

(h) The Trustee shall be entitled to rely upon telephonic notice for all purposes whatsoever so long as the Trustee reasonably believes such telephonic notice has been given by a person authorized to give such notice;

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

(j) Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds, it being the sole obligation of the Trustee to administer, for the benefit of the Bondholders, the various funds and accounts established hereunder;

(k) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy;

(l) The Trustee, in its capacity as Trustee hereunder, is authorized and directed to execute the Regulatory Agreement and the Subordinate Intercreditor Agreement;

(m) Anything to the contrary notwithstanding, the Trustee shall not be required to enter, take possession of, or take any other action whatsoever with respect to the Project, and shall not be required to initiate foreclosure proceedings with respect to the Project and the Subordinate Mortgage unless the Trustee is satisfied that the Trustee will not be subject to liability under any local, State or federal environmental laws or regulations of any kind whatsoever or from any circumstances present at the Project relating to the presence, use, management, disposal of, or contamination by any environmentally hazardous materials or substances of any kind whatsoever; and

(n) Except as provided herein, the Trustee may act in the capacity of Senior Trustee under the Senior Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Trustee shall have no responsibility for the monitoring, reviewing or receiving of any insurance of the Project. Whether or not therein expressly so provided, every provision of this Indenture, the Subordinate Loan Agreement, the Regulatory Agreement or any other document relating to the conduct, powers or duties of, or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Article.

If the application, payment, withdrawal or transfer of money hereunder is not made in accordance with the provisions of this Indenture, the Trustee shall pay to the Issuer and shall deposit into the funds and accounts created hereunder amounts equal to the expenses incurred and revenues and earnings lost, respectively, as a result of such noncompliance on the part of the Trustee.

Section 8.02. Right of Trustee to Rely upon Documents. Except as otherwise provided in Section 8.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any written resolution, requisition, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) Any consent, demand, direction, election, notice, order or request of the Issuer mentioned herein shall be sufficiently evidenced by a Written Consent, Written Demand, Written Direction, Written Notice, Written Order or Written Request of the Issuer may be evidenced to the Trustee by a certified resolution;

(c) The Trustee may consult with counsel (who may be counsel for the Issuer, counsel for the Trustee or Bond Counsel) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(d) Whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the Issuer; and such certificate of the Issuer shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof;

(e) The Trustee shall not be bound to make any investigation into the facts or matters stated in any written resolution, certificate, statement, requisition, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer and the Borrower, personally or by agent or attorney; and

(f) In determining whether a petition in bankruptcy has been filed against the Issuer or the Borrower (or any general partner or guarantor of the Borrower), the Trustee may rely conclusively upon a certificate of the Issuer or a certificate of the Borrower.

Section 8.03. Trustee Not Responsible for Recitals. The recitals contained herein and in the Bonds shall be taken as the statements of the Issuer, and the Trustee assumes no

responsibility for the correctness of the same or for the correctness of the recitals in the Subordinate Loan Agreement or the Regulatory Agreement. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds. The Trustee makes no representations as to the value or condition of any assets pledged or assigned as security for the Bonds, or as to the right, title or interest of the Issuer therein, or as to the security provided thereby or by this Indenture or the Subordinate Loan Agreement, or as to the compliance of the Project with the Act, or as to the tax-exempt status of the Bonds, or as to the technical or financial feasibility of the Project, or as to the validity or sufficiency of this Indenture as an instrument of the Issuer or of the Bonds as obligations of the Issuer. The Trustee shall not be accountable for the use or application by the Issuer of any of the Bonds authenticated or delivered hereunder or of the use or application of the proceeds of such Bonds by the Issuer or the Borrower or their agents.

Section 8.04. Intervention by Trustee. The Trustee may intervene on behalf of the Bondholders in any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of owners of the Bonds and, subject to the provisions of Section 8.01(d), shall do so if requested in writing by the owners of a majority in aggregate principal amount of all Bonds then outstanding.

Section 8.05. Money Received by Trustee to be Held in Trust. All money received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which it was received, but need not be segregated from other funds except to the extent required by law or as otherwise provided herein. Any money held by the Trustee may be deposited by it in its banking department and invested in Investment Securities as provided herein.

Section 8.06. Compensation and Indemnification of Trustee and Paying Agent. The Borrower is required under Sections 3.06 and 5.11 of the Subordinate Loan Agreement: (1) to pay to the Trustee from time to time reasonable compensation for all ordinary and extraordinary services rendered by it hereunder and under the other agreements related to the Bonds to which it is a party (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); (2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture or other agreement related to the Bonds to which the Trustee is a party or incurred in complying with any request made by the Issuer with respect to the Bonds (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be adjudicated by a court of competent jurisdiction to be attributable in whole or in part to its negligence, willful misconduct or bad faith; (3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without default, negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust or arising from the Subordinate Loan Agreement or Regulatory Agreement or other documents related to the Bonds, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder or other agreement to which the Trustee is a party; and (4) to indemnify the Trustee for any reasonable fees and expenses (including without limitation those of its attorneys) incurred during a period of default hereunder

(other than a default by the Trustee). The Paying Agent shall be entitled to reasonable compensation for all services rendered by them as such Paying Agent, and the Borrower is required under the Subordinate Loan Agreement to provide for payment or reimbursement of the Paying Agent upon request for all expenses, disbursements and advances incurred or made by the Paying Agent in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of their counsel and of all persons not regularly in their employ) except any such expense, disbursement or advance as may arise from their default, willful misconduct, negligence or bad faith. If any property, other than cash, shall at any time be held by the Trustee subject to this Indenture, or any supplemental indenture, as security for the Bonds, the Trustee, if and to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bonds, shall be entitled but not obligated to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The rights of the Trustee and the Paying Agent to compensation for services and to payment or reimbursement for expenses, disbursements, liabilities and advances shall have and is hereby granted a lien and a security interest prior to the Bonds in respect of all property and funds comprised of Available NOI held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the holders of particular Bonds and other available amounts held by the Trustee in the Bond Fund, all of which amounts shall be held solely for the benefit of the Bondholders and used only for the payment of principal of and premium, if any, and interest on the Bonds. The Trustee's rights to immunities, indemnities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment of the Bonds.

Section 8.07. Qualifications of Trustee. There shall at all times be a trustee hereunder which shall be a corporation or banking association organized and doing business under the laws of the United States or of a state thereof, authorized under such laws to exercise corporate trust powers, having (or in the case of a corporation or trust company included in a bank holding system, the related bank holding company shall have) a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such corporation or banking association publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such corporation or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.08.

Section 8.08. Resignation and Removal of Trustee and Appointment of Successor Trustee. (a) The Trustee may at any time resign by giving written notice delivered to the Issuer, the Borrower, the Senior Trustee, the Senior Credit Facility Provider and the Bondholders by first class mail. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee by an instrument in writing. If no successor trustee shall have been so appointed and have accepted appointment within forty-five (45) days after the giving of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee or any Bondholder who has been a bona fide holder of a Bond for at least six months may, on behalf of itself and others similarly situated, petition any

such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and may prescribe, appoint a successor trustee.

(a) In case at any time either (1) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.07 and shall fail to resign after written request therefor by the Issuer or by any Bondholder who has been a bona fide holder of a Bond for at least six months, or (2) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Issuer shall remove the Trustee and, upon such removal or upon any removal pursuant to paragraph (c) of this Section, except as otherwise provided in said paragraph (c), shall appoint a successor trustee by an instrument in writing, or any such Bondholder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and may prescribe, remove the Trustee and appoint a successor Trustee.

(b) The Issuer may at any time remove the Trustee and may appoint a successor Trustee, by an instrument or concurrent instruments in writing signed by the Issuer or such Bondholders, as the case may be, and delivered to the Trustee and the Issuer.

(c) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective only upon acceptance of appointment and assumption of duties by the successor trustee as provided in Section 8.09.

Section 8.09. Acceptance of Trust by Successor Trustee. Any successor trustee appointed as provided in Section 8.08 shall execute, acknowledge and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with and shall assume all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Written Request of the Issuer or the request of the successor trustee, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the rights, powers and trusts of the trustee so ceasing to act. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing necessary or desirable for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and duties. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by Section 8.06.

No successor trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 8.07.

Upon acceptance of appointment by a successor trustee as provided in this Section, the Issuer or such successor trustee shall give such Bondholders notice by first class mail of the succession of such trustee to the trusts hereunder.

In the event of the appointment of a successor Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee of the funds hereunder and bond registrar and paying agent for the Bonds, and the successor Trustee shall become such trustee and shall accept such other appointments as the Trustee may hold, including the offices of bond registrar and paying agent hereunder.

Section 8.10. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to the business of the Trustee or to whom all or part of its corporate trust business is sold, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor trustee shall be eligible under the provisions of Section 8.07.

Section 8.11. Accounting Records and Reports. The Trustee shall keep proper books of record and account in which complete and correct entries shall be made of all transactions made by it hereunder relating to the receipt, disbursement, allocation and application of the Revenues and the proceeds of the Bonds. Such records and other information shall be open to inspection by the Issuer, the Borrower and any Bondholder at any reasonable time on reasonable notice. The Trustee shall furnish to the Issuer, upon its request, and to the Borrower regular reports on such dates and containing information detailing all receipts, disbursements and investments made by the Trustee hereunder.

Section 8.12. Power to Appoint Co-Trustee. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Project may at the time be located, the Issuer (at the request of the Borrower and with the prior written consent of the Senior Credit Facility Provider) shall have the power to appoint one or more persons approved by the Trustee either to act as co-trustee or co-trustees jointly with the Trustee of all or any part of the Project, or to act as separate trustee or separate co-trustees of all or any part of the Project, and to vest in such person or persons, in such capacity, such title to the Project or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section. Upon the request of the Trustee or of the holders of not less than a majority of the aggregate principal amount of the Bonds then outstanding, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effect such appointment. If the Issuer shall not have joined in such appointment within thirty (30) days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment.

Every co-trustee or separate trustee shall, to the extent permitted by law or any applicable contract, be appointed subject to the following terms, namely:

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

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

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

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

(e) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by any Bondholder and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

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

Upon the acceptance in writing of appointment by any such co-trustee or separate trustee, such co-trustee shall be vested with the pledge and assignment of the Trust Estate and with such rights, powers, duties, trusts or obligations as shall be specified in the instrument of appointment, jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone), subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee.

In case any co-trustee or separate trustee shall become incapable of acting, resign or be removed, the pledge and assignment of the Trust Estate and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be

exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the same manner as provided for with respect to the appointment of a successor Trustee pursuant to Section 8.08 hereof.

**ARTICLE IX
SUPPLEMENTAL
AMENDMENT OF SUBORDINATE LOAN AGREEMENT**

INDENTURES;

Section 9.01. Supplemental Indentures by the Issuer. Subject to the terms of the Subordinate Intercreditor Agreement, without prior notice to or the consent of the Bondholders, but with prior written notice to and the consent of the Senior Credit Facility Provider, the Issuer may, from time to time and at any time, execute and the Trustee may consent to an indenture supplemental hereto for any of the purposes described herein if such supplemental indenture shall not adversely affect the interest of the Bondholders (which supplemental indenture shall thereafter form a part hereof):

(a) to add to the covenants and agreements of the Issuer in this Indenture contained, other covenants and agreements thereafter to be observed, or to assign or pledge additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Issuer; provided that no such covenant, agreement, assignment, pledge or surrender shall materially adversely affect the interests of the holders of the Bonds;

(b) to evidence the succession of a new Trustee hereunder, or to provide for the appointment of a co-trustee or for a paying agent in addition to the Trustee;

(c) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Issuer may reasonably deem necessary or desirable and not inconsistent with this Indenture and which shall not materially adversely affect the interests of the holders of the Bonds;

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute, and which shall not materially adversely affect the interests of the holders of the Bonds; or

(e) to make such additions, deletions or modifications as may be necessary to assure compliance with the Code, or otherwise to assure the exclusion from gross income under federal tax law of interest on the Bonds.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Issuer and the Trustee without the consent of or notice to the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of Section 9.02, but (i) the Trustee

shall not be obligated to enter into any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise; and (ii) the Trustee shall not enter into any such supplemental indenture that affects the rights or obligations of the Borrower hereunder or under the Subordinate Loan Agreement without first obtaining the written consent of the Borrower.

Section 9.02. Modification of Indenture with Consent of Bondholders. Subject to the terms of the Subordinate Intercreditor Agreement, with the prior written consent of the holders of not less than sixty percent (60%) in aggregate principal amount of the Bonds at the time outstanding evidenced as provided in Article XI and written notice thereof to and consent of the Senior Credit Facility Provider, the Issuer and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture; provided, however, that, except to the extent permitted by Section 9.01, no such supplemental indenture shall (1) extend the fixed maturity of any Bond or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each Bond so affected, or (2) reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indentures, or permit the creation of any lien on the Trust Estate prior to or on a parity with the lien of this Indenture, except as permitted herein, or permit the creation of any preference of any Bondholder over any other Bondholder or deprive the holders of the Bonds of the lien created by this Indenture upon the Trust Estate, without in each case the consent of the holders of all the Bonds then outstanding. Nothing in this paragraph shall be construed as making necessary the approval of any Bondholder of any supplemental indenture permitted by the provisions of Section 9.01.

Upon receipt by the Trustee of a certified resolution of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of the Bondholders, as required herein, the Trustee shall join with the Issuer in the execution of such supplemental indenture, unless (i) such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture; or (ii) such supplemental indenture affects the rights or obligations of the Borrower hereunder or under the Subordinate Loan Agreement, in which case the Trustee shall enter into such supplemental indenture only if the Trustee has received the Borrower's written consent thereto.

It shall not be necessary for the Bondholders to approve the particular form of any proposed supplemental indenture under this Section, but it shall be sufficient if the required consent approves the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall give Bondholders, by first class mail, a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 9.03. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions of this Article IX, 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 outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.04. Opinion of Counsel as to Supplemental Indenture. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Bond Counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article IX is authorized and permitted by this Indenture and, if applicable, that the supplemental indenture will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 9.05. Amendments to Subordinate Loan Agreement. Subject to the terms of the Subordinate Intercreditor Agreement, the Issuer may, from time to time and at any time, subject to Section 9.06 and with the written consent of the Trustee, which consent shall not be unreasonably withheld if the proposed amendment shall not adversely affect the interests of the Bondholders, and the prior written notice to and consent of the Senior Credit Facility Provider, execute amendments to the Subordinate Loan Agreement for any of the following purposes (which amendments shall thereafter form a part thereof):

- (a) to cure any ambiguity or formal defect or omission in the Subordinate Loan Agreement or in any amendment thereto, or
- (b) to grant or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee.

At least 10 days prior to the execution of any amendment for any of the purposes of this Section, the Borrower shall cause a notice of the proposed execution of such amendment to be mailed, postage prepaid, to the Issuer and the Trustee. Such notice shall briefly set forth the nature of the proposed amendment and provide a copy of the proposed amendment. The Borrower shall deliver to the Trustee a copy of each amendment promptly after the execution thereof, together with an opinion of counsel satisfactory to the Trustee that such amendment (i) complies with the requirements of this Section and (ii) will not affect the exclusion from gross income for federal income tax purposes of interest payable on the Bonds. Notwithstanding the foregoing, no amendment shall be entered into which materially adversely affects the rights or obligations of the Borrower without the Borrower's consent.

Section 9.06. Covenant as to Amendment of Subordinate Loan Agreement. The Subordinate Loan Agreement sets forth the covenants and obligations of the Issuer and the Borrower, including a provision therein that so long as any of the Bonds are Outstanding and the Trustee does not hold in trust sufficient money for the payment of the Bonds, including principal, interest accrued and to accrue to the date of the payment of the Bonds, redemption premium, if any, and all other obligations incurred and to be incurred by the Issuer or the Borrower in

connection with the Project and under this Indenture and the Subordinate Loan Agreement, the Subordinate Loan Agreement may be amended or supplemented or modified by a written agreement duly executed by the Borrower and the Issuer, with the consent of the Trustee endorsed thereon; but nothing in the Subordinate Loan Agreement permits or shall be construed as permitting any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent whatsoever of the obligation of the Borrower to pay the Subordinate Loan Payments, from and to the extent of Available NOI, or any impairment of the lien accorded the Bondholders under this Indenture unless otherwise agreed to by the applicable Bondholders. Reference is hereby made to the Subordinate Loan Agreement for a detailed statement of said covenants and obligations of the Borrower under the Subordinate Loan Agreement, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Subordinate Loan Agreement and the Subordinate Mortgage other than those described therein, for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 9.07. Responsibilities of Trustee and the Issuer Under this Article. In each and every case provided for in this Article, the Trustee and the Issuer shall be entitled to exercise their discretion in determining whether or not any proposed supplemental indenture or amendment to the Subordinate Loan Agreement, or any term or provision therein contained, is permitted hereby or will adversely affect the interests of the Bondholders, having in view the purposes of such instrument, the needs of the Issuer, the rights and interests of the Bondholders, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Issuer or to any Bondholder or to anyone whomsoever for its refusal in good faith to accept any such supplemental indenture or amendment if such indenture or amendment is deemed by the Trustee to be contrary to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel, who may be (but shall not be required to be) counsel for the Issuer, as conclusive evidence that any such proposed supplemental indenture or amendment does or does not comply with the provisions of this Indenture, and that it is or is not proper for it, under the provisions of this Article, to consent to and execute such supplemental indenture or amendment, as the case may be.

ARTICLE X DEFEASANCE

Section 10.01. Release of Indenture. If (a) when all Bonds Outstanding shall have become due and payable in accordance with their terms or otherwise as provided in this Indenture and the whole amount of the principal and the interest and premium, if any, so due and payable with respect to the Bonds shall be paid or if the Trustee or the Paying Agent shall hold sufficient money or Government Obligations the principal of and the interest on which, when due and payable, will provide sufficient money (without further reinvestment of either the principal amount thereof or any interest earnings thereon) to pay the principal of and the interest and the redemption premium (if any) on all Bonds then Outstanding to the Maturity Date of the Bonds or to the date or dates specified for the redemption thereof, (b) in the event any of the Bonds are to be called for redemption, irrevocable instructions to call the Bonds for redemption shall have been given by the Issuer (at the direction of the Borrower) to the Trustee, and (c) sufficient funds shall also have been provided or provisions made for paying all other

obligations payable hereunder by the Issuer, then and in that case, the right, title and interest of the Trustee in the Subordinate Loan Payments and all Funds hereunder, except the Rebate Fund, shall thereupon cease, determine and become discharged and, on demand of the Issuer (at the Borrower's direction) and upon being furnished with an opinion of counsel to the effect that all conditions precedent to the release of this Indenture have been satisfied and that the provision for payment of the Bonds in accordance with the terms hereof will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, the Trustee shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer, and shall turn over to the Issuer, for the benefit of and remittance to the Borrower, any surplus in the Funds hereunder, except the Rebate Fund, money held for the redemption or payment of the Bonds and all other obligations payable hereunder by the Issuer; provided that in the case of a Borrower bankruptcy and the determination of a preferential transfer to the holders of the Bonds, this Indenture shall be reinstated and remain in full force and effect until payment of all amounts due and payable hereunder. Otherwise, this Indenture shall be, continue and remain in full force and effect.

All money and Government Obligations held by the Trustee (or any Paying Agent) pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

Notwithstanding anything in this Indenture to the contrary, after (a) the termination of the right to receive Available NOI, as provided in the Subordinate Intercreditor Agreement and Section 7.02 of this Indenture, shall have occurred and all Bonds Outstanding shall have become due and payable (whether or not the acceleration of all Bonds Outstanding occurred prior to the termination of the right to receive Available NOI or as a result of such termination), and (b) application of any and all amounts remaining on deposit under this Indenture in accordance with Section 7.04 of this Indenture, then this Indenture shall (notwithstanding that the Bonds may not have been paid in full) thereupon be released and discharged, and the Bonds shall be extinguished and retired. The Trustee is directed to take all such action consistent with the foregoing sentence as may be necessary to give effect to such provision.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 11.01. Successors of Issuer. All the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not. If any of the powers or duties of the Issuer shall hereafter be transferred by any law of the United States of America, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the Issuer, then the body or official who shall succeed to such powers or duties shall act and be obligated in the place and stead of the Issuer as in this Indenture provided.

Section 11.02. Successorship of Paying Agent, Bond Registrar and Depository. Any bank or trust company with or into which any Paying Agent, Bond Registrar or depository may be merged or consolidated, or to which the assets and business of such Paying Agent, Bond Registrar or depository may be sold, shall be deemed the successor of such Paying Agent, Bond Registrar or depository for the purposes of this Indenture. To the extent that the Trustee is not

acting as Paying Agent or the sole Paying Agent hereunder, such Paying Agent other than the Trustee may resign or be removed and shall be replaced in the same manner as is provided for the resignation, removal and replacement of the Trustee hereunder.

Section 11.03. Manner of Giving Notice. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer, the Trustee or the Borrower if the same shall, except as otherwise provided herein, be duly mailed by first class mail, postage prepaid, or given by telephone or telecopier and confirmed by such mail, and to the other parties as follows:

To the Issuer:

HFA of Miami-Dade County, Florida

7300 NW 19 Street, Suite 501

Miami, Florida 33126

Attention: Patricia Braynon

Telephone: (305) 594-2518

Facsimile: (305) 392-2723

Email: p.braynon@miamidade.gov

To the Trustee:

U.S. Bank Corporate Trust Services
500 W. Cypress Creek Road, Suite 560
Fort Lauderdale, Florida 33309
Attention: Scott Schuhle
Telephone: (954) 776-2216
Email: scott.schuhle@usbank.com

To the Borrower:

TRG–Palm Lakes LP
275 Battery Street, Suite 500
San Francisco, California 94111
Attention: Peter Nichol
Telephone: (415) 501-9605
Email: pnichol@reliantgroup.com

The Issuer, the Trustee and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Notwithstanding the foregoing provisions of this Section, neither the Issuer nor the Trustee shall be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Issuer or the Trustee, respectively, actually receives such notice. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

Section 11.04. Parties and Bondholders Alone Have Rights Under Indenture. Except as herein otherwise expressly provided, nothing in this Indenture, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, the Issuer, the Borrower and the Bondholders, any right, remedy of claim, legal or equitable, under or by reason of this Indenture or any provision hereof, this Indenture and all its

provisions being intended to be or being for the sole exclusive benefit of the Trustee, the Issuer, the Borrower and the Bondholders.

Section 11.05. Effect of Partial Invalidity. In case any one or more of the provisions of this Indenture or the Subordinate Loan Agreement issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Indenture or the Subordinate Loan Agreement, but this Indenture and the Subordinate Loan Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Indenture or the Subordinate Loan Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement contained in this Indenture or the Subordinate Loan Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer or the Borrower to the full extent permitted by law.

Section 11.06. No Recourse.

(a) The Bonds are special, limited obligations of the Issuer, payable solely from the Trust Estate. The Bonds are not a debt of the State or of any other political subdivision of the State, and neither the State nor any other political subdivision of the State will be liable for the payment of the Bonds. The faith and credit of the Issuer, the State or any political subdivision of the State are not pledged to the payment of the principal of or interest on the Bonds. The Issuer has no taxing power.

(b) No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond shall be had against any member, officer, commissioner, director or employee (past, present or future) of the Issuer, either directly or through the Issuer or its governing body or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the Issuer or its governing body upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, commissioner, director or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Holder of any Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon any Bond hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

(c) The Issuer and the Trustee hereby acknowledge that, notwithstanding anything to the contrary herein, except as provided in Article VII of the Subordinate Loan Agreement, in any action or proceeding brought on any instrument evidencing any indebtedness to the Issuer or the Trustee with respect to the Bonds, no deficiency or other money judgment shall be enforced against the Borrower or any successor or assign of the Borrower, and any judgment obtained shall, subject in all respects to the limitations of the Regulatory Agreement, be enforced only against the property of the Borrower, and the rents, issues and profits of such property, and any other security for the indebtedness evidenced by the Subordinate Loan Agreement, and not against the Borrower or any

successor or assign of the Borrower. It is understood and agreed that nothing contained in this Indenture shall be construed in any way to limit or restrict any of the Reserved Rights of the Issuer (but specifically excluding from such liability any payments corresponding to the Subordinate Loan or the principal, premium if any, interest and purchase price on or of the Bonds) or any of the rights and remedies of the Issuer in any proceeding or other enforcement for the payment of any indebtedness, subject only to the above limitation upon enforcement of any judgment against the Borrower and any successor or assign of the Borrower, subject in all respects to the limitations of the Regulatory Agreement.

Section 11.07. Reliance upon Opinions and Certifications. Any certificate or opinion made or given by an officer of the Issuer may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of or representation by counsel, unless such officer knows that the certificate or representation with respect to the matter upon which his or her certificate or opinion may be based are erroneous. Any certificate or opinion made or given by counsel may be based (whether or not expressly so stated), insofar as it relates to factual matters, upon the certificate or opinion of, or representation by, an officer or offices of the Issuer, unless such counsel knows that the certificate or opinion or representation with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous.

Section 11.08. Execution of Instruments by Bondholders. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by the Bondholders. Proof of the execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Issuer with regard to any action taken by either under such instrument if made in the following manner: the fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof. Nothing contained in this Section shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Bondholder shall bind every future Bondholder in respect of anything done by the Trustee in pursuance of such request or consent.

Section 11.09. Governing Law. This Indenture shall be governed by and interpreted in accordance with the laws of the State of Florida.

Section 11.10. Multiple Counterparts. This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 11.11. Headings. Any heading preceding the text of the several articles and sections hereof, and any table of contents or marginal notes appending to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

Section 11.12. Holidays. If the date for making any payment hereunder or the last date for the performance of any act or the exercising of any right hereunder shall not be a Business Day in the place of such payment or the place where such act shall be taken or right exercised, such payment may, unless otherwise provided herein or in the Subordinate Loan Agreement, be made or act taken or right exercised on the next succeeding Business Day with the same force and effect as if made, taken or exercised on the date required hereunder, and with respect to any such payment, no interest shall accrue for the period from and after the due date of such payment.

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EXHIBIT

A

FORM OF BOND

THE TRUSTEE IS PROHIBITED FROM REGISTERING THE OWNERSHIP OR TRANSFER OF OWNERSHIP OF THIS BOND TO ANY PERSON WITHOUT RECEIPT OF AN EXECUTED INVESTOR LETTER AS DEFINED IN AND ATTACHED TO THE INDENTURE DESCRIBED HEREIN.

No. _____

\$1,600,000

**HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA)
SUBORDINATE MULTIFAMILY HOUSING REVENUE REFUNDING BOND
(PALM LAKES APARTMENTS) SERIES 2011B**

INTEREST RATE	MATURITY DATE	ISSUE DATE
[]%	October 15, 2027	October __, 2011

REGISTERED OWNER:

(BENEFICIAL OWNER: _____)

PRINCIPAL SUM: SIX MILLION SEVEN HUNDRED TWENTY THOUSAND
DOLLARS

The HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA), a public body corporate and politic, duly organized and existing under the laws of the State of Florida (herein called the "Issuer"), for value received, hereby promises to pay (but only out of the Trust Estate as hereinafter provided) to the registered owner identified above or registered assigns, on the Maturity Date identified above (subject to any right of prior tender and redemption hereinafter mentioned), the principal sum identified above in lawful money of the United States of America; and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) in like money on each Interest Payment Date (as defined in the Indenture described below) thereafter until the Maturity Date specified above or upon earlier redemption or acceleration. Notwithstanding anything herein or in the Indenture (as defined herein) to the contrary, interest shall be non-compounding and no interest shall accrue on unpaid interest.

The principal or redemption price or Purchase Price (as hereinafter defined) hereof is payable only upon presentation and surrender hereof at the principal office of U.S. Bank, National Association (herein called the "Trustee"), as defined and designated in the Indenture, and interest shall be paid by check mailed by first class mail by the Trustee on each Interest Payment Date to the person in whose name this Bond is registered on the applicable Record Date (as hereinafter defined), at the address of such registered owner shown on the books of the Trustee, except that such interest payment may be made to any holder holding 100% of the Bonds, upon the written request of any such holder, by wire transfer of immediately available funds to an account designated by such holder at least fifteen days before the Record Date therefor.

The principal of, the redemption premium (if any) and the interest on this Bond shall be payable in lawful money of the United States of America. The first payment of interest on this Bond shall be due on the initial Interest Payment Date. The interest to be paid on an Interest Payment Date shall be computed from the date through which interest was last paid on this Bond or, if interest has not previously been paid on this Bond, from the initial Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Issuer designated as "Housing Finance Authority of Miami-Dade County (Florida) Subordinate Multifamily Mortgage Revenue Refunding Bonds (Palm Lakes Apartments) Series 2011B" (herein called the "Bonds"), in the initial aggregate principal amount of \$1,600,000 authorized pursuant to the Florida Housing Finance Authority Law, codified as Chapter 159, Part IV, Florida Statutes, as amended (herein called the "Act"), and delivered under and secured by a Subordinate Trust Indenture, dated as of October 1, 2011 (herein called the "Indenture"), between the Issuer and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the holder of this Bond, by acceptance hereof, assents and agrees. Capitalized terms used in this Bond and not otherwise defined shall have the same meanings as in the Indenture.

The indebtedness evidenced by this Bond is and shall be subordinate in right of payment to the prior payment in full of all then current amounts due and payable under the Issuer's Multifamily Mortgage Revenue Bonds (Palm Lakes Apartments) Series 2011A (the "Senior Bonds"), in the original principal amount of \$16,800,000, to the extent and in the manner provided in that certain Subordinate Intercreditor Agreement (as defined in the Indenture). The Indenture securing this Bond is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Loan Documents as more fully set forth in the Subordinate Intercreditor Agreement. The rights and remedies of the holder and each subsequent holder of this Bond under the Indenture are subject to the restrictions and limitations set forth in the Subordinate Intercreditor Agreement.

The Bonds are secured by a pledge of the Trust Estate, which consists primarily of the Issuer's right, title and interest in the Subordinate Loan Agreement, dated as of October 1, 2011 (the "Subordinate Loan Agreement"), between the Issuer and TRG-Palm Lakes LP, a Florida limited partnership (the "Borrower"), and the related Subordinate Mortgage, except for the Reserved Rights, together with all money and securities held from time to time in any of the

funds and accounts established therefor under the Indenture. This Bond, the interest hereon and the redemption premium (if any) are payable solely from money received by the Issuer from the Borrower under the Subordinate Loan Agreement and not from any other fund or source.

Pursuant to the Subordinate Loan Agreement, the Issuer has loaned the proceeds of the sale of the Bonds to the Borrower upon the terms, conditions and payments therein provided. The Borrower is obligated under the Subordinate Loan Agreement to make loan payments (the "Subordinate Loan Payments") solely from, and to the extent of, Available NOI. The Subordinate Loan Agreement provides that the Borrower's obligation to pay the Subordinate Loan Payments shall be a general obligation of the Borrower, and shall not be abated, rebated, set-off, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever. Failure by the Borrower to make a Subordinate Loan Payment or a Subordinate Delinquent Loan Payment (as defined in the Subordinate Loan Agreement) or the failure to make a payment in connection with a redemption or otherwise with respect to the Bonds shall not be an Event of Default under the Subordinate Loan Agreement or the Indenture unless, and only to the extent, sufficient Available NOI is available to make such Subordinate Loan Payment, Subordinate Delinquent Loan Payment, redemption or bond payment.

THE BONDS SHALL NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA (THE "STATE"), MIAMI-DADE COUNTY, FLORIDA (THE "COUNTY") OR ANY POLITICAL SUBDIVISION OR LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE, THE COUNTY, NOR ANY POLITICAL SUBDIVISION OR LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE, THE COUNTY OR ANY POLITICAL SUBDIVISION OR LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR. THE ISSUER HAS NO TAXING POWER.

NO MEMBER, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE, AGAINST ANY MEMBER, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS BOND AND AS PART OF THE CONSIDERATION FOR THE ISSUE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

Neither the Borrower, the Trustee nor any owner of the Bonds shall look to the Issuer or any of its program participants, directors, officers, attorneys, accountants, financial advisors,

agents or staff or any successor or public entity for monetary damages suffered by the Borrower, the Trustee or such owner of the Bonds as a result of the failure of the Issuer to perform any covenant, undertaking or obligation under the Indenture, the Subordinate Loan Agreement, this Bond, the Regulatory Agreement or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Issuer in any of such documents, nor for any other reason. Although the Indenture recognizes that such documents shall not give rise to any pecuniary liability of the Issuer, nothing contained in the Indenture or this Bond shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Issuer) in any court or before any governmental body, agency or instrumentality or otherwise against the Issuer or any of its officers or employees to enforce the provisions of any of such documents which the Issuer is obligated to perform and the performance of which the Issuer has not assigned to the Agent or any other person.

It is intended that this Bond is made with reference to and shall be construed as a contract governed by the laws of the State of Florida.

In the event of any inconsistency between the provisions of this Bond and the provisions of the Indenture, the provisions of the Indenture shall be controlling.

This Bond is subject to optional redemption and extraordinary redemptions as more fully set forth in the Indenture. Written notice of the redemption in whole or in part of this Bond shall be given by first class mail, postage prepaid, mailed not less than fifteen or more than thirty days prior to the redemption date to the Bondholder at the last address shown on the registration book kept by the Trustee.

In accordance with the Indenture, the particular Bonds, or portions thereof to be redeemed in the case of a partial redemption under any of the provisions of the Indenture, shall be selected by the Trustee, and with respect to any partial redemption of the Bonds shall be pro rated among all the holders of the Bonds in proportion to the principal amount of such Bonds; provided, however, the Bonds remaining outstanding shall remain in Authorized Denominations.

The Trustee shall not register any transfer of this Bond except to an approved institutional buyer executing an Investor Letter as required by Section 2.09 of the Indenture.

This Bond, upon the surrender thereof at the Principal Corporate Trust Office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the Bondholder or his duly authorized attorney, may, at the option of the Bondholder, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any other Authorized Denomination, in the manner and subject to the conditions provided in the Indenture.

The Trustee shall not be required to transfer or exchange any Bond after the giving of notice calling such Bond for redemption or partial redemption has been made.

The person in whose name this Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on

such Interest Payment Date notwithstanding the cancellation of such Bond upon any transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent that the Issuer shall default in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name outstanding Bonds are registered on a subsequent Record Date established by notice given by mail by the Trustee or by or on behalf of the Issuer to the holders of the Bonds not less than thirty days preceding such subsequent Record Date.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

Modifications or alterations of the Indenture or of any trust indenture supplemental thereto, or of the Subordinate Loan Agreement or any supplement thereto, may be made only to the extent and in the circumstances permitted by the Indenture or the Subordinate Loan Agreement.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the laws of the State of Florida to happen, exist and be performed precedent to and in the delivery of this Bond, the execution of the Indenture and the adoption of the aforesaid resolution by the Issuer, have happened, exist and have been performed in due time, form and manner as required by law.

This Bond shall not be entitled to any benefit under the Indenture and shall not become valid or obligatory for any purpose until it shall have been authenticated by execution by the Trustee by manual signature of the certificate hereon endorsed.

In the event of any conflict between the terms of the Bond and the Indenture, the terms of the latter shall control.

FORM OF INVESTOR LETTER

October __, 2011

Housing Finance Authority of Miami-Dade County (Florida)

Miami, Florida

Re: Housing Finance Authority of Miami-Dade County (Florida)

Subordinate Multifamily Mortgage Revenue Refunding Bonds
(Palm Lakes Apartments) Series 2011B

Ladies and Gentlemen:

The undersigned (the "Purchaser"), being the purchaser of all of the above-referenced bonds (the "Bonds") does hereby certify, represent and warrant for the benefit of the Housing Finance Authority of Miami-Dade County (Florida) (the "Issuer") and the Trustee (as defined below) that:

(a) The Purchaser acknowledges that the Bonds were issued for the purpose of making a mortgage loan to assist in the refinancing of a portion of the cost of the acquisition, construction and equipping of a certain multifamily rental housing development located in the Miami-Dade County, Florida (the "Project"), as more particularly described in that certain Subordinate Loan Agreement, dated as of October 1, 2011 (the "Loan Agreement") by and between the Issuer and TRG-Palm Lakes LP, a Florida limited partnership (the "Borrower"). The Purchaser further acknowledges that the Bonds are secured by a certain Subordinate Trust Indenture dated as of October 1, 2011 (the "Indenture"), between the Issuer and U.S. Bank, National Association, as Trustee (the "Trustee").

(b) The Purchaser hereby certifies that it is a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Act"), or is an "Accredited Investor" within the meaning of Rule 501 under Regulation D promulgated under the Act (except for any "Accredited Investor" described in subsections (a)(5) and (a)(6) of such Rule 501), or the Purchaser is otherwise a permitted transferee of the Bonds under Section 2.09 of the Indenture, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

(c) The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The Bonds are being acquired by the Purchaser for its own account. The Purchaser does not presently intend to make a public distribution of, or to transfer, all or any part of the Bonds or any interests therein. The Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

(d) The Purchaser understands that the Bonds have not been registered under the Act. The Purchaser acknowledges that the Issuer requires that, if the Bonds are disposed of by it, current information, including all current financial statements with respect to the Project, which meets the disclosure requirements of any applicable state and federal securities laws then in effect, concerning the Bonds and the Project must be furnished to any prospective purchaser, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements. The Purchaser acknowledges that no disclosure document has been prepared in connection with the initial issuance and sale of the Bonds.

(e) The Purchaser acknowledges that it is familiar with the conditions, financial and otherwise, of the Borrower and understands that the Borrower has no significant assets other than the Project for payment of the Bonds. Further, the Purchaser understands that the Bonds involve a high degree of risk. Specifically, and without in any manner limiting the foregoing, the Purchaser understands and acknowledges that, among other risks, the Bonds are payable solely from the Available NOI (as defined in the Indenture) and other assets comprising the Trust Estate (as defined in the Indenture). The Purchaser has made such inquiry with respect to all of the foregoing as it believed to be desirable for its purposes and acknowledges that its has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Bonds and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Bonds.

(f) It is acknowledged that no written information has been provided by the Issuer to the Purchaser with respect to the Bonds and that any written information furnished by any other party to the transaction does not purport to fully disclose all information pertinent to the Bonds.

[(g) The Purchaser is not now and has never been controlled by, or under common control with, the Borrower. The Borrower has never been and is not now controlled by the Purchaser. The Purchaser has entered into no arrangements with the Borrower or with any affiliate in connection with the Bonds, other than as disclosed in writing to the Issuer.]

(h) In entering into this transaction the Purchaser has not relied upon any representations or opinions made by the Issuer relating to the legal consequences or other aspects of the transaction, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of the funds pledged to

the Trustee to secure repayment of the Bonds. The Purchaser has further assumed sole responsibility for obtaining such information and making such review and investigation as the Purchaser has deemed necessary or desirable in connection with its decision to purchase the Bonds. In this regard, the Purchaser has relied upon the advice of, or has consulted with, only its own advisors.

(i) The Purchaser understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the State of Florida or any political subdivision or taxing district thereof, including, without limitation, the Issuer; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof; that no right will exist to have taxes levied by the State of Florida or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Issuer with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

(j) The Purchaser has been informed that the Bonds have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, will not be listed on any stock or other securities exchange, and will carry no rating from any rating service.

(k) The Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to compliance with the transfer restrictions set forth in Section 2.09 of the Indenture, including the requirement for the delivery to the Issuer and the Trustee of an investor's letter in the same form as this Investor's Letter, including this paragraph (k). Failure to deliver such investor's letter shall cause the purported transfer to be null and void. The Purchaser acknowledges that the Bonds may be transferred only in whole.

(l) The Purchaser agrees to indemnify and hold harmless the Trustee and the Issuer, each member, officer, director, partner or employee of the Trustee or the Issuer, and each person who controls the Trustee or the Issuer within the meaning of Section 15 of the Act or Section 20 of the Securities Exchange Act of 1934, as amended (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses (including any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions) whatsoever arising out of any sale, transfer or other disposition of the Bonds, or any interest therein, by the Purchaser in violation of the provisions hereof. No Indemnified Parties other than the Issuer and its members, officers and employees shall be indemnified hereunder for any losses, claims, damages or liabilities resulting from the negligence of such Indemnified Parties. No Indemnified Party shall be indemnified hereunder for any losses, claims, damages or liabilities resulting from the willful misconduct of such parties.

(m) The Purchaser acknowledges and understands that, in permitting the Purchaser to purchase and own the Bonds without credit enhancement, the Issuer is relying and will continue to rely on the statements made herein.

(n) The Purchaser acknowledges and understands that any transfers of the Bonds are restricted as set forth in the legend affixed to the face of the Bonds, and as set out in the

Indenture. The Purchaser further acknowledges that it has read and understands such legend and the relevant portions of the Indenture and agrees to comply with both.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[Name of Purchaser]

By: _____

Name:

Title:

FINANCING AGREEMENT

THIS FINANCING AGREEMENT dated as of October 1, 2011, is among the **HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA)**, a public body corporate and politic of the State of Florida (together with any successors and assigns, “**Issuer**”), **TRG-PALM LAKES LP**, a Florida limited partnership (“**Borrower**”) and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, with a designated corporate trust office located in Fort Lauderdale, Florida (“**Trustee**”), not in its individual or corporate capacity, but solely as Trustee under the Indenture.

ARTICLE I INCORPORATION OF RECITALS, DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1 **Incorporation of Recitals.** The Recitals to the Indenture are incorporated into and made a part of this Agreement.

SECTION 1.2 **Definitions.** All capitalized terms used in this Agreement have the meanings given to those terms in the Indenture or elsewhere in this Agreement unless the context or use clearly indicates a different meaning.

SECTION 1.3 **Rules of Construction.** The rules of construction set forth in Section 1.2 of the Indenture shall apply to this Agreement in their entirety, except that in applying such rules, the term “Agreement” shall be substituted for the term “Indenture”.

ARTICLE II THE LOAN

SECTION 2.1 **Amount and Source of Loan.** The Issuer has authorized the issuance of the Bonds in the aggregate principal amount of \$16,800,000. The Issuer agrees to make the Loan in the amount of \$16,800,000 to the Borrower with the Net Bond Proceeds. Upon the issuance and delivery of the Bonds, the Issuer will deliver the Net Bond Proceeds to the Trustee. The Loan shall be deemed made in full upon deposit of the Net Bond Proceeds into the Loan Fund. The Borrower accepts the Loan from the Issuer upon the terms and conditions set forth in this Agreement and the Loan Documents, subject to the Indenture, the Regulatory Agreement and the Assignment. Disbursements will be made from the Loan Fund as provided in the Indenture. The Borrower agrees to apply the proceeds of the Loan to pay costs of acquisition and rehabilitation of the Mortgaged Property.

SECTION 2.2 **Note and Security Instrument.** The Loan shall be evidenced by, payable in accordance with, and bear interest at the rates and on the terms provided in, the Note and secured by the Security Instrument.

SECTION 2.3 **Costs of Issuance Deposit.** Prior to the issuance of the Bonds, the Borrower shall pay to the Trustee \$[____], representing the Costs of Issuance Deposit for deposit into the Costs of Issuance Fund. The Issuer shall have no obligation to issue the Bonds and to fund the Loan unless and until the Borrower delivers the Costs of Issuance Deposit.

SECTION 2.4 **Credit Facility.** The Borrower agrees to cause credit enhancement for the Loan or the Bonds and liquidity support for the Bonds to be in effect in the amounts and during the periods as required by the Indenture.

SECTION 2.5 **Payment of Fees, Costs and Expenses.** The Borrower shall pay when due, without duplication, the fees, expenses and other sums specified in this Section.

(a) **Issuer.** The Issuer's Fee (in an amount equal to 25 basis points of the outstanding principal amount of the Bonds) and all costs and expenses incurred by the Issuer at any time in connection with the Bonds.

(b) **Trustee.** The Trustee's acceptance fee, if any, which shall be paid on the Closing Date, the Trustee's Annual Fee, and all advances, out-of-pocket expenses, fees, costs and other charges reasonably and necessarily incurred by the Trustee under the Indenture and Extraordinary Items.

(c) **Rebate Analyst.** The annual or other periodic fees of the Rebate Analyst.

(d) **Rating Agency.** The annual rating maintenance fee of each Rating Agency.

(e) **Costs of Issuance.** All Costs of Issuance.

(f) **Bond Costs.** All costs of registering, printing, reprinting, preparing and delivering any replacement bonds required under the Indenture and in connection with the registration, printing, reprinting or transfer of Bonds.

The Borrower agrees to timely honor any demand for payment by the Trustee pursuant to Section 5.7(b) of the Indenture on account of any insufficiency in the Fees Account.

SECTION 2.6 **Liability for Fees, Costs and Expenses.** Neither the Issuer nor the Trustee shall have any obligation to pay any of the fees, costs or expenses referred to in Section 2.5.

SECTION 2.7 **[Reserved]** .

SECTION 2.8 **Redemption Premium.** The Borrower shall pay all redemption premiums, if any, payable with respect to each redemption of any of the Bonds. The Borrower shall make each such payment, or cause such payment to be made, in Available Moneys.

SECTION 2.9 **Obligation of the Borrower to Pay Deficiencies.** The Borrower shall pay any deficiency resulting from any loss due to a default under any investment in any Fund or Account or a change in value of any investment.

SECTION 2.10 **Borrower's Approval of Transaction Documents.** The Borrower acknowledges that it participated in the drafting and negotiation of the Transaction Documents and approves and agrees to each of the provisions of the Transaction Documents. The Borrower agrees that it is bound by, shall adhere to, and shall have the rights set forth by, the Indenture.

ARTICLE

III

NATURE OF BORROWER'S OBLIGATIONS; SECURITY FOR OBLIGATIONS

SECTION 3.1 **Obligations of the Borrower Unconditional.** To the fullest extent permitted by law, the obligations of the Borrower to make all payments and perform its other obligations under this Agreement shall be absolute, unconditional and irrevocable, shall be paid and performed strictly in accordance with the applicable Transaction Documents under all circumstances, including, without limitation, the following circumstances: (i) any invalidity or unenforceability of the Credit Facility or any of the other Transaction Documents; (ii) any amendment or waiver of, or any consent to departure from, the terms of the Credit Facility or any of the other Transaction Documents, any extension of time or other modification of the terms and conditions for any act to be performed in connection with the Credit Facility or any of the other Transaction Documents; (iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the Issuer, the Trustee, the Tender Agent, the Credit Provider, the Loan Servicer, the Remarketing Agent or any other Person, whether in connection with any of the Transaction Documents, the Mortgaged Property, or any unrelated transaction; (iv) the surrender or impairment of any security for the performance or observance of any of the agreements or terms of any of the Transaction Documents; (v) defect in title to the Mortgaged Property, any act or circumstance that may constitute failure of consideration, destruction of, damage to or condemnation of the Mortgaged Property, commercial frustration of purpose, or any change in the tax or other laws of the United States of America or of the State or any political subdivision of either; (vi) the breach by the Issuer, the Trustee, the Tender Agent, the Remarketing Agent, the Credit Provider, the Loan Servicer or any other Person of any of its obligations under any Transaction Document; or (vii) any other circumstance, happening or omission whatsoever, whether or not similar to any of the foregoing.

SECTION 3.2 **Personal Liability of Borrower.** Except as provided in the last sentence of this Section, the obligations of the Borrower under this Agreement and the obligations of the Borrower under the Regulatory Agreement to pay money, including the obligations of the Borrower with respect to the Reserved Rights, shall be (i) general obligations of the Borrower with recourse to the Borrower personally, and (ii) subordinate and junior in priority, right of payment and all other respects to any and all obligations of the Borrower under the Loan Documents and to the Credit Provider under or in respect of the Credit Facility Documents. Nothing in this Section shall apply to the obligations of the Borrower under any of the Loan Documents.

SECTION 3.3 **Obligations Unsecured.** All obligations of the Borrower under this Agreement and under the Regulatory Agreement, including the obligations of the Borrower with respect to the Reserved Rights, shall not be secured by the Security Instrument and shall not constitute a lien on the Mortgaged Property in any manner.

SECTION 3.4 **Certain Obligations Personal to the Borrower.** No subsequent owner of the Mortgaged Property (including the Credit Provider as a result of a foreclosure, a deed in lieu of foreclosure or comparable conversion of the Loan) shall be liable for any breach or default of any obligation of any prior owner under the Regulatory Agreement or this Agreement, including any payment or indemnification obligation. The owner of the Mortgaged Property at the time any default or breach occurs shall remain liable for any and all damages occasioned by such default or breach even after such Person ceases to be the owner. Upon seeking to collect such damages, neither the Issuer nor the Trustee shall have recourse against or the right to levy against or otherwise collect on any judgment from the Mortgaged Property.

ARTICLE **IV**
REPRESENTATIONS AND WARRANTIES

SECTION 4.1 **Representations and Warranties of the Issuer.** The Issuer represents and warrants that:

(a) The Issuer is a public body corporate and politic duly organized and validly existing under the constitution and laws of the State.

(b) The Issuer has complied with the Act and the constitution and laws of the State that are prerequisites to the closing of the transactions provided for in the Bond Documents.

(c) The issuance of the Bonds to provide funding for the Mortgaged Loan is intended to serve the public interest and will further the purposes of the Act including the provision of decent, safe and sanitary rental housing units for persons and families of low or moderate income; to accomplish the foregoing, the Issuer intends to issue the Bonds on the terms set forth

in the Indenture and to use the proceeds derived from the sale of the Bonds as specified in the Indenture and this Agreement.

(d) The Bonds have been duly executed and delivered by the Issuer, and upon authentication by the Trustee, will constitute legal, valid and binding special limited obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(e) The Issuer has the full legal right, power and authority to execute and deliver the Issuer Documents, and to carry out its obligations under each of those documents. The issuance of the Bonds and the execution, delivery and performance of the Issuer Documents have been duly authorized by the Issuer. Each of the Issuer Documents has been duly executed and delivered by the Issuer, and, upon execution and delivery by the other party or parties to the Issuer Documents, is a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(f) Neither the execution and delivery of, nor the fulfillment of or compliance with the terms or conditions of, the Issuer Documents violates the constitution or laws of the State or any judgment, order, writ, injunction or decree to which the Issuer is subject, or conflicts in any material respect with, or results in a material breach of, or material default under, any agreement or instrument to which the Issuer is now a party or by which it is bound.

(g) Except as otherwise provided in the Indenture and the Assignment, the Issuer has not created any debt, lien or charge upon the Trust Estate, and has not made any pledge or assignment of or created any encumbrance on the Trust Estate.

(h) The Issuer has complied with all material provisions of the Act applicable to the Bonds and the transactions provided for in the Issuer Documents.

(i) No litigation or administrative action of any nature is pending against the Issuer (i) seeking to restrain or enjoin the issuance of the Bonds or the execution and delivery of the Issuer Documents, (ii) questioning the proceedings or authority relating to the Bonds or any other Issuer Document or (iii) questioning the existence or authority of the Issuer or that of its present or former members or officers and, to the best knowledge of the Issuer, none of the foregoing is threatened.

(j) The Bonds are being issued under the Indenture, and are secured by the Trust Estate. Under the Indenture the Issuer's interest in this Agreement (other than the Reserved

Rights) and the revenues and receipts to be derived by the Issuer pursuant to this Agreement, are pledged and assigned to the Trustee as security for payment of the principal of and interest and any premium on the Bonds.

SECTION 4.2 **Representations and Warranties of the Borrower.** The Borrower represents and warrants that as of the date of execution of this Agreement and as of the date of delivery of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Bonds or any investigations by or on behalf of the Issuer or the results thereof):

(a) The Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Florida, has full legal right, power and authority to enter into this Agreement and the other Borrower Documents, and to carry out and consummate all transactions contemplated hereby and by the other Borrower Documents, and by proper corporate action has duly authorized the execution, delivery and performance of this Agreement and the other Borrower Documents.

(b) The officers of the general partner of the Borrower executing this Agreement and the other Borrower Documents are duly and properly in office and fully authorized to execute the same.

(c) This Agreement and the other Borrower Documents have been duly authorized, executed and delivered by the Borrower.

(d) This Agreement and the other Assigned Documents, when assigned to the Trustee and Fannie Mae pursuant to the Assignment, will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower by Fannie Mae or the Trustee, as applicable pursuant to the Assignment, in accordance with their terms for the benefit of the Holders of the Bonds and Fannie Mae, and the Reserved Rights constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower by the Issuer in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of this Agreement and the other Borrower Documents, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the organizational documents of the Borrower, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of

the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement or the other Borrower Documents, or the financial condition, assets, properties or operations of the Borrower.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity of the corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or “blue sky” laws) is necessary in connection with the execution and delivery of this Agreement or the other Borrower Documents, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) Except for the foreclosure proceedings instituted by Fannie Mae which are to be dismissed simultaneously with the issuance of the Bonds, there is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower or the assets, properties or operations of the Borrower which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, this Agreement or the other Borrower Documents, or upon the financial condition, assets, properties or operations of the Borrower, and the Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement or the other Borrower Documents, or the financial condition, assets, properties or operations of the Borrower. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

(h) No written information, exhibit or report furnished to the Issuer by the Borrower in its application for financing or in connection with the negotiation of this Agreement or the other Borrower Documents contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) The Borrower has good and marketable title to the Mortgaged Property free and clear from all encumbrances other than as set forth in the title policy insuring the lien of the Mortgage.

(j) Any copies of the Borrower's financial statements which have been delivered to the Issuer fairly present the financial position of the Borrower at such date and the results of operations for the year ended on such date, with such exceptions as may be disclosed in such financial statements, and since the date thereof, there has been no material adverse change in the financial condition or results of operations of the Borrower, except as otherwise disclosed by the Borrower to the Issuer.

(k) The Borrower complies in all material respects with all applicable Environmental Regulations.

(l) Neither the Borrower nor the Mortgaged Property are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(m) The Borrower does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

ARTICLE

V

COVENANTS OF THE BORROWER

SECTION 5.1 **Compliance With Laws.** The Borrower will comply with all laws, ordinances, regulations and requirements of all duly constituted public authorities which may be applicable to the Mortgaged Property and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases (as such term is defined in the Security Instrument). The Borrower also will comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. The Borrower will at all times maintain records sufficient to demonstrate compliance with the provisions of this Section. The Borrower will take appropriate measures to prevent, and will not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by the Security Instrument. The Borrower represents and warrants that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity. Nothing contained in this Section is intended to modify or limit any provisions of the Regulatory Agreement or any Loan Document.

SECTION 5.2 **Maintenance of Legal Existence.** The Borrower will maintain its existence, continue to be duly qualified to do business in the State and will not terminate or dissolve. With the prior written consent of the Issuer, the Borrower may consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into

it, but subject to the satisfaction of the following conditions: (i) the entity resulting from or surviving such merger or consolidation (if other than the Borrower) (“**Surviving Entity**”) is duly organized and existing in good standing and qualified to do business in the State, (ii) if the Borrower does not survive the consolidation or merger, the Surviving Entity expressly assumes in writing all of the Borrower's obligations under this Agreement and the other Borrower Documents and (iii) the Borrower delivers an opinion of Bond Counsel to the effect that such consolidation or merger will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

SECTION 5.3 **Access to Mortgaged Property and Records.** Subject to reasonable notice, the Issuer and the Trustee and the respective duly authorized agents of each have the right, during normal business hours, to enter the Mortgaged Property and any location containing records relating to any of the Borrower, the Mortgaged Property, the Loan and the Transaction Documents, to inspect, audit and make copies of the Borrower's records or accounts pertaining to the Borrower, the Mortgaged Property, the Loan, the Transaction Documents, and the Borrower’s compliance with the Transaction Documents, and to require the Borrower, at the Borrower’s sole expense, to furnish such documents to the Issuer and the Trustee, as the Issuer or the Trustee from time to time deems necessary in order to determine that the Borrower is in compliance with the Transaction Documents and to make copies of any records that the Issuer or the Trustee, or their respective duly authorized agents, may reasonably require. The Borrower will make available to the Issuer and the Trustee such other information concerning the Borrower, the Mortgaged Property, the Loan and the Transaction Documents as any of them may reasonably request.

SECTION 5.4 **Reports and Information.** The Borrower will file such certificates and other reports with the Issuer and the Trustee as are required by the Transaction Documents. The Borrower will provide to the Issuer all information necessary to enable the Issuer to complete and file all forms and reports required by the laws of the State and the Code in connection with the Mortgaged Property and the Bonds.

SECTION 5.5 **Tax Covenants.** The Borrower covenants that it will comply with the requirements and conditions of the Tax Certificate and the Regulatory Agreement. Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, the Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the Bonds to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

- (a) the Borrower will not use the proceeds of the Bonds, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code, which will

cause the Bonds to be “arbitrage bonds” within the meaning of such Section, and will comply with the requirements of such Section throughout the term of the Bonds;

(b) the Borrower will prepare and file any statements required to be filed by it in order to maintain such exclusion; and

(c) the Borrower will pay to the United States any amount required to be paid by the Issuer or the Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Borrower irrevocably authorizes and directs the Issuer, the Trustee and any other agent designated by the Issuer to make payment of such amounts from funds of the Borrower, if any, held by the Issuer, the Trustee, or any agent of the Issuer or the Trustee. The Borrower further covenants and agrees that, pursuant to the requirements of Treasury Regulation Section 1.148-1(b), it (or any related person contemplated by such regulations) will not purchase Bonds in an amount related to the amount of the Loan, other than Pledged Bonds.

SECTION 5.6 **Notice of Certain Events.** The Borrower will advise the Issuer and the Trustee promptly in writing of the occurrence of any default by the Borrower in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Borrower set forth in this Agreement or in any of the other Borrower Documents, or of any Event of Default or Potential Default under this Agreement known to it or of which it has received notice, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such default. Such notice shall be given promptly, and in no event less than ten Business Days after the Borrower receives notice or has knowledge of the occurrence of any such event. The Borrower further agrees, that it will give prompt written notice to the Trustee if insurance proceeds or condemnation awards are received with respect to the Mortgaged Property.

ARTICLE
INDEMNIFICATION

VI

SECTION 6.1 **Borrower’s Obligations.** The Borrower releases the Issuer and the Trustee and their respective officers, directors, agents, officials, employees (and, as to the Issuer, members of its governing body) and any person who controls the Issuer or the Trustee within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee and their respective officers, directors, employees,

agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an “**Indemnified Party**”) from and against, any and all losses, claims, damages, liabilities and expenses (including attorneys’ fees and expenses), taxes, causes of action, suits 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 Mortgaged Property or the making of the Loan;
- (b) the issuance, sale, resale or remarketing of any Bonds or any certifications or representations made by any person other than the party seeking indemnification in connection therewith, including, but not limited to, any (i) statement or information made by the Borrower with respect to the Borrower or the Mortgaged Property in any offering document or materials regarding the Bonds, the Mortgaged Property or the Borrower or in the Tax Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (ii) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Mortgaged Property 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 Mortgaged Property required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (iii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;
- (c) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Mortgaged Property 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 this Financing Agreement or the Regulatory Agreement;
- (e) the condition of the Mortgaged Property (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Mortgaged Property or any part of it;
- (f) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Mortgaged Property 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 Mortgaged Property,

or resulting from the acquisition, construction, design, rehabilitation, repair, operation, use or management of all or any part of the Mortgaged Property;

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

(h) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in this Agreement and the other Transaction Documents or otherwise in connection with the Mortgaged Property, the Bonds or the execution or amendment of any document relating to the Bonds or the Mortgaged Property.

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, except (i) in the case of the foregoing indemnification of the Trustee or any of the Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person, and (ii) in the case of the foregoing indemnification of the Issuer or any of the Indemnified Parties, to the extent such damages are caused by the willful misconduct of such Person.

SECTION 6.2 **Defense of Claims.** In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under Section 6.1, the Borrower, upon written notice from the Indemnified Party, will assume the investigation and defense of the action or proceeding, including the engagement of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion; provided, however, that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to engage separate counsel in any action or proceeding and participate in the investigation and defense of such action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel if (i) the Indemnified Party determines that a conflict exists between the interests of the Indemnified Party and the interests of the Borrower or (ii) such separate counsel is engaged with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

SECTION 6.3 **Borrower's Continuing Obligations.** Notwithstanding any transfer of the Mortgaged Property to another owner in accordance with the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Article VI for all matters arising prior to such transfer, and, as a condition to the release of the transferor on and after the transfer date, the transferee must assume the obligations of the Borrower under this

Agreement and the other Borrower Documents on and after the transfer date. Each Indemnified Party's rights under this Article VI shall survive the termination of this Agreement, the payment of the Loan and the payment or defeasance of the Bonds.

ARTICLE

VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 **Events of Default.** The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

(a) The Borrower fails to pay when due any amount payable by the Borrower under this Agreement.

(b) The Borrower fails to observe or perform any covenant or obligation in this Agreement on its part to be observed or performed for a period of 30 days after receipt of written notice from the Trustee specifying such failure and requesting that it be remedied, provided, however, that if the failure cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the validity or enforceability of the Bonds or on the exclusion from gross income, for federal income tax purposes, of the interest on the Bonds, and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure is cured within 90 days of receipt of notice of such failure.

(c) The Credit Provider provides written notice to the Trustee of an Event of Default under this Agreement by reason of the occurrence of an Event of Default under the Reimbursement Agreement. No Event of Default under the Reimbursement Agreement shall constitute a default under this Agreement unless specifically declared to be so by the Credit Provider. The Credit Provider shall make such declaration by written notice to the Trustee.

SECTION 7.2 **Remedies upon an Event of Default.** Subject to the Assignment, whenever any Event of Default occurs and is continuing under this Agreement, the Issuer may take one or any combination of the following remedial steps:

(a) by written notice to the Borrower, declare all amounts then due and payable on the Note to be immediately due and payable;

(b) exercise any of the rights and remedies provided in the Loan Documents; and

(c) take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and afterward to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

SECTION 7.3 **No Levy or Other Execution Against Mortgaged Property.** Neither the Issuer nor the Trustee shall have any right to levy, execute or enforce any judgment in respect of the Borrower's obligations under this Agreement, including the Reserved Rights, against the Mortgaged Property or any other property of the Borrower which secures the obligations of the Borrower under the Loan or to the Credit Provider under any of the Credit Facility Documents.

SECTION 7.4 **Waiver and Annulment.** Unless the Credit Provider otherwise consents in writing, neither the Issuer nor the Trustee may waive or annul any Event of Default under this Agreement unless (i) all amounts which would then be payable under this Agreement by the Borrower if such Event of Default had not occurred and was not continuing are paid by or on behalf of the Borrower, and (ii) the Borrower also performs all other obligations in respect of which it is then in default under this Agreement and pays the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorneys' fees and expenses paid or incurred in connection with such default. No waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent on such Event of Default.

SECTION 7.5 **No Remedy Exclusive.** All rights and remedies provided in this Agreement are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance or otherwise.

SECTION 7.6 **No Waiver.** No delay or omission to exercise any right or power accruing upon any Event of Default under this Agreement shall impair any such right or power or shall be construed to be a waiver of such Event of Default, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

SECTION 7.7 **No Notices.** In order to entitle the Issuer 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 expressly required in this Article or by any Bond Document.

SECTION 7.8 **Expenses.** In the event the Borrower should default under this Agreement and the Issuer employ's attorneys or incurs other expenses for the collection of payments under, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in, this Agreement, the Borrower agrees that it will pay, on demand, to the Issuer the reasonable fees of such attorneys and such other expenses so incurred by the Issuer.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.1 **Notices.** All notices, certificates or other communications provided in this Agreement shall be given in writing, and shall be sufficiently given and shall be deemed given if given in the manner provided in Section 13.4 of the Indenture. Copies of each notice, certificate or other communication given under this Agreement by any party shall be given to the other parties. By notice given under this Agreement, any party may designate further or different addresses to which subsequent notices, certificates or other communications are to be sent. A duplicate copy of each notice, certificate, request or other communication given under this Agreement to the Issuer, the Borrower or the Trustee shall also be given to the Credit Provider and the Loan Servicer.

SECTION 8.2 **Amendment.** No amendment to this Agreement shall be binding upon the parties to this Agreement until such amendment is reduced to writing and executed by such parties; provided, however, that no amendment, supplement or other modification to this Agreement or any other Bond Document shall be effective without the prior written consent of the Credit Provider, subject to the provisions of Section 8.12.

SECTION 8.3 **Entire Agreement.** This Agreement is one agreement in a set of agreements, documents and instruments representing an integrated transaction. The agreements, documents and instruments are the Transaction Documents. The Transaction Documents contain all agreements between the parties to the integrated transaction, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among them, unless reference is made in a Transaction Document. Nothing in this Agreement shall relieve the Borrower of its obligations under the Loan Documents and the Credit Facility Documents.

SECTION 8.4 **Binding Effect.** This Agreement is a continuing obligation and shall (i) be binding upon each of the parties to this Agreement and their successors and assigns and (ii) inure to the benefit of and be enforceable by such parties and their respective successors, transferees and assigns; provided, however, that the Borrower may not assign all or any part of this Agreement without the prior written consent of the Issuer.

SECTION 8.5 **Further Assurances and Corrective Instruments.** The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments to this Agreement and to the other Transaction Documents contemplated by this Agreement as reasonably may be required to carry out the intention of, or to facilitate the performance of this Agreement, or to perfect or give further assurances of any of the rights granted or provided for in this Agreement.

SECTION 8.6 **Severability.** Should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be severable

from the remainder as to such jurisdiction and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired in any jurisdiction.

SECTION 8.7 **Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8.8 **Governing Law.** This Agreement shall be construed, and the obligations, rights and remedies of the parties under this Agreement shall be determined, in accordance with the laws of the State without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

SECTION 8.9 **WAIVER OF JURY TRIAL.** THE BORROWER, THE ISSUER AND THE TRUSTEE (A) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING UNDER THIS AGREEMENT TRIABLE BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT NOW EXISTS OR SHALL LATER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL BY THE BORROWER, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. FURTHER, THE BORROWER CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE ISSUER (INCLUDING, BUT NOT LIMITED TO, THE ISSUER'S COUNSEL) HAS REPRESENTED, EXPRESSLY OR OTHERWISE, TO THE BORROWER THAT THE ISSUER WILL NOT SEEK TO ENFORCE THE PROVISIONS OF THIS SECTION.

SECTION 8.10 **Limited Liability of the Issuer.** All obligations of the Issuer under this Agreement, the Regulatory Agreement and the Indenture shall be limited obligations of the Issuer, payable solely and only from the Trust Estate. 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 for the payment of the Bonds, nor to enforce the payment of the Bonds against any property of the State or any such political subdivision or other public body, including the Issuer except as provided in the Indenture. No member, officer, agent, employee or attorney of the Issuer, including any person executing this Agreement on behalf of the Issuer, shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal of or the interest on the Bonds, for any claim based on or in respect of the Bonds or based on or in respect of this Agreement, against any member, officer, employee or agent, as such, of the Issuer or any successor whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the

acceptance of this Agreement and as part of the consideration for the issuance of the Bonds, expressly waived and released.

SECTION 8.11 **Term of this Agreement.** This Agreement shall be in full force and effect from its date to and including such date as all of the Bonds are fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); provided, however, that Sections 2.5 and 5.5 and Articles III and VI shall survive the termination of this Agreement.

SECTION 8.12 **References to the Credit Provider.** All provisions in this Agreement regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) from and after the date on which the Credit Facility is declared to be null and void by final judgment of a court of competent jurisdiction; provided, however, that the payment of any amounts due to the Credit Provider pursuant to this Agreement shall continue in full force and effect. The foregoing shall not affect any other rights of the Credit Provider. All provisions in this Agreement relating to the rights of the Credit Provider shall be of no force and effect if the Credit Facility has terminated or expired in accordance with its terms and there are no Pledged Bonds or Bonds in which the Credit Provider has a security interest and all amounts owing to the Credit Provider under the Reimbursement Agreement have been paid.

LAND USE RESTRICTION AGREEMENT

Borrower's Name and Address:	TRG-Palm Lakes LP
Location of Property:	2575 NW 115th Street. Miami, Florida, 33167 as more particularly described in <u>Exhibit "A"</u> attached hereto
Name of Project:	Palm Lakes Apartments
Authority's Name and Address:	Housing Finance Authority of Miami-Dade County (Florida) 7300 NW 19 Street, Suite 501 Miami, Florida 33126

This **LAND USE RESTRICTION AGREEMENT** (this “Agreement”), made and entered into as of October __, 2011, is by and among the HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA), a body corporate and politic under the laws of the State of Florida (together with its successors and assigns, the “Issuer”), whose address is 7300 NW 19 Street, Suite 501, Miami, Florida 33126; U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee (together with any successor trustee under the Indenture described below, and their respective successors and assigns, the “Trustee”) whose mailing address is 500 W. Cypress Creek Road, Suite 560, Fort Lauderdale, Florida 33309; and TRG-PALM LAKES LP., a Florida limited partnership, whose mailing address is 275 Battery Street, Suite 500, San Francisco, California 94111 (together with its permitted successors and assigns, the “Borrower”).

WITNESSETH:

WHEREAS, the Issuer has authorized the issuance and delivery of its (i) Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project) (the “Senior Bonds”) in the aggregate principal amount of \$16,800,000 pursuant to the Trust Indenture dated as of October __, 2011 (the “Senior Indenture”) in order to provide a mortgage loan (the “Senior Mortgage Loan”) to the Borrower, pursuant to a Financing Agreement dated as of October __, 2011 (the “Financing Agreement”), among the Issuer, the Borrower and Trustee, and (ii) Subordinate Multifamily Mortgage Revenue Bonds, Series 2011B (Palm Lakes Apartments Project) (the “Subordinate Bonds” and, together with the Senior Bonds, the “Bonds”) in the aggregate principal amount of \$1,600,000 pursuant to the Subordinate Trust Indenture dated as of October __, 2011 (the “Subordinate Indenture”) in order to provide a mortgage loan (the “Subordinate Mortgage Loan” and, together with the Senior Mortgage Loan, the “Mortgage Loan”) to the Borrower, pursuant to a Subordinate Loan Agreement dated as of October __, 2011 (the “Subordinate Loan Agreement”), among the Issuer, the Borrower and Trustee; and

WHEREAS, the proceeds of the Mortgage Loan will be to finance the acquisition, construction and equipping of a multifamily housing project to be known as Palm Lakes Apartments (the “Project”) and paying certain costs incurred in connection with the issuance of the Bonds; and

WHEREAS, to provide for the operation of the Project in compliance with the requirements of Section 142(d) of the Code (as defined herein) and to ensure the exclusion from gross income for federal income tax purposes of interest on the Bonds, the Issuer and the Borrower desire to enter into this Agreement to provide certain terms and conditions relating to the operation of the Project, which is located on the land described in Exhibit “A” hereto, and to make the Trustee a party hereto; and

WHEREAS, the Indenture and the Financing Agreement require the execution and delivery of this Agreement as a condition to the issuance of the Bonds; and

WHEREAS, this Agreement shall be properly filed and recorded by the Borrower in the current public records of the County and shall constitute a restriction upon the use of the Land subject to and in accordance with the terms contained herein.

NOW THEREFORE, in consideration of the Issuer issuing the Bonds to facilitate the refinancing of the Project, the Borrower, acknowledging that compliance with this Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds, covenants and agrees with the other parties hereto as follows;

Section 1. Definitions and interpretation. The following terms shall have the respective meanings set forth below (undefined terms shall be given the meanings set forth in the recitals hereto, in the Indenture or in the Financing Agreement):

“Act” means the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended, and other applicable provisions of law.

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

“Applicable Income Limit” means sixty percent (60%) of area median gross income (within the meaning of Section 142(d) of the Code) for the City of Jacksonville, Florida, Standard Metropolitan Statistical Area, as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination), including adjustments for family size.

“Bond Counsel” means any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income of interest on bonds for federal income tax purposes issued by states and political subdivisions selected by the Issuer.

“Bonds” means the Issuer’s Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project) and Subordinate Multifamily Mortgage Revenue Bonds, Series 2011B (Palm Lakes Apartments Project).

“Code” means the Internal Revenue Code of 1986, as amended, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations or temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“Compliance Certificate” means a compliance certificate in substantially the form attached as **Exhibit “B,”** as the same may be from time to time amended by the Authority on the advice of Bond Counsel to be delivered by the Borrower to the Authority and the Trustee.

“Consumer Price Index” means the Consumer Price Index for Urban Wage Earners and Clerical Workers published for the month of October for each year by the Department of Labor, Bureau of Labor Statistics.

“County” means Miami-Dade County, Florida.

“Current Annual Family Income” is determined in accordance with Section 8 of the Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination), and includes wages and salaries, overtime pay, commissions, fees, tips and bonuses and other forms of compensation for personal services, net income from operation of a business or a profession, interest, dividends and other net income of any kind from real or personal property, periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits or similar types of periodic receipts, payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay, welfare assistance, periodic and determinable allowances such as alimony and child support and regular pay, special pay and allowances of a member of the Armed Forces, and other forms of income described in the Income Certification (the form of which is attached hereto as **Exhibit “C”**), but does not include earnings of children under 18, payments received for care of foster children or adults, lump sum insurance payments, inheritances, capital gains and settlements for personal or property losses, amounts received specifically for, or in reimbursement of, the cost of medical expenses, income of a live-in aide, certain student financial assistance, special pay to a member of the Armed Forces who is exposed to hostile fire, amounts received under certain training programs and other social service programs, temporary, nonrecurring or sporadic income or other forms of income that the Income Certification specifies may be excluded.

“Fannie Mae” means the Fannie Mae, a corporation duly organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., Section 716, et. ma., and its successors and assigns.

“Financing Agreement” means collectively the Financing Agreement and the and the Subordinate Loan Agreement.

“HUD” means the United States Department of Housing and Urban Development or any successor agency.

“Indenture” means collectively the Senior Indenture and the Subordinate Indenture.

“Land” means the real property located in Miami-Dade County, Florida described in **Exhibit “A”** attached hereto.

“Loan Documents” has the meaning given to that term in the Indenture.

“Lower-Income Persons” means persons whose Current Annual Family Income does not exceed the Applicable Income Limit; provided, however, that the occupants of a unit shall not be considered to be Lower-Income Persons if all of the occupants of such unit are students (as defined in Section 151(e)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code.

“Mortgage Loan” means the loans made by the Issuer to the Borrower pursuant to the terms and provisions of the Financing Agreement for the purpose of providing funds to the Borrower to finance the acquisition and rehabilitation of the Project.

“Project” means the multifamily residential rental housing development known as Palm Lakes Apartments, located on the Land and to be financed with proceeds of the Bonds through the Financing Agreement.

“Qualified Project Period” means the period beginning on the first day on which at least ten percent (10%) of the units in the Project were first occupied, and ending on the latest of (a) the date that is fifteen years after the date on which at least fifty percent (50%) of the units in the Project are first occupied, (b) the first date on which no tax-exempt private activity bond issued with respect to the Project is Outstanding (as interpreted pursuant to the Code); and (c) the date on which any assistance provided with respect to the Project under Section 8 of the U.S. Housing Act of 1937 terminates.

“Regulations” means the Income Tax Regulations issued under the Code as applicable (including applicable final regulations, temporary regulations and proposed regulations).

“Security Instrument” means collectively, (i) the Multifamily Mortgage, Assignment of Rents, and Security Agreement, dated as of October __, 2011, together with all riders and exhibits, securing the Mortgage Note, executed by the Borrower with respect to the Mortgaged Property, as it may be amended, modified, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, modified, supplemented or restated from time to time and (ii) the [Subordinate Mortgage].

“Servicer” means Well Fargo Bank, National Association, a national banking association, or its successor, or a successor Servicer selected by Fannie Mae.

“State” means the State of Florida.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any

way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Property. The Borrower hereby represents, covenants, warrants and agrees that:

(a) (1) The Project shall be operated for the purpose of providing a “qualified residential rental project” as such phrase is used in Sections 142(a)(7) and 142(d)(1) of the Code and will operate the Project for that purpose, (2) the Borrower shall own the entire Project for federal tax purposes, and (3) the Project is and shall continue to be owned, managed and operated as a multifamily residential rental property, comprised of a building or structure or several buildings or structures containing similarly constructed units, together with any functionally related and subordinate facilities and no other facilities; in accordance with Section 142(d) of the Code and Sections 1.103-8(b)(4) and 1.103-8(a)(3) of the Regulations, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) Each residential unit in the Project shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished and constructed (except as to number of bedrooms), each of which shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range or microwave oven, refrigerator and sink.

(c) None of the units in the Project are or will at any time be, (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, trailer park or court, or (3) rented for initial lease periods of less than six (6) months. No part of the Project will be owned or used by a cooperative housing corporation or converted to condominiums.

(d) All of the units will be rented or available for rent on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), and the Borrower will not give preference to any particular class or group of persons in renting the units in the Project, except to the extent that units are required to be leased or rented to Lower-Income Persons. Lower-Income Persons will have equal access to and enjoyment of all common facilities of the Project at all times. The Borrower will not discriminate against children of any age when renting the units in the Project.

(e) The Land consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream or similar property, and the Project comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Project) are functionally related and subordinate to the Project and are commensurate with its size and intended use.

(f) The Borrower or an Affiliated Party of the Borrower shall not occupy any of the units in the Project; provided, however, that the Borrower or an Affiliated Party of the Borrower may occupy a unit in a building or structure in the Project that contains five or more units if the Borrower or an Affiliated Party of the Borrower is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Project shall be occupied by resident managers or maintenance or security personnel.

(g) None of the proceeds of the Bonds (including investment earnings) will be used to provide a skybox or any other private luxury box, an airplane, a health club facility, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

The requirements of this Section 2 shall remain in effect during the term of this Agreement (as provided in Section 10 below).

Section 3. Lower-Income Persons. The Borrower hereby represents, warrants and covenants as follows:

(a) At all times during the term of this Agreement, all of the completed and occupied residential units in the Project shall be occupied (or, after initial satisfaction of the Lower-Income Requirement as defined below, held available for occupancy) on a continuous basis by persons or families who at the time of initial occupancy of such units were Lower-Income Persons. This occupancy requirement is referred to herein as the "Lower-Income Requirement." In no event will the occupants of a residential unit be considered to be Lower-Income Persons if all the occupants are students, no one of whom is entitled to file a joint federal income tax return.

(b) For purposes of paragraph (a) of this Section 3, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person shall be counted as occupied by a Lower-Income Person during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Person. However, a Lower-Income Person whose income as of the most recent Income Certification (as described in Section 4(a) below) exceeds one hundred and forty percent (140%) of the Applicable Income Limit, shall not continue to be, treated as a Lower-Income Person if after delivery of such Income Certification but before the delivery of the next Income Certification, any residential unit in the building in which such non-qualifying Lower-Income Person resides of comparable or smaller size is occupied by a new tenant who is not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person shall be counted as occupied by a Lower-Income Person until it is reoccupied other than for a temporary period of not more than thirty-one (31) days, at which time the unit shall be considered to be occupied by a Lower-Income Person only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person.

Section 4. Reporting Requirements.

(a) Income Certifications in the form attached hereto as **Exhibit "C"** shall be obtained from each Lower-Income Person (i) no less than five (5) days prior to the time of initial

occupancy for all tenants, and (ii) upon the vacancy and reoccupancy of any unit in the Project, and each Income Certification shall be obtained as often as necessary to comply with the requirements of Section 142(d) of the Code, but no less frequently than once each year.

(b) The Borrower shall make copies of the Income Certifications specified in Section 4(a) hereof available to the Authority for inspection on reasonable notice.

(c) The Borrower shall maintain complete and accurate records pertaining to the incomes of (as of the date of initial occupancy of each tenant) and rents charged to Lower-Income Persons residing in the Project, and shall permit, upon five (5) business days' notice to the Borrower, any duly authorized representative of the Authority to inspect the books and records of the Borrower pertaining to the incomes of Lower-Income Persons residing in the Project.

(d) The Borrower shall prepare and submit to the Trustee on or before the twentieth business day of each month thereafter, rent rolls and a Certificate of Continuing Program Compliance (the "Compliance Certifications") in the form attached hereto as **Exhibit "B,"** as such form may be revised by the Authority from time to time upon the advice of Bond Counsel, executed by the Borrower stating (1) the percentage of residential units that were occupied by Lower-Income Persons as of the last day of the previous month, (ii) that at all times during the previous month all of the residential units in the Project were occupied, or held for occupancy, by Lower-Income Persons (as determined in accordance with Section 3 of this Agreement), and (iii) that no default has occurred under this Agreement or, if such a default has occurred, the nature of such default and the steps, if any, the Borrower has taken or proposes to take to correct such default.

(e) The Borrower shall render a yearly report to the Secretary of the Treasury as required by Section 142(d)(7) of the Code.

In the event that the Borrower fails to submit to the Trustee the item which the Borrower is required to submit or make available under paragraph (d) above at the times required, the Borrower shall be liable for the payment to the Authority of a late fee of \$100.00 per day, which shall be payable within ten business days of written notification from the Authority of the amount of such late fee.

Section 5. Indemnification. The indemnification provisions of the Financing Agreement are hereby incorporated herein in full.

Section 6. Reliance. The Authority and the Borrower 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 exclusion from gross income for federal income tax purposes of the interest on the Bonds. In performing their duties and obligations hereunder, the Authority and the Trustee may rely upon statements and certificates of the Borrower, Lower-Income Persons reasonably believed by the Borrower, its agents and employees to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project, In

addition, the Authority 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 Authority or the Trustee hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Borrower may rely upon certificates of Lower-Income Persons reasonably believed to be genuine and to have been executed by the proper person or persons.

Section 7. Sale Lease or Transfer of Project.

(a) The Borrower shall not sell, assign, convey or transfer any material portion of the land, fixtures or improvements constituting a part of the Project, or any material portion of the personal property constituting a portion of the Project during the term of this Agreement without (i) the prior written consent of the Authority, which consent shall not be unreasonably withheld, and (ii) the Trustee and the Authority having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes. If a material portion of the Project financed with proceeds from the Mortgage Loan is sold during the term hereof and such material portion of such Project consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Borrower to purchase property of similar function to be used in connection with the Project, otherwise, the proceeds from such sale shall be applied in accordance with the Financing Agreement and Security Instrument. If such material portion of such Project consists of real property and improvements, the purchaser thereof must execute and deliver to the Borrower and the Trustee a document in form and substance reasonably satisfactory to the Authority pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of this Agreement.

(b) The Borrower shall not sell or otherwise transfer the Project in whole unless (i) the Borrower has received the prior written consent of the Authority (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (ii) the Borrower shall not be in default hereunder, (iii) it is reasonably expected that continued operation of the Project will comply with the requirements of this Agreement, (iv) the subsequent purchaser or assignee shall execute any document reasonably requested by the Authority with respect to assuming the obligations of the Borrower under this Agreement, (v) the Trustee and the Authority shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (vi) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (vii) the purchaser or assignee shall have first executed a document in recordable form addressed to the Authority and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of this Agreement, the relevant Security Instrument and the Financing Agreement, (viii) the Trustee and the Authority shall receive an opinion of counsel reasonably acceptable to the Authority to the effect that the purchaser's or assignee's obligations under this Agreement, the Financing Agreement, the Mortgage Note, the Security Instrument and

other financing documents relating to the Bonds are enforceable against such purchaser or assignee in accordance with their terms, and (ix) the Trustee and the Authority shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section shall be ineffective to relieve the Borrower of its obligations under this Agreement, the Security Instrument or the Financing Agreement. In the event that the purchaser or assignee shall assume the obligations of the Borrower under the Mortgage Loan, the Financing Agreement and this Agreement, the Borrower shall be released from its obligations thereunder and hereunder, other than its obligations under the Financing Agreement arising prior to such date of assumption. Notwithstanding the foregoing, ownership of the Project may be transferred in connection with a foreclosure thereof under the Security Instrument, or the acceptance of the Project by the mortgagee in lieu of foreclosure under the Security Instrument, without complying with the foregoing; provided, however, that this sentence shall not apply to any subsequent transfer by a mortgagee in possession.

(c) Notwithstanding anything in this Section 7 to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Project or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units as contemplated by this Agreement, (ii) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Project, providing same are granted in connection with the operation of the Project as contemplated by this Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, or (iv) the placing of a subordinate mortgage lien, assignment of leases and/or rents or security interest on or pertaining to the Project which is made expressly subject and subordinate hereto and to the Security Instrument.

Section 8. Negative Covenants. The Borrower shall not:

(a) Except pursuant to the provisions of this Agreement, the Financing Agreement and the Loan Documents, or except upon a sale or transfer of the Project in accordance with the terms of this Agreement, the Financing Agreement and the Security Instrument, encumber any of the mortgaged property, including the grant of commercial leases (other than for vending machines, coin-operated laundry facilities and similar amenities functionally related and subordinate to the Project and granted in connection with the day-to-day operation of an apartment complex), or permit the conveyance, transfer or encumbrance of such property (except for such leases and for apartment leases) for the Qualified Project Period except as otherwise provided herein. Nothing in this paragraph shall prohibit the granting of easements for the purpose of providing utility services (including cable television or private satellite television) to the Project.

(b) Demolish any part of the Project necessary for the operation thereof for its intended purposes or substantially subtract from any real or personal property of the Project; or

(c) Permit the use of the dwelling accommodations of the Project for any purpose except rental residences in compliance with Section 142(d) of the Code.

Section 9. Covenants to Run with the Land. This Agreement and the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 10 hereof, shall pass to and be binding upon the Borrower's assigns and successors and all subsequent owners of the Land or the Project or any interest therein; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided in hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Project.

The parties hereto acknowledge that the Borrower has previously entered into that certain Land Use Restriction Agreement dated as of April 1, 2001 among Miami-Dade County Housing Finance Authority, SunTrust Bank, as trustee, and the Borrower and recorded on April 24, 2001 in the real estate records of Miami-Dade County, Florida in Official Records Book 9063, pages 332-362 (the "Prior Regulatory Agreement"). The Prior Regulatory Agreement remains in full force and effect in accordance with its terms and it is not the intention of the Borrower that this Agreement shall supercede or replace the Prior Regulatory Agreement.

Section 10. Term. This Agreement shall remain in full force and effect during the Qualified Project Period; provided, however, that this Agreement shall terminate in the event of involuntary noncompliance with the provisions of this Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a

federal law or an action of a federal agency that prevents the Authority from enforcing the provisions hereof, or condemnation or a similar event (as determined by Bond Counsel), but only if within a reasonable period thereafter (i) the Bonds are retired in full or (ii) the proceeds received as a result of such event are used to finance a development that complies with the provisions hereof and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if at any time during the remainder of the Qualified Project Period, the Borrower or an Affiliated Party to the Borrower, or either of them, obtains an ownership interest in the Project for federal tax purposes.

Section 11. Correction of Noncompliance. The failure of the Borrower to comply with any of the provisions of Sections 2 or 3 of this Agreement shall not be deemed a default hereunder unless such failure has not been corrected within a period of sixty (60) days following the date that any of the parties hereto learned of such failure or should have learned of such failure by the exercise of reasonable diligence (which 60-day period may be extended if (i) such failure cannot reasonably be corrected within such 60-day period, (ii) diligent action to correct such failure commences within such 60-day period, (iii) such action is diligently pursued until such failure is corrected, and (iv) the Borrower delivers to the Authority and the Trustee an opinion of Bond Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes). Not later than the business day next succeeding the day on which the Trustee or the Authority learns of such failure, the Trustee or the Authority shall attempt with reasonable diligence to notify the Borrower of such failure by written communication.

Section 12. Modification of Tax Covenants. To the extent any amendments, modifications or changes to the Regulations or the Code, or interpretations thereof shall, in the written opinion of Bond Counsel filed with the Authority, the Trustee and the Servicer, impose requirements upon the Borrower or the occupancy or operation of the Project different than those currently imposed by the Regulations or the Code and stated herein, and the Borrower's failure to comply with such different requirements would produce a material and substantial risk that interest on the Bonds will become includable in gross income for federal income tax purposes, then this Agreement shall be amended and modified in accordance with such requirements in the manner provided in Section 19(a) hereof. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Bond Counsel to effectuate the intent of this Section 12 and Section 19(a) hereof.

Section 13. Burden and Benefit. The Authority, the Trustee, and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Borrower's legal interest in the Land and the Project is rendered less valuable thereby. The Trustee, the Authority and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project by Lower-Income Persons, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued. The Borrower hereby expressly acknowledges that this Agreement is necessary to preserve the exclusion from gross

income for federal income tax purposes of interest on the Bonds issued by the Authority to permit the refinancing of the Project, and covenants and agrees that in connection with the operation of the Project, it shall and shall require any subsequent purchaser of the Project to fully comply with all terms and conditions of this Agreement.

Section 14. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project.

Section 15. Remedies; Enforceability.

(a) The benefits of this Agreement shall inure to, and may be enforced by, respectively, the Authority, the Trustee and its successors, the holders of the Bonds and their successors and assigns to the extent permitted by the Indenture for the period set forth in Section 11 hereof, whether or not the Mortgage Loan may be paid in full, and whether or not the Bonds are outstanding. If a material violation of any of the provisions hereof which is not being corrected as provided in Section 11 hereof occurs or is attempted, such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation; and to compel specific performance hereunder, it being recognized that the beneficiaries of the Borrower's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Borrower's default. The Authority shall have the right (but not the obligation) and is specifically authorized by the Borrower hereunder, to appoint a new manager of the Project to operate the Project in accordance with this Agreement and the Financing Agreement and take all actions necessary, in the reasonable judgment of the Authority, to cure any default by the Borrower hereunder, and such new manager assuming such management hereunder shall be paid by or on behalf of the Borrower, from the rents, revenues, profits and income from the Project, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of the County.

(b) The Borrower further agrees that the Authority shall have the right to require the Borrower to remove any manager or managing agent whose actions or inactions present a material risk of an adverse affect on the excludability from gross income for federal income tax purposes of interest on the Bonds and which action or inaction is not being corrected as provided in Section 11 hereof, upon such manager or managing agent being given thirty (30) days written notice of any violation hereof; and such right shall be expressly acknowledged in any contract between the Borrower and any such manager or managing agent. The Borrower hereby agrees that the appointment of a receiver may be necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds following a violation of the provisions of this Agreement which presents a material risk of an adverse impact on the excludability from gross income for federal income tax purposes of interest on the Bonds.

(c) In addition to such other remedies as may be provided for herein, if a violation of any of the provisions hereof which is not being corrected as provided in Section 11 hereof occurs or is attempted, the Authority may appoint a receiver to operate the Project in compliance with this Agreement. The Borrower hereby expressly consents to the appointment of a receiver to operate the Project following a violation by the Borrower which is not being corrected as

provided in Section 11 hereof and hereby waives any and all defenses and objections that might otherwise be raised to any such appointment of receiver. Subject to Section 12 hereof, the provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Borrower or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation.

(d) No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times. The liability of the Borrower under this Agreement is and shall be limited to the assets of the Borrower, it being specifically understood and agreed that neither the Borrower nor the directors, officers, shareholders, employees or agents thereof, shall have any personal liability with respect to the obligations of the Borrower set forth herein, and that any party seeking to enforce personal liability against any director, officer, shareholder, employee or agent thereof, shall look only to said assets of the Borrower for the satisfaction of such liability.

(e) The parties hereto agree that the maturity date of the Mortgage Loan may be accelerated solely by the holder thereof upon the occurrence of a default on the part of the Borrower under the Loan Documents which is not cured during any applicable grace period in accordance with their respective terms and for no other reason.

Section 16. Filing. Upon execution and delivery by the parties hereto, the Borrower shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the current public records of the County and in such manner and in such other places as the Authority or the Trustee may reasonably request, and shall pay all fees and charges incurred in connection therewith.

Section 17. Governing Law. This Agreement shall be governed by the laws of the State of Wisconsin, without regard to conflicts of laws principles.

Section 18. Assignment. The interest of the Authority in this Agreement shall be assigned to the Trustee and the rights of the Authority hereunder shall be enforceable by the Trustee. The Borrower shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 7 hereof.

Section 19. Amendments.

(a) This Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto or their successors in title, and duly recorded in the current public records for the County. Anything to the contrary notwithstanding, the parties hereby agree to amend this Agreement, after prior notice to the Servicer and Fannie Mae, to the extent required in the opinion of Bond Counsel in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Borrower agrees, from time to time, to take such other actions and steps necessary to comply, and to cause the Project to comply, with the requirements of Section 142(d) of the Code and to enter into modifications and

amendments to this Agreement to the extent required by Section 12 of this Agreement, in each case so that interest on the Bonds remains excluded from gross income for federal income tax purposes. If either the Borrower or the Authority fails to perform its obligations under Section 12 of this Agreement, the Trustee shall be authorized by the Borrower and the Authority (and is hereby appointed as their respective true and lawful attorney-in-fact) to execute, deliver and record, on behalf of the Borrower or the Authority, as applicable, any such amendment; provided that the Trustee shall take no action pursuant to this sentence without first notifying the Borrower, the Authority and the Servicer in writing of its intention to take such action and without first providing the Borrower or the Authority, as applicable, an opportunity to comply with the requirements of this clause (a).

(b) Subject in all respects to the other provisions of this Agreement, the Authority, the Trustee and the Borrower may from time to time enter into one or more amendments or supplements to this Agreement for any of the following purposes:

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

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

(iii) To make such changes to the covenants hereof to the extent required by Sections 12 and 19(a) hereof in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, or to make such changes to the covenants of the Borrower hereunder (to the extent such changes are consistent with any applicable amendment to the Code or Regulations), so long as such changes are more restrictive than the covenants set forth herein;

(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, provided that such action will not adversely affect the interests of the owners of the Bonds; or

(v) Upon delivery of an opinion of Bond Counsel to the effect that such amendment or supplement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, to amend the covenants of the Borrower hereunder to the extent consistent with any applicable amendment to the Code or Regulations.

Section 20. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 21. No Conflict with Other Documents. The Borrower warrants that it has not, and will not, execute any other agreement with provisions contradictory to, or in opposition

to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

Section 22. Fannie Mae Provisions. The provisions set forth in the Fannie Mae Rider attached hereto are hereby incorporated by reference and shall be deemed a part of this Agreement for all purposes hereto.

ASSIGNMENT AND INTERCREDITOR AGREEMENT

THIS ASSIGNMENT AND INTERCREDITOR AGREEMENT (“Assignment”) dated as of October 1, 2011 is among the **HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA)** (“Issuer”), a public body corporate and politic of the State of Florida, **U.S. BANK NATIONAL ASSOCIATION** (“Trustee”), not in its individual or corporate capacity, but solely as Trustee under the Indenture], a national banking association and **FANNIE MAE** (“Fannie Mae”), the body corporate duly organized under the Federal National Mortgage Association Charter Act, as amended, 12 U.S.C. §1716 *et seq.* and duly organized and existing under the laws of the United States, as amended and is acknowledged, accepted and agreed to by TRG-PALM LAKE, L.P. (“Borrower”), a Florida limited partnership.

RECITALS

A. Borrower has requested Issuer to issue its \$16,800,000 Aggregate Principal Amount of Housing Finance Authority of Miami-Dade County (Florida) Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project) (“**Bonds**”) and lend the proceeds of the Bonds to Borrower in the form of a mortgage loan (“**Loan**”).

B. Issuer is issuing and selling the Bonds under the Indenture and depositing the proceeds of the Bonds with Bond Trustee to be used to fund the Loan.

C. The Loan is (a) evidenced by the Note and (b) secured by the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of the date of this Assignment, executed by the Borrower with respect to the Mortgaged Property (as defined below) for the benefit of the Issuer and Fannie Mae as their interests may appear (“**Security Instrument**”). The purpose of the Loan is to finance the acquisition and rehabilitation by the Borrower of a certain multifamily housing apartment building within Miami, Florida as more particularly described on Exhibit A attached hereto and incorporated herein by reference (“**Mortgaged Property**”).

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1 **Incorporation of Recitals.** In addition to the recitals set out above, the Recitals to the Indenture are incorporated into and made a part of this Agreement.

SECTION 1.2 **Defined Terms.** All capitalized terms used in this Assignment have the meanings given to those terms in the Indenture, or elsewhere in this Assignment unless the context or use clearly indicates a different meaning.

SECTION 1.3 **Rules of Construction.** The rules of construction set forth in Section 1.2 of the Indenture shall apply to this Assignment in their entirety, except that in applying such rules, the term “Assignment” shall be substituted for the term “Indenture”.

SECTION 1.4 **Interpretation.** Each of the parties acknowledges that it and its counsel participated in the drafting and revision of this Assignment. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Assignment.

SECTION 1.5 **Effective Date.** This Assignment shall be effective on the Closing Date, immediately upon the effectiveness of the Indenture.

ARTICLE II

TRANSFER OF ASSIGNED RIGHTS

SECTION 2.1 **Assignment of Assigned Rights to Fannie Mae and the Trustee.** The Issuer irrevocably and absolutely assigns, transfers, conveys and delivers to Fannie Mae and the Trustee, but without recourse to the Issuer, all of the Issuer’s right, title and interest in and to (i) the Note, the Security Instrument, each of the other Loan Documents, and the Financing Agreement (collectively, “**Assigned Documents**”), (ii) all the real and personal property described in the Assigned Documents and (iii) all proceeds, products, substitutions, additions and replacements of any collateral now or hereafter mortgaged, assigned or pledged under any of the Assigned Documents; in all cases whether now existing or arising in the future; provided, however, that the Reserved Rights of the Issuer are excepted from such assignment and transfer (collectively, “**Assigned Rights**”). Each Assignee acknowledges receipt of, and accepts, and shall hold, the Assigned Rights, as its interest may appear.

SECTION 2.2 **Acknowledgement of Exclusion from Assignment.** The Borrower, the Issuer, Fannie Mae and the Trustee specifically agree that the Regulatory Agreement is not an Assigned Document; provided, however, that Fannie Mae, as a third party beneficiary, shall have the right to enforce the Regulatory Agreement in accordance with the provisions of the Regulatory Agreement.

SECTION 2.3 **Limitations on Issuer.** From and after the effective date of this Assignment, the Issuer shall not have, except with respect to the Reserved Rights, any right, power or authority to exercise any of the Assigned Rights or take any other action with respect to the Assigned Documents or the Assigned Rights, including waiving or releasing the Borrower

from any default under any of the Assigned Documents, consenting to any amendment, supplement to, or restatement of any Loan Document and accelerating or otherwise enforcing payment or seeking other remedies with respect to the Loan.

SECTION 2.4 **Power of Attorney.** Subject to the Reserved Rights of the Issuer, the Issuer agrees that Fannie Mae and the Trustee, each acting alone, in its own name or in the name of the Issuer, may enforce all of the Assigned Rights and all obligations of the Borrower under the Assigned Documents, without regard to whether the Issuer is in default under any of the Assigned Documents or under this Assignment. In order to implement the foregoing, the Issuer appoints each of Fannie Mae and the Trustee, their respective successors and assigns, as the Issuer's true and lawful attorney-in-fact with power of substitution to do any or all of the foregoing in the name, place and stead of the Issuer. This power of attorney, being coupled with an interest, is irrevocable as long as this Assignment remains in effect.

SECTION 2.5 **Disclaimer of Assumption of Obligations.** Neither Fannie Mae nor the Trustee shall be obligated by reason of this Assignment or otherwise to perform or be responsible for the performance of any of the obligations of the Issuer under the Assigned Documents.

SECTION 2.6 **Confirmation of Assignment and Transfer.** In order to confirm and evidence the assignment set out in Section 2.1, the Issuer has delivered to Fannie Mae and the Trustee and Fannie Mae and the Trustee acknowledge receipt of, a signed counterpart of each of the Assigned Documents (other than the Note, which is a single original delivered to the custody of Fannie Mae as provided in Section 4.1) and has executed and delivered for the benefit of Fannie Mae and the Trustee UCC financing statements covering the Issuer's interest in the Assigned Rights in form sufficient for filing with the Secretary of State's Office and the Miami-Dade County Clerk Recorder's Office, naming Fannie Mae and the Trustee as secured parties.

SECTION 2.7 **Further Assurances.** The Issuer agrees to cooperate with the Borrower, Fannie Mae and the Trustee in their defenses of Fannie Mae's and the Trustee's interests in the Assigned Rights against the claims and demands of all Persons. The Issuer will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such additional and supplemental agreements, financing statements, continuation statements and other instruments and documents, do such further acts, and make such further transfers as the Trustee or Fannie Mae may reasonably request to effectuate the purpose and intent of this Assignment.

ARTICLE III

LOAN SERVICING

SECTION 3.1 **Servicing.** So long as the Assigned Rights have not transferred to the Trustee pursuant to Section 5.1, Fannie Mae shall have the sole and exclusive right, without the

consent of the Issuer, the Trustee or the Borrower, to (i) arrange for the servicing of the Assigned Rights and the Issuer's Fee, but excluding all other Reserved Rights (ii) appoint and reappoint the Loan Servicer and (iii) terminate the Loan Servicer (with or without cause), all on such terms and conditions as Fannie Mae may determine from time to time. Loan servicing shall include, but not be limited to, the power and authority to (a) take any action, make any decision, exercise any power or authority to act with respect to the Assigned Rights, (b) establish and maintain custodial and other accounts for the deposit of funds payable by the Borrower and (c) collect, apply and disburse payments of principal of, interest on and premium on the Loan and all other sums payable from time to time by the Borrower under any of the Loan Documents or the Financing Agreement, all in accordance with the applicable documents. None of the Issuer, the Trustee or the Borrower shall have any right under, or be a third party beneficiary of, the Servicing Agreement. Neither Fannie Mae, the Issuer nor the Trustee shall have any obligation to pay a servicing fee to the Loan Servicer.

SECTION 3.2 Monitoring. The Borrower shall furnish to the Loan Servicer copies of all reports regarding the Mortgaged Property required to be filed by the Borrower pursuant to the Financing Agreement or the Regulatory Agreement. Neither the Trustee nor the Loan Servicer shall have any duty or obligation to analyze or review any such reports for determining whether or not the Borrower or the Mortgaged Property is in compliance with the requirements of the Code for maintaining the excludability from gross income, for federal income tax purposes, of the interest payable on the Bonds.

SECTION 3.3 Payment Servicing During Reset Period and Fixed Rate Period.

(a) **Servicing.** From the Closing Date to the Initial Adjustment Date, and thereafter during any Reset Period or Fixed Rate Period, the Borrower shall pay all of the following directly to the Loan Servicer as and when required under the Note and the Reimbursement Agreement:

- (1) all principal of and interest and any premium on the Loan (whether regularly scheduled payments or otherwise);
- (2) all Third Party Fees;
- (3) the Facility Fee (which includes the Credit Enhancement Rate and the Loan Servicer's Rate) payable by the Borrower under the Reimbursement Agreement; and
- (4) all other amounts payable under any of the Loan Documents.

The Loan Servicer shall remit the payments received in respect of clauses (1) and (2) above to the Trustee on or before the date when due under the applicable Bond Documents, to be held and

disposed of by the Trustee pursuant to the Indenture and the Financing Agreement. Notwithstanding the foregoing, the principal and interest payment due under the Note in each month in which an Interest Payment Date occurs shall be remitted by the Loan Servicer directly to Fannie Mae. The Trustee's payment to Fannie Mae pursuant to the Indenture on each Interest Payment Date of an amount equal to the corresponding amount drawn on the Credit Facility in connection with principal and interest payments due on the Bonds on such Interest Payment Date, shall be net of the principal and interest payment under the Note remitted by the Loan Servicer to Fannie Mae during the month in which such Interest Payment Date occurs.

ARTICLE IV

CONTROL OF ASSIGNED RIGHTS

SECTION 4.1 **Possession of Note and Security Instrument.** Subject to the provisions of Section 5.1, Fannie Mae shall hold the original Note and the recorded Security Instrument. The originals (or, where recorded, executed copies) of all other Loan Documents, shall also be delivered to and held by Fannie Mae. Fannie Mae acknowledges receipt of the original executed Note, endorsed to the order of Fannie Mae and the Trustee, as their interests may appear.

SECTION 4.2 **Exclusive Exercise of Assigned Rights by Fannie Mae.** Except only as provided in Section 5.1, Fannie Mae shall have and may exercise all of the Assigned Rights to the exclusion of the Trustee and in the same manner and with the same right, power and authority to act as Fannie Mae would have if Fannie Mae were the sole owner of the Loan and were the sole holder of the Note and the Security Instrument. In exercising the Assigned Rights, Fannie Mae shall not be an agent of the Issuer or the Trustee. Neither the Issuer nor the Trustee shall be liable for any action taken or not taken by Fannie Mae in the exercise of the Assigned Rights or the Loan Servicer in the servicing of the Assigned Rights.

SECTION 4.3 **Disposition of Loan.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, the Trustee shall not, without the prior written consent of Fannie Mae, dispose of the Loan, transfer the Note or any other Loan Document or any interest in the Note or any Loan Document, other than to Fannie Mae as provided in Sections 4.4 and 4.5, a successor Trustee pursuant to the Indenture or to the Issuer pursuant to Section 10.11 of this Assignment.

SECTION 4.4 **Assignment of Loan Without Payment or Redemption of Bonds.** Fannie Mae shall have the right, with respect to the Loan, without making an Advance under the Credit Enhancement Instrument, but only upon filing with the Trustee a certification reaffirming Fannie Mae's obligations under the Credit Enhancement Instrument, to instruct the Trustee in writing to assign the Note, the Security Instrument and the other Loan Documents to Fannie Mae, in which event the Trustee shall (i) endorse the Note to Fannie Mae and assign (in

recordable form) the Security Instrument, (ii) assign (in recordable form) all other Loan Documents to Fannie Mae and (iii) execute all such documents as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii). The Trustee's assignments to Fannie Mae pursuant to this Section 4.4 shall be without recourse or warranty except that the Trustee shall represent and warrant in connection therewith (A) that the Trustee has not previously endorsed or assigned any such documents or instruments and (B) that the Trustee has authority to endorse and assign such documents and instruments and such endorsements and assignment have been duly authorized. Fannie Mae shall hold the Note and the Mortgage for the benefit of the Bondholders. If, following such assignments, the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, all rights and interests assigned by the Trustee to Fannie Mae pursuant to this Section shall automatically without any further action on the part of the Trustee or Fannie Mae revert to the Trustee. Notwithstanding the foregoing, Fannie Mae agrees to take such action and to execute and deliver and to facilitate the recordation of such documents provided to Fannie Mae as may be reasonably necessary to evidence the reversion of all rights and interests originally assigned by the Trustee to Fannie Mae pursuant to this Section. No assignment pursuant to this Section shall affect Fannie Mae's obligations under the Credit Enhancement Instrument.

SECTION 4.5 **Assignment of Assigned Rights Upon Payment or Redemption of Bonds in Whole.** In the event Fannie Mae makes an Advance under the Credit Enhancement Instrument with respect to the payment or redemption of the Bonds Outstanding in whole, unless otherwise determined by Fannie Mae:

(a) all of the Trustee's right, title and interest in and to the Assigned Rights shall transfer to Fannie Mae automatically, without any further action on the part of the Trustee or Fannie Mae; and

(b) the Trustee shall (i) endorse the Note to Fannie Mae and assign (in recordable form) and deliver the Security Instrument to Fannie Mae, (ii) assign (in recordable form) all other Loan Documents and the Financing Agreement to Fannie Mae and (iii) execute and deliver all such other documents as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii).

The Trustee's assignments to Fannie Mae pursuant to this Section shall be without recourse or warranty except that the Trustee shall represent and warrant in connection therewith (A) that the Trustee has not previously endorsed or assigned any such documents or instruments and (B) that the Trustee has authority to endorse and assign such documents and instruments.

SECTION 4.6 **Consequences of Foreclosure.** In the event that, following a default under the Loan, the (i) Mortgaged Property is acquired by either or both of the Assignees, or their nominees, as a result of a foreclosure or the acceptance of a deed in lieu of foreclosure or comparable conversion of the Loan or other enforcement provisions of the Security Instrument,

(ii) the Bonds are not redeemed with funds provided under the Credit Enhancement Instrument and (iii) Fannie Mae has any obligation under the Credit Enhancement Instrument and no Wrongful Dishonor exists, the Mortgaged Property shall be conveyed to Fannie Mae or its nominee, and all decisions thereafter with respect to the Mortgaged Property (including, without limitation, all decisions with respect to the management, operation, maintenance and sale of the Mortgaged Property — and the price and terms of such sale — the payment or contesting of real estate taxes, rebuilding or restoration after damage, destruction or taking, alterations, improvements, insurance coverage, litigation and conversion to a cooperative or condominium), shall be made solely by Fannie Mae.

SECTION 4.7 **Amendments to Loan Documents.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, the provisions of this Section shall apply to any amendment, supplement to or restatement of the Loan Documents.

(a) **Right to Amend, Supplement or Restate Loan Documents.** Fannie Mae shall have the right to amend, supplement or restate the Loan Documents with the Borrower and to exchange any of the Loan Documents for new Loan Documents relating to the Mortgaged Property (collectively, “**Amended Loan Documents**”). If the execution of any Amended Loan Documents would:

(1) result in an amendment of the Credit Facility, Fannie Mae may not proceed with such execution unless Fannie Mae provides to the Trustee an Opinion of Counsel to Fannie Mae, who may be an employee of Fannie Mae, to the effect that the modified Credit Facility is a valid and binding obligation of Fannie Mae, subject to any applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and general equitable principles and other customary exceptions;

(2) change the payment terms of the Loan, Fannie Mae must provide the Trustee a written confirmation from the Rating Agency that the rating to be in effect with respect to the Bonds from and after the execution of such Amended Loan Documents will not be lower than the rating then in effect for the Bonds; or

(3) change the outstanding principal amount, the interest rate, the maturity date, the due date for the payment of interest, the terms of mandatory prepayment or governing law or jurisdiction provisions of the Note;

then Fannie Mae must obtain the Trustee's prior written consent to such change.

(b) **Trustee's Consent.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1:

(1) unless directed to do so in writing by Fannie Mae, the Trustee shall not consent to any proposed amendment, supplement to or restatement of, any of the Loan Documents or waive any default by the Borrower under any of the Loan Documents; and

(2) if directed to do so in writing by Fannie Mae, the Trustee shall amend, supplement or restate the Loan Documents, or waive any default by the Borrower under any of the Loan Documents;

provided, however, that no such amendment, supplement or restatement shall (i) change, without the Trustee's prior written consent, the outstanding principal amount, the interest rate, the maturity date, the due date for the payment of interest, the terms of mandatory prepayment or governing law or jurisdiction provisions of the Note; or (ii) change, without the Issuer's prior written consent, the timing or amount of the Issuer's Fee.

SECTION 4.8 **New Borrower.** In the event Fannie Mae forecloses the Security Instrument, or accepts a deed in lieu of foreclosure or comparable conversion of the Mortgaged Property, Fannie Mae shall have the right to enter into, or cause to be executed, Amended Loan Documents or exchange the Loan Documents for Amended Loan Documents by a person other than the Borrower ("**New Borrower**"). Except in the event of a transfer of the Mortgaged Property to Fannie Mae, Fannie Mae shall not execute any Amended Loan Documents having the effect of substituting a New Borrower as the Borrower, unless Fannie Mae first provides each of the following to the Trustee:

(a) written evidence that the New Borrower has executed and recorded, as applicable, documents, acceptable to the Issuer and Fannie Mae, substantially in the forms of the Financing Agreement and the Regulatory Agreement (or executed and recorded an assumption, acceptable to the Issuer and Fannie Mae, of all of the applicable Borrower's obligations under the Financing Agreement and the Regulatory Agreement) and that the Credit Facility Documents and the Credit Facility, if required, have been modified to be applicable to the new mortgage loan;

(b) from the Rating Agency written confirmation that the rating to be in effect with respect to the Bonds from and after delivery to the Trustee of the new mortgage note and mortgage and the modified Credit Facility Documents and modified Credit Facility will not be lower than the rating then in effect for the Bonds;

(c) an opinion of Bond Counsel to the effect that such exchange and modification, in and of itself, will not affect the excludability of the interest payable on the Bonds from gross income for federal income tax purposes; and

(d) from the Issuer, the consent (if any) required by the Regulatory Agreement.

SECTION 4.9 **Fannie Mae Assignment.** Fannie Mae shall have the right, in its sole discretion, to assign, sell or transfer its right, title and interest in, to and under the Loan Documents, the Assigned Rights and this Assignment to any Person.

ARTICLE V

TRANSFER OF ASSIGNED RIGHTS TO TRUSTEE

SECTION 5.1 **Transfer of Assigned Rights to Trustee.** If either (i) Fannie Mae has no further obligation under the Credit Enhancement Instrument and all obligations of the Borrower to Fannie Mae under the Credit Facility Documents and the other Borrower Documents have been satisfied in full; or (ii) a Wrongful Dishonor occurs and continues for more than five Business Days after the Issuer or the Trustee gives written notice of such Wrongful Dishonor specifying such failure and requesting that it be remedied, the Assigned Rights shall transfer automatically to the Trustee, without any further action on the part of the Trustee or Fannie Mae. Fannie Mae shall promptly transfer possession of the original Note and the recorded Security Instrument and the other Assigned Documents to the Trustee. Fannie Mae shall also take such action and execute and deliver and facilitate the filing and recordation of such documents provided to Fannie Mae as may be reasonably necessary to evidence the transfer of the Assigned Rights to the Trustee and the assignment of the Assigned Documents to the Trustee. Fannie Mae's assignments to the Trustee pursuant to this Section shall be without recourse or warranty except that Fannie Mae shall represent and warrant in connection therewith (i) that Fannie Mae has not previously endorsed or assigned any such documents or instruments and (ii) that Fannie Mae has authority to endorse and assign such documents and instruments.

SECTION 5.2 **Exercise of Assigned Rights after Transfer to Trustee.** If the Assigned Rights transfer to the Trustee pursuant to Section 5.1:

(a) the Trustee (alone or, at its election, with the Issuer) may exercise the Assigned Rights and all other rights, powers, options, privileges and remedies provided to the Trustee under this Assignment, to the exclusion of Fannie Mae;

(b) all obligations of the Borrower under the Credit Facility Documents shall continue to be secured by the Security Instrument on an equal and ratable basis with the obligations of the Borrower under the Loan Documents; and

(c) if, at such time, Fannie Mae has a lien on any Bonds pursuant to the Pledge Agreement, the Trustee shall have, in its exercise of any of the rights, powers, options, privileges and remedies provided for in this Assignment pursuant to Section 5.1, the same fiduciary obligations to Fannie Mae, as secured party, as the Trustee has to the Bondholders.

Notwithstanding the foregoing, nothing in this Assignment or in any Assigned Document shall limit or control the exercise by Fannie Mae of the rights granted by the Borrower to Fannie Mae as “Lender” under the Security Instrument. Each of the Issuer, the Trustee and the Borrower recognizes and confirms the rights granted by the Borrower to Fannie Mae as “Lender” under the Security Instrument. If and for so long as Fannie Mae continues to have any further obligation under the Credit Enhancement Instrument, Fannie Mae shall be entitled to receive all notices pursuant to this Assignment, the Indenture and any of the Assigned Documents.

ARTICLE VI

TRUSTEE

SECTION 6.1 **Certain Notices to Fannie Mae and Loan Servicer.** The Trustee shall give the following notices in writing:

(a) The Trustee shall give prompt written notice to Fannie Mae and the Loan Servicer of the occurrence of any Event of Default known to it under the Indenture, the Credit Enhancement Instrument, the Financing Agreement, the Note, the Security Instrument or any other Transaction Document, and of any event known to it which would become such an Event of Default upon the giving of notice, the lapse of time or both, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such events.

(b) During any Weekly Variable Rate Period, the Trustee shall give written notice to the Loan Servicer of the amount of each interest payment due on the Bonds. The Trustee shall give such notice as soon as practicable but not later than the last Wednesday before the Interest Payment Date of each month, or in the event such Wednesday is not a Business Day, the next Business Day.

SECTION 6.2 **Power of Attorney.** The Trustee, for itself and for any successor or replacement Trustee, irrevocably and unconditionally constitutes and appoints Fannie Mae as the Trustee’s true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, instrument or pleading and to do in the Trustee’s name, place and stead, all such acts, things and deeds for and on behalf of the Trustee under this Assignment and/or any of the Assigned Documents which the Trustee could or might do or which may be necessary, desirable or convenient in Fannie Mae’s sole discretion to effectuate the purposes of this Assignment and/or any Assigned Document. The power of attorney and the rights, remedies, power and authority granted by the Trustee to Fannie Mae in this Assignment are hereby declared by the Trustee to be coupled with an interest and irrevocable until the Reimbursement Agreement is no longer in full force and effect or until the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, and may be exercised by Fannie Mae in the name of Fannie Mae, in the name of the Trustee or in the names of Fannie

Mae and the Trustee, as Fannie Mae may at any time or from time to time determine, and the Trustee hereby confirms and ratifies all acts and deeds taken or to be taken by Fannie Mae as attorney-in-fact.

SECTION 6.3 **Enforcement.** Notwithstanding any other provision in this Assignment to the contrary, so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, the Trustee shall not exercise any remedy or direct any proceeding under the Indenture, the Loan Documents or the Financing Agreement other than (i) to enforce rights under the Credit Enhancement Instrument, (ii) to enforce the tax covenants in the Indenture, the Tax Certificate and the Financing Agreement provided that the Trustee does not enforce any right it may have for monetary damages, and (iii) as otherwise permitted under the Indenture or the Financing Agreement. The Trustee shall provide written notice to Fannie Mae, the Issuer and the Loan Servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Indenture or the Financing Agreement.

SECTION 6.4 **Bailee.** The Trustee agrees to act as bailee and agent on behalf of Fannie Mae in relation to the Borrower's pledge and grant of a security interest pursuant to Section 2.6 of the Reimbursement Agreement to the extent, if any, the Borrower retains an interest in all Funds, Accounts and Investments held by the Trustee under the Indenture.

SECTION 6.5 **Records and Books of Account.** The Trustee shall keep, or cause to be kept, proper records and books of account in which complete and accurate entries shall be made of all of its transactions relating to the Loan and the Assigned Documents, including without limitation, payments made under the Loan and all funds and accounts established by or held pursuant to the Indenture with respect to the Loan.

SECTION 6.6 **Examination of Records and Books of Account.** The Trustee agrees that all records and books of account in its possession relating to the Loan, the Assigned Documents and all records and books of account regarding the receipt and distribution of payments on the Loan and the Borrower's compliance with the terms and conditions of the Loan and the Assigned Documents, shall be open to inspection, examination and audit at any reasonable time by the Issuer, the Borrower, the Loan Servicer and Fannie Mae or by such accountants or other agents as the Issuer, the Borrower, the Loan Servicer or Fannie Mae may from time to time designate. In addition, the Issuer, the Borrower, the Loan Servicer and Fannie Mae shall have the right, at any time and from time to time, to require the Trustee to furnish such documents to the Issuer, the Borrower, the Loan Servicer and Fannie Mae, at the Borrower's expense, as the Issuer, the Borrower, the Loan Servicer or Fannie Mae, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Loan have been complied with.

ARTICLE VII

INSURANCE AND CONDEMNATION

SECTION 7.1 **Insurance.** So long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, (i) Fannie Mae shall be named as the sole mortgagee on all fire, extended coverage and other hazard insurance policies required under the Loan Documents ("**Insurance Policies**"), (ii) all such proceeds shall be held and applied by Fannie Mae in accordance with the Security Instrument and the other Loan Documents, and (iii) the Borrower, as mortgagor, shall deal solely with Fannie Mae or the Loan Servicer, as Fannie Mae shall direct, under the Loan Documents with respect to all matters related to the Insurance Policies. If the Assigned Rights transfer to the Trustee pursuant to Section 5.1, (1) the Trustee shall be named as the sole mortgagee on all Insurance Policies, (2) all such proceeds shall be held and applied by the Trustee in accordance with the Security Instrument and the other Loan Documents, and (3) the Borrower, as mortgagor, shall deal solely with the Trustee under the Loan Documents with respect to all matters related to the Insurance Policies. The Borrower agrees that Fannie Mae, the Trustee and the Issuer shall each be a named insured on all liability insurance policies required under the Loan Documents. Fannie Mae and the Trustee shall execute, acknowledge and deliver all such documents as shall be necessary to evidence or confirm the provisions of this Section. Neither Fannie Mae, the Loan Servicer, the Issuer nor the Trustee shall have any liability under this Assignment or otherwise for any application of insurance proceeds.

SECTION 7.2 **Condemnation.** So long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, (i) Fannie Mae shall be the sole payee with respect to all condemnation awards, (ii) all proceeds of any condemnation award shall be applied in any manner permitted by the Security Instrument, as directed by Fannie Mae, in its discretion, and (iii) the Borrower, as mortgagor, shall deal solely with Fannie Mae or the Loan Servicer, as Fannie Mae shall direct, under the Loan Documents. If the Assigned Rights transfer to the Trustee pursuant to Section 5.1, (1) the Trustee shall be the sole payee with respect to all condemnation awards, (2) all proceeds of any condemnation award shall be applied in any manner permitted by the Security Instrument, as directed by the Trustee, in its discretion, and (3) the Borrower, as mortgagor, shall deal solely with the Trustee under the Loan Documents. Fannie Mae and the Trustee shall execute, acknowledge and deliver all such documents as shall be necessary to evidence or confirm the provisions of this Section. None of Fannie Mae, the Loan Servicer, the Issuer or the Trustee shall have any liability under this Assignment or otherwise for any application of condemnation award proceeds.

ARTICLE VIII

REGULATORY AGREEMENT

SECTION 8.1 **Monitoring of Regulatory Agreement.** The Issuer shall have the sole obligation to monitor compliance with the Regulatory Agreement.

SECTION 8.2 **Termination of Regulatory Agreement.** Upon expiration or termination of the Regulatory Agreement pursuant to its terms, the Issuer, in its capacity as the Issuer, shall promptly notify Fannie Mae of the termination of the Regulatory Agreement.

SECTION 8.3 **Right To Enforce Compliance.** The Issuer, the Trustee, the Loan Servicer and Fannie Mae shall each have the right, but not the obligation, to enforce compliance by the Borrower and its successors as subsequent owners of the Mortgaged Property with the Regulatory Agreement. Notwithstanding the foregoing, the Trustee agrees that it will, subject to the provisions of the Indenture and Article IX, at the direction of the Issuer, take such action as may be required to achieve compliance by the Borrower with the Regulatory Agreement.

SECTION 8.4 **Notices of Violations of the Regulatory Agreement.** Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall send written notice of such violation to Fannie Mae, the Loan Servicer and the Trustee. The Issuer's notice shall set out the nature of the violation and state whether the violation has been cured or has not been cured but is curable within a reasonable period of time, or is incurable and contain a copy of the Issuer's notice of violation to the Borrower. If the Borrower fails to cure the violation to the reasonable satisfaction of the Issuer within the time period set forth in the Issuer's notice of the violation to the Borrower (which period shall not be shorter than any applicable period set out in the Regulatory Agreement for the cure of such violation) and if, as a consequence of such failure, the Issuer declares an Event of Default under the Regulatory Agreement, the Issuer shall provide prompt written notice to Fannie Mae, the Loan Servicer and the Trustee of the Event of Default (together with a copy of any notice of the Event of Default provided to the Borrower).

SECTION 8.5 **Cure Rights.** Each of Fannie Mae, the Loan Servicer and the Trustee shall have the right, but not the obligation, to cure any default by the Borrower under the Regulatory Agreement. Such cure may be made even after the Issuer's notice of declaration of an Event of Default under the Regulatory Agreement, provided, however, such cure right shall not affect any requirements of the Code and the Act. Fannie Mae shall have the additional right, but not the obligation, to cure any violation of the Regulatory Agreement by assumption of the management and operation of the Mortgaged Property, directly or through any Fannie Mae approved seller-servicer or a receiver under the Security Instrument. Any operation of the Mortgaged Property by Fannie Mae or its successors or assigns shall be in accordance with the Regulatory Agreement, but only so long as the Regulatory Agreement remains in effect.

ARTICLE IX

ISSUER'S COVENANTS

SECTION 9.1 **Limitations on Issuer.** The Issuer shall not consent to any amendment, supplement to, or restatement of any Bond Document or the Regulatory Agreement, or any other document executed or delivered in connection with the Bonds without the prior written consent of Fannie Mae.

SECTION 9.2 **Enforcement.** Notwithstanding any other provision in this Assignment to the contrary, so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, neither the Issuer nor any person under its control shall exercise any remedy or direct any proceeding under the Indenture, the Financing Agreement or the Regulatory Agreement other than as set out in this Section.

(a) **Enforcement of Certain Rights and Obligations.** Subject to subsection (b), the Issuer may:

(1) **Tax Covenants.** Seek specific performance of the tax covenants of the Indenture, the Tax Certificate and the Financing Agreement, injunctive relief against acts which may be in violation of any of the tax covenants, and enforce the Borrower's obligation to pay amounts for credit to the Rebate Fund;

(2) **Regulatory Agreement.** Seek specific performance of the obligations of the Borrower or any other owner of the Property under the Regulatory Agreement and injunctive relief against acts which may be in violation of the Regulatory Agreement or otherwise unlawful; provided, however, that the Issuer may enforce any right it may have under the Regulatory Agreement for monetary damages only against Excess Revenues, if any, of the Borrower, unless Fannie Mae otherwise specifically consents in writing to the use of other funds; and

(3) **Reserved Rights.** Take whatever action at law or in equity which appears necessary or desirable to enforce the Reserved Rights; provided, however, that the Issuer or any person under its control may only enforce any right it may have for monetary damages against Excess Revenues, if any, of the Borrower, unless Fannie Mae otherwise specifically consents in writing to the enforcement against other funds of the Borrower.

(b) **Overriding Limitations.** In no event shall the Issuer:

(1) prosecute its action to a lien on the Mortgaged Property;

(2) 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

under, the Loan or of causing 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; or

(3) interfere with the exercise by Fannie Mae of any of its rights under the Assigned Documents or the Credit Facility Documents upon the occurrence of an event of default by the Borrower under any of the Assigned Documents or the Credit Facility Documents; or

(4) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Loan or the Bonds.

(c) **Notice of Action.** The Issuer shall provide written notice to Fannie Mae, the Trustee and the Loan Servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Indenture, the Financing Agreement or the Regulatory Agreement.

(d) **Definition of “Excess Revenues”.** As used in this Section, the term “**Excess Revenues**” means, for any period, the net cash flow of the Borrower available for distribution to shareholders, members or partners (as the case may be) for such period, after the payment of all interest expense, the amortization of all principal of all indebtedness coming due during such period (whether by maturity, mandatory sinking fund payment, acceleration or otherwise), the payment of all fees, costs and expenses on an occasional or recurring basis in connection with the Loan or the Bonds, the payment of all operating, overhead, ownership and other expenditures of the Borrower directly or indirectly in connection with the Mortgaged Property (whether any such expenditures are current, capital or extraordinary expenditures), and the setting aside of all reserves for taxes, insurance, water and sewer charges or other similar impositions, capital expenditures, repairs and replacements and all other amounts which the Borrower is required to set aside pursuant to agreement, but excluding depreciation and amortization of intangibles.

SECTION 9.3 **Specific Performance.** The Borrower acknowledges and agrees that were money damages a remedy under the Regulatory Agreement or in connection with any of the tax covenants of the Indenture[, **the Tax Certificate**] and the Financing Agreement, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement or the tax covenants and therefore the Borrower agrees that the remedy of specific performance shall be available to the Issuer and/or the Trustee in any case.

SECTION 9.4 **Control on Right of Redemption.** Notwithstanding any inconsistent provision of the Indenture or any of the Assigned Documents and so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, the Issuer shall not exercise any right

pursuant to Section 3.2 of the Indenture to redeem any or all of the Bonds without the prior written consent of Fannie Mae in each case and shall not, without the prior written consent of Fannie Mae, use the proceeds of any Advance under the Credit Enhancement Instrument to make any such redemption.

SECTION 9.5 **Consents to Maturity and Sinking Fund Schedules.** The Issuer will not establish any schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments as provided in Section 2.8(c)(5) of the Indenture without the prior written direction of the Borrower and, for so long as Fannie Mae has any obligation under the Credit Enhancement Instrument and no Wrongful Dishonor exists, without the prior written consent of Fannie Mae.

SECTION 9.6 **Remarketing Agreement; Tender Agent Agreement.** The Issuer and the Borrower agree that they will not enter into any amendment, modification, supplement or other document effecting a change in the Remarketing Agreement or Tender Agent Agreement applicable to the Bonds or enter into any new or replacement remarketing agreement or tender agent agreement with respect to the Bonds without the prior written consent of Fannie Mae.

SECTION 9.7 **Further Assurances.** The Issuer, to the extent permitted by law, shall execute, acknowledge and deliver such supplemental indentures and other instruments and documents, and perform such further acts, as the Trustee or the Credit Provider may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee or the Credit Provider all of its respective interest in the property described in the Indenture and the revenues, receipts and other amounts pledged by the Indenture. The Issuer, at the sole expense of the Borrower, shall cooperate to the extent necessary with the Borrower, the Trustee and the Credit Provider in their defenses of the Assigned Rights and the Credit Facility against the claims and demands of all Persons.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 **Exculpation.** Notwithstanding any other provision of this Assignment, any of the Loan Documents or any of the Issuer Documents to the contrary, Fannie Mae shall not be liable under this Assignment, any of the Loan Documents, or any of the Issuer Documents to any party hereto or thereto or any Bondholder for any action taken or omitted by Fannie Mae in good faith in connection with the Loan, the Loan Documents, the Issuer Documents or this Assignment. Fannie Mae shall be protected and shall incur no liability in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness, of any notice, demand, certificate, signature, instrument or other document believed by Fannie Mae to be

To the Trustee:

U.S. Bank National Association
500 W. Cypress Creek Road, Suite 560
Fort Lauderdale, FL 33309
Attention: Corporate Trust Services
Telephone: (945) 776-2216
Facsimile:

To the Borrower:

TRG-Palm Lake, L.P.
275 Battery Street, Suite 500
San Francisco, CA 94111
Attention: Peter A. Nichol
Telephone: (415) 501-9605
Facsimile: (415) 788-0435

To Fannie Mae:

Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Director, Multifamily Asset Management
Telephone: (301) 204-8008
Facsimile: (301) 280-2065

RE: \$16,800,000 Aggregate Principal Amount of Housing
Finance Authority of Miami-Dade (Florida) Multifamily
Mortgage Revenue Bonds, Series 2011A (Palm Lakes
Apartments Project) Wells Fargo Multifamily Capital, Inc.

with a copy to:

Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Vice President, Multifamily Operations
Telephone: (301) 204-8422
Facsimile: (202) 752-8369

RE: \$16,800,000 Aggregate Principal Amount of Housing
Finance Authority of Miami-Dade (Florida) Multifamily
Mortgage Revenue Bonds, Series 2011A (Palm Lakes
Apartments Project) Wells Fargo Multifamily Capital, Inc.

[For courier to all Fannie Mae addresses use 4000 Wisconsin Avenue, N.W. and delete
any reference to Drawer AM]

To the Loan Servicer: Wells Fargo Multifamily Capital, Inc.
2010 Corporate Ridge, Suite 1000
McLean, VA 22102
Attention: Servicing Department
Telephone: (703) 760-4777
Facsimile: (866) 358-8045

Each party named above may designate a change of address by written notice to all of the other parties 15 days prior to the date of such change of address is to become effective. All such notices, certificates, demands and other communications shall be effective when received at the address specified as aforesaid.

SECTION 10.5 **Waivers.** By any act, delay, omission or otherwise, neither Fannie Mae nor the Loan Servicer shall be deemed to have waived any of Fannie Mae's rights or remedies under this Assignment. No waiver whatever shall be valid, unless in writing signed by Fannie Mae and then only to the extent set forth in the waiver. A waiver by Fannie Mae of any default, right or remedy under this Assignment on any one occasion shall not be construed as a waiver of

any other default or be a bar to any right or remedy Fannie Mae would otherwise have on any future occasion.

SECTION 10.6 **Amendments.** No amendment to this Assignment shall be binding upon the parties to this Assignment until such amendment is reduced to writing and executed by Fannie Mae, the Issuer and the Trustee and acknowledged by the Borrower.

SECTION 10.7 **Severability.** Should one or more of the provisions of this Assignment be held to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be severable from the remainder as to such jurisdiction and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired in any jurisdiction.

SECTION 10.8 **Execution in Counterparts.** This Assignment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10.9 **Governing Law.** This Assignment shall be construed, and the obligations, rights and remedies of the parties hereunder shall be determined, in accordance with the laws of the State without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

SECTION 10.10 **WAIVER OF JURY TRIAL.** THE PARTIES HERETO (A) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING UNDER THIS ASSIGNMENT TRIABLE BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL BY THE PARTIES, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE.

SECTION 10.11 **Termination.** This Assignment (a) shall terminate and be of no further force or effect as to Fannie Mae at such time as the Reimbursement Agreement is no longer in full force and effect and (b) shall terminate and be of no further force and effect as to the Trustee at the earlier of (i) such time as the Bonds have been paid in full or deemed paid in full as provided in Article IX of the Indenture or (ii) by mutual written agreement of the Issuer and the Trustee after this Assignment has so terminated as to Fannie Mae, in which event the Assigned Documents shall automatically revert to the Issuer without any further action on the part of the Trustee.

SECTION 10.12 **References.** Whenever any party is referred to in this Assignment, such reference shall be deemed to include the successors and assigns of such party. If an Alternate

Credit Facility (as defined in the Indenture) is issued in accordance with the provisions of the Indenture, and if Fannie Mae shall have assigned to the issuer of the Alternate Credit Facility all of its rights under this Assignment, all references in this Assignment to the “Credit Enhancement Instrument” shall mean the Alternate Credit Facility and all references in this Assignment to “Fannie Mae” shall mean the person, firm or entity which has issued the Alternate Credit Facility.

SECTION 10.13 Additional Agreement. In the event that the Borrower is no longer the owner of the Mortgaged Property and a new mortgagor is substituted in its place, or if the Security Instrument is replaced by a new mortgage on the Mortgaged Property, the Issuer shall execute and deliver to Fannie Mae, and shall record, a new assignment, substantially the same as this Assignment, which shall refer to this Assignment.

SECTION 10.14 No Merger of Interests. There shall be no merger of the interests of any of the Bondholders and of the holder of the Assigned Rights by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, such interests, unless and until such person, firm or entity and all others having an interest therein shall effect such merger in a written, duly recorded instrument.

BOND PURCHASE AGREEMENT

Housing Finance Authority of Miami-Dade County (Florida)

Miami, Florida

TRG – Palm Lake, LP

275 Battery Street, Suite 500
San Francisco, California 94111

\$16,800,000

**HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA)
Multifamily Mortgage Revenue Bonds, Series 2011A
(Palm Lake Apartment Project)**

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the “Underwriter”), acting on its own behalf and not as fiduciary or agent for you, hereby offers to enter into this Bond Purchase Agreement (the “Purchase Contract”) with the Housing Finance Authority of Miami-Dade County (Florida) (“Issuer”) and TRG – Palm Lake, LP, a Florida limited partnership (the “Borrower”), for the sale by the Issuer and purchase by the Underwriter of the above referenced

Bonds (the "Bonds"). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction among the Issuer, the Borrower and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account, (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. This offer is made subject to the written acceptance hereof by the Issuer and the Borrower and delivery of such acceptance to the Underwriter (in the form of one or more executed counterparts hereof) at or prior to 5:00 p.m., Florida time, on the date hereof. Upon such acceptance, this Purchase Contract will be in full force and effect in accordance with its terms and will be binding upon the Issuer, the Underwriter and the Borrower. Capitalized terms not otherwise defined herein will have the meanings given them in the Indenture and the Subordinate Indenture (each as defined below).

The Bonds are being issued pursuant to a Trust Indenture, dated as of October 1, 2011 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee") to provide funds to finance the acquisition, rehabilitation and equipping of a multifamily housing development located in Miami, Dade County, Florida (the "Project"). Pursuant to a Financing Agreement, dated as of October 1, 2011 (the "Financing Agreement") among the Issuer, the Borrower and the Trustee, proceeds of the Bonds will be loaned by the Issuer to the Borrower (the "Bond Mortgage Loan"). The Bond Mortgage Loan will be evidenced by a Multifamily Note (the "Note") executed by the Borrower in favor of the Issuer on behalf of the Bondholders and secured by a Multifamily Mortgage, Assignment of Rents and Security Agreement and Fixture Filing, dated as of October __, 2011 (the "Security Instrument") executed by the Borrower with respect to the Project.

Payments due under the Bonds are secured by a pledge of the Trust Estate pursuant to the Indenture. In addition, payments due under the Bonds are secured, to the extent described therein, by Fannie Mae ("Fannie Mae" or the "Credit Provider"), pursuant to, and subject to the limitations of, a Credit Enhancement Instrument (the "Credit Facility"), provided by the Credit Provider to the Trustee. So long as any Bonds are outstanding, the Bonds shall be secured by the Credit Facility or an Alternate Credit Facility satisfying the requirements of the Financing Agreement. A land use restriction agreement, dated as of October 1, 2011 (the "Regulatory Agreement"), by and among the Borrower, the Trustee and the Issuer, imposes certain requirements on the Borrower with respect to the tax-exempt status of the Bonds under the Internal Revenue Code of 1986, as amended (the "1986 Code"). The Bond LURA is separate and distinct from the EUA that will be entered into in connection with the tax credits. The Regulatory Agreement requires, among other things, that at least 100% of the units in the

applicable property be rented to tenants with adjusted incomes not greater than 60% of area median income adjusted for family size.

Section 1. Subject to the terms and conditions and in reliance on the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer and the Issuer hereby agrees to sell to the Underwriter on October __, 2011 (the "Closing"), all (but not less than all) of the Bonds at the purchase price equal to the principal amount thereof. For its services, the Underwriter will be paid by the Borrower a fee equal to 0.9% of the principal amount of the Bonds (not including the fees of its counsel). A disclosure statement submitted in compliance with the requirements of Section 420.509(12)(a), Florida statutes, as amended, is attached hereto as Exhibit E.

Section 2. The Bonds described in the Indenture, (i) will mature on the dates and bear interest at the rates set forth in Schedule I hereto, and (ii) are subject to redemption as provided in the Indenture. The Bonds will be limited obligations of the Issuer payable solely from the Trust Estate. The Indenture, the Financing Agreement, the Assignment, the Regulatory Agreement, the Subordinate Trust Indenture dated as of October 1, 2011 (the "Subordinate Indenture") between the Issuer and the Trustee, and this Purchase Contract are referred to herein as the "Issuer Documents." The Financing Agreement, the Bond Mortgage Note, the Security Instrument, the Regulatory Agreement, the Subordinate Loan Documents, and all other documents to which the Borrower is a party and which are being executed and delivered by the Borrower in connection with the transactions provided for in the Bond Documents, the Loan Documents, the Credit Facility Documents, the Subordinate Indenture, the Subordinate Loan Documents and this Purchase Contract are referred to herein as the "Borrower Documents."

Section 3. The Borrower has caused to be prepared a Preliminary Official Statement (the "Preliminary Official Statement") dated October __, 2011 and an Official Statement dated October __, 2011 (such Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the Issuer and the Borrower for use with respect to the Bonds being herein called the "Official Statement"), and the Issuer and the Borrower authorized the use of the Preliminary Official Statement and the Official Statement by the Underwriter prior to the date hereof in connection with the offering of the Bonds. On or before the date which is seven (7) business days after the date hereof, the Issuer and the Borrower agree to deliver to the Underwriter, at the sole cost and expense of the Borrower, as many copies of the Official Statement as the Underwriter reasonably requests as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"). The Issuer and the Borrower hereby consent to the use of copies of the Official Statement (once delivered) and other pertinent documents in connection with the offering and sale of the Bonds. The Borrower hereby represents that pursuant to the Certificate attached hereto as Exhibit D, it deemed the Preliminary Official Statement final as of its date, except for the omission of the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters. If, at any time prior to the earlier of (i) receipt of notice from the Underwriter that final offering statements are no longer required to be delivered under the Rule or (ii) 30 days after the end of the "underwriting period," as defined in the Rule, any event occurs with respect to it or the Project as a result of which the Official

Statement might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Underwriter, the Issuer, or the Borrower, as appropriate, will promptly notify all the other parties thereof in writing. The Borrower will pay for preparation and delivery to the Underwriter and the Issuer of as many copies of an amendment or supplement, in form and substance reasonably acceptable to the Underwriter, as are necessary to correct any untrue statement or omission.

Section 4. The Issuer hereby represents and warrants to and agrees with the Underwriter as follows:

(a) The Issuer is, and will be at the date of Closing, a public body, corporate and politic, organized and existing under the laws of the State of Florida, with the right and power to make the Bond Mortgage Loan to the Borrower, secured by the Security Instrument and to issue the Bonds for such purpose and to execute, deliver, and perform its obligations under the Issuer Documents and the Bonds.

(b) (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 delivery of the Bonds and the performance of its obligations thereunder; (ii) the Issuer has, and at the date of the Closing will have, full legal right, power, and authority to enter into the Issuer Documents, and at the date of the Closing will have full legal right, power, and authority to issue and deliver the Bonds to the Underwriter and to perform its obligations thereunder as provided in the Issuer Documents and to carry out and effectuate the transactions contemplated thereby; (iii) the execution and delivery of the Issuer Documents have been duly authorized, and this Purchase Contract has, and at or prior to the Closing, the other Issuer Documents shall have, been duly executed and delivered, and each constitutes, or when executed and delivered will constitute, a valid and legally binding obligation of the Issuer enforceable against it in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization, or similar laws affecting the enforcement of creditors' rights generally, the application of equitable principles where equitable remedies are sought, and limitations on the enforcement of judgments against public bodies; and (iv) the Issuer has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) No 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 the 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 Underwriter may designate.

(d) The statements contained in the Official Statement under the captions "THE ISSUER" and "NO LITIGATION – The Issuer" at the time of acceptance hereof and at all times subsequent thereto up to and including the date of the Closing, do not and will not contain any untrue statement of a material fact and do not and will not omit to

state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The issuance of the Bonds, the execution, delivery, and performance of and compliance with the provisions hereof and thereof by the Issuer do not and will not conflict with or constitute on the part of the Issuer a breach of, or a default under, any existing law, regulation, decree, order, or resolution or any agreement, indenture, mortgage, lease, or other instrument to which the Issuer is subject or by which it is bound.

(f) As of the time of acceptance hereof and as of the Closing, except as disclosed in the Official Statement, to the Issuer's knowledge, no action, suit, proceeding, or investigation is or will be pending or (to the knowledge of the Issuer) threatened against the Issuer (i) in any way affecting the existence of the Issuer or in any way challenging the respective powers of the several offices of the officials of the Issuer or the titles of the officials holding those respective offices to such offices; (ii) seeking to restrain or enjoin the issuance or delivery of any 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 Issuer Documents; or (iii) in which a final adverse decision would (a) materially adversely affect the operations of the Issuer with respect to the application of the proceeds of the Bonds as contemplated in the Official Statement or (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part.

(g) The Issuer will take no action from the date hereof through and including the earlier of (i) 90 days from the End of the Underwriting Period (defined 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, which would cause the Bonds not to conform in all material respects to the description thereof contained in the Official Statement.

(h) The Issuer will furnish such information, execute such instruments, and cooperate with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided that the Issuer shall not be required to register as a dealer or broker in any jurisdiction or comply with any other requirements reasonably deemed by it to be unduly burdensome.

(i) At Closing, each of the representations and warranties of the Issuer contained herein and in the Issuer Documents and all other documents executed by the Issuer in connection with the Bonds shall be true, correct and complete.

Section 5. The Borrower hereby represents and warrants to and covenants with the Underwriter and the Issuer as follows:

(a) The Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State and is qualified to do business in the State.

(b) To the best of the Borrower's knowledge after due inquiry, no consent, approval, authorization or order of any court or governmental body is required for the consummation by the Borrower of the transactions contemplated by this Purchase Contract and the Borrower Documents except such as have already been obtained or will be obtained on or prior to Closing; provided that the Borrower makes no representation, warranty or covenant with respect to any federal or state securities or "Blue Sky" laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(c) Neither the execution and delivery of the Borrower Documents or this Purchase Contract, nor compliance with the provisions thereof and hereof by the Borrower conflicts in any material respect with or will result in a breach of or default under its partnership agreement or under any indenture, mortgage, commitment, note or other agreement or instrument to which the Borrower is a party or by which it is bound, or to the best of the Borrower's knowledge, any existing law, rule, regulation or ordinance or judgment, order or decree of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties.

(d) (i) The Borrower has, and at the date of the Closing will have, full legal right, power and authority to enter into this Purchase Contract and to perform its obligations hereunder and to carry out and effectuate the transactions contemplated hereby, and at the date of the Closing will have full legal right, power and authority to enter into the Borrower Documents and to perform its obligations thereunder and to carry out and effectuate the transactions contemplated to be performed by it thereby and by the Official Statement, (ii) at or prior to the Closing, the Borrower Documents will have been duly authorized by the Borrower and (assuming due authorization, execution and delivery by the other parties thereto) when executed, will constitute valid and binding obligations of the Borrower enforceable in accordance with their respective terms against the Borrower, subject to equitable principles, bankruptcy, insolvency and similar laws and applicable securities laws and public policy limiting the right to indemnification and contribution, and (iii) this Purchase Contract has been duly authorized, executed and delivered by the Borrower and (assuming due authorization, execution and delivery by the other parties thereto) constitutes a valid and binding obligation of the Borrower, subject to equitable principles, bankruptcy, insolvency and similar laws and applicable securities laws and public policy limiting the right to indemnification and contribution.

(e) The information set forth in the Official Statement, except for information set forth under the captions "THE ISSUER", "FANNIE MAE", "TAX MATTERS", "UNDERWRITING" and "NO LITIGATION – The Issuer" or in the sections of the Official Statement explicitly summarizing the Reimbursement Agreement, the Indenture, the Financing Agreement, the Regulatory Agreement and the Assignment, or in the APPENDICES, as to which information the Borrower makes no representations, as of the

date thereof and at all times subsequent thereto up to and including the date of the Closing does not and will not contain any untrue statement of a material fact or omit to state a material fact relating to the Project and the Borrower required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(f) Between the date of this Purchase Contract and the Closing, the Borrower will not, except as described in or contemplated by the Official Statement, incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature within the control of the Borrower in the financial position, results of operations or condition, financial or otherwise, of the Borrower, the effect of either of which would be to materially adversely affect the ability of the Borrower to perform its obligations under the Borrower Documents.

(g) Except as disclosed in writing to the Underwriter, there is no action, suit, proceeding, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Borrower, threatened against the Borrower (or, to the knowledge of the Borrower, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Borrower from functioning or contesting or questioning the existence of the Borrower or (ii) wherein an unfavorable decision, ruling or finding would materially and adversely affect (A) the existence or powers of the Borrower, (B) the financial condition of the Borrower, (C) the exclusion of interest on the Bonds from the gross income of the recipients thereof pursuant to the 1986 Code, (D) the transactions contemplated by the Borrower Documents or hereby, or (E) the validity or enforceability of the Borrower Documents, this Purchase Contract or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the aforesaid documents.

(h) The Borrower has a contract with Reliant CAP VI, LLC to purchase on the date of the Closing the Issuer's [\$1,600,000] Subordinate Multifamily Housing Revenue Refunding Bonds (Palm Lake Apartments Project) Series 2011B (the "Subordinate Bonds") at a price equal to the principal amount thereof.

Section 6. The Underwriter hereby represents and warrants to and covenants with the Issuer that it is, and at all times during the offer and sale of the Bonds will be, a member of the Financial Industry Regulatory Authority ("FINRA"), and is or will be licensed, to the extent required by applicable law, to offer and sell the Bonds in each jurisdiction in which it offers to sell the Bonds, and, to the best of its knowledge, is or will be in compliance with the rules and regulations of NASD and other regulatory agencies with jurisdiction over it or any of its activities.

Section 7. On or before 9:00 a.m., Florida time, on the date of the Closing, the Borrower will deposit or cause to be deposited with the Trustee sufficient moneys to pay the costs of issuance for the Bonds.

Section 8. The closing of the sale of the Bonds will be held at or before 10:00 a.m., Florida time, at the offices of Akerman Senterfitt, Miami, Florida ("Bond Counsel") on the date

of the Closing or at such other place or time as have been determined by the Issuer. The Issuer will deliver the Bonds, or cause the Bonds to be delivered, to the Underwriter, or as directed by the Underwriter, duly executed by the Issuer and authenticated by the Trustee, and the Underwriter will accept such delivery and pay the purchase price of the Bonds by wire transfer to the Trustee for the account of the Issuer in immediately available funds. The Bonds will be initially delivered at the Closing as single definitive bonds registered in the name of Cede & Co., as nominee for the Depository Trust Company.

Section 9. The obligations of the Issuer hereunder are subject (i) to the performance by the Underwriter and the Borrower of their obligations to be performed hereunder at and prior to the Closing, (ii) to the accuracy of the representations and warranties of the Borrower contained in the Borrower Documents and herein, as the case may be, as of the date hereof and as of the time of the Closing, as if made at and as of the time of the Closing and (iii) the conditions set forth in Section 11 hereof.

Section 10. The obligations of the Underwriter hereunder are subject (i) to the performance by the Issuer and the Borrower of their obligations to be performed hereunder at and prior to the Closing, (ii) to the accuracy of the representations and warranties of the Issuer and the Borrower contained in the Issuer Documents and Borrower Documents, respectively, and herein, as the case may be, as of the date hereof and as of the time of the Closing, as if made at and as of the time of the Closing, and (iii) to the following conditions, including the delivery by the Issuer of such documents as are contemplated hereby:

(a) At the time of the Closing, (i) the Official Statement, the Issuer Documents, the Borrower Documents, the initial Credit Facility, and this Purchase Contract must be in full force and effect and may not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and the Issuer, (ii) the Issuer must have duly adopted and there must be in full force and effect such resolutions (collectively, the "Resolution") as, in the opinion of Bond Counsel, are necessary in connection with the transactions contemplated hereby, and (iii) the Issuer and the Borrower must have delivered the Official Statement to the Underwriter as contemplated by Section 3 hereof; and

(b) At or prior to the Closing, the Underwriter must have received the following documents:

(i) The approving opinion of Bond Counsel, dated the date of the Closing and substantially in the form attached as an Appendix to the Official Statement and a supplemental opinion of Bond Counsel addressed to the Underwriter, dated the date of Closing and addressed to the Underwriter, substantially in the form attached as Exhibit A hereto;

(ii) A certificate of the Issuer, dated the date of Closing, signed by the Executive Director or an authorized officer of the Issuer and in form and substance satisfactory to the Underwriter and to Bond Counsel, to the effect that (i) the representations, agreements, and warranties of the Issuer herein are true and correct in all material respects as of the date of Closing, (ii) the statements

contained in the Official Statement under the headings “The Issuer,” and “NO LITIGATION — The Issuer” are true and accurate in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading and (iii) except as disclosed in the Official Statement, no event affecting the Issuer has occurred since the date of the Preliminary Official Statement which should be disclosed in the Official Statement so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading;

(iii) A certificate of the Borrower, dated the date of Closing, signed by the general partner of the Borrower, in form and substance satisfactory to the Underwriter and the Issuer, to the effect that (1) the representations and warranties of the Borrower contained in the Borrower Documents and herein are true and correct in all material respects as of the date of Closing, as if made on and as of the date of Closing, (2) as of the Closing, no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a “Default” or “Event of Default” under the Indenture or any of the Borrower Documents and (3) the Borrower has performed or fulfilled in all material respects all agreements, obligations, and conditions contained in this Purchase Contract and the Borrower Documents that are required to be performed or fulfilled by it before the date of Closing;

(iv) A certificate, dated the date of Closing, signed by an authorized officer of Fannie Mae to the effect that the information contained in the Official Statement concerning the respective party, as of the date thereof and at all times subsequent thereto up to and including the date of the Closing does not contain any untrue statement of a material fact or omit to state a material fact relating to Fannie Mae required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and addressing such other matters as the Underwriter, Issuer or Bond Counsel may request;

(v) An opinion of counsel to the Issuer addressed to the Fannie Mae and the Underwriter, in form and substance satisfactory to Bond Counsel and the Underwriter;

(vi) An opinion of the counsel to the Borrower, dated the date of Closing, addressed to the Issuer, the Underwriter, the Servicer and Fannie Mae in form and substance satisfactory to the Trustee, the Issuer, the Underwriter and Fannie Mae;

(vii) An opinion of Special Counsel to Fannie Mae, addressed to the Issuer, Fannie Mae and the Underwriter substantially in the form of Exhibit C hereto;

(viii) An opinion of counsel to the Underwriter, dated the date of Closing, concerning the Official Statement, in form and substance satisfactory to the Underwriter;

(ix) An opinion of counsel to the Trustee, dated the date of Closing, addressed to Fannie Mae, the Underwriter and the Issuer substantially in the form of Exhibit B hereto;

(x) Executed copies of the Issuer Documents and the Borrower Documents, and certified copies of the Resolution and evidence of the delivery of the initial Credit Facility;

(xi) Written evidence that Standard & Poor's Rating Services, a Division of the McGraw Hills Companies, Inc. has issued and has not withdrawn a rating of "AAA" for the Bonds;

(xii) Bond specimens;

(xiii) An executed copy of the Letter of Representation with The Depository Trust Company;

(xiv) A tax certificate of the Issuer and the Borrower (the "Tax Certificate"), dated the date of Closing in form and substance satisfactory to Bond Counsel;

(xv) Evidence that a public hearing has been duly held and the issuance of the Bonds has been duly approved by the Board of Supervisors of the County of Santa Clara, as required by the Internal Revenue Code of 1986;

(xvi) Such additional legal opinions, certificates of proceedings, instruments and other documents as Bond Counsel, the Issuer, the Underwriter, or their counsel may reasonably request to evidence compliance by the Issuer and the Borrower with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer and the Borrower herein contained, and the due performance or satisfaction by the Issuer and the Borrower, at or prior to the Closing, of all agreements then required to be performed and all conditions then required to be satisfied by the Issuer and the Borrower;

(xvii) The performance by the Issuer of its obligations hereunder is conditioned upon (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the Issuer and the Underwriter of opinions, certificates, and other documents being delivered at the Closing by persons and entities other than the Issuer.

Section 11. The Underwriter will also have the right to cancel its obligation to purchase and accept delivery of the Bonds hereunder by notifying the Issuer, in writing or by telegram, of its election to do so between the date hereof and the Closing if, on or after the date hereof and prior to the Closing:

(a) legislation is enacted by the Congress, or a decision by a court of the United States or the United States Tax Court is rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency is made with respect to federal taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body, or other action or events have transpired that have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith that, in the reasonable opinion of the Underwriter, materially and adversely affects the market price of the Bonds or the market price generally of obligations of the general character of the Bonds; or

(b) any legislation, ordinance, rule or regulation is enacted by any governmental body, department or agency, or by the Issuer, or a decision by any court of competent jurisdiction is rendered that, in the reasonable opinion of the Underwriter, materially and adversely affects the market price of the Bonds; or

(c) trading is suspended, or new or additional trading or loan restrictions are imposed, by the New York Stock Exchange or other national securities exchange or governmental authority with respect to obligations of the general character of the Bonds or a general banking moratorium is declared by federal, state or New York authorities; or

(d) any event has occurred or exists that, in the reasonable opinion of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (ii) is not reflected in the Official Statement and should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; or

(e) any war or armed conflict involving the armed forces of the United States begins or materially escalates, or any other national or international crisis or emergency, including one relating to the effective operation of government or affecting the financial community, occurs or materially escalates, which, in the reasonable opinion of the Underwriter, materially and adversely affects the ability of the Underwriter to market or remarket the Bonds; or

(f) there occurs any change in the financial condition or affairs of the Borrower or the Credit Facility Provider, the effect of which is, in the reasonable judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or delivery of the Bonds on the terms and in the manner contemplated herein or by the Official Statement; or

(g) any litigation is instituted to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or questioning the Issuer for or the validity of the Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the Issuer taken with respect to the issuance and sale thereof; or

(j) there occurs or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations or any rating of the Credit Facility Provider;

(h) any proceeding by the Securities and Exchange Commission against the Issuer related to the Bonds, against the Borrower or against the Credit Facility Provider which, in the Underwriter's judgment, acting in good faith, materially adversely affects the marketability of the Bonds;

(i) the Credit Facility Provider has defaulted under or rescinded, repudiated or terminated the Credit Facility (other than in accordance with its terms) or any material provision thereof, or the Issuer or the Trustee or the Underwriter has received written notice from the Credit Facility Provider that it is unable to perform its obligations thereunder;

(j) any court or governmental body having jurisdiction over the Credit Facility Provider has taken final action (not subject to appeal) materially adversely affecting or questioning the ability of the Credit Facility Provider to perform its obligations under the Credit Facility, and an Alternate Credit Facility not affected by such action has not been delivered to the Trustee;

(k) any rating of Fannie Mae shall have been downgraded or withdrawn, placed under review, on "Credit Alert" or similar action with negative implications has been taken by a rating agency which, in the Underwriter's professional opinion, materially adversely affects the marketability of the Bonds.

Section 12. If the Issuer or the Borrower is unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds are terminated for any reason permitted by this Purchase Contract, this Purchase Contract will terminate and none of the Underwriter, the Borrower or the Issuer will be under further obligation hereunder; except that the obligations to pay expenses, as provided in Section 16 hereof, will continue in full force and effect. The Underwriter may, in its discretion waive (in writing) any one or more of the conditions imposed by this Purchase Contract for its protection and proceed with the Closing.

Section 13. (a) To the full extent permitted by applicable law, the Borrower will indemnify and hold harmless, the Issuer, the Underwriter, and each member, officer, director, official or employee of the Issuer and the Underwriter, and each person, if any, who controls the Issuer or the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended (the "1933 Act"), or Section 20 of the Securities Exchange Act of 1934, as amended (the "1934 Act") (each an "Indemnified Party" and collectively "Indemnified Parties"), against any and all losses, claims, damages, expenses, actions or liabilities, joint or several, to which any of the Indemnified Parties may become subject under any statute or regulation or at common law or otherwise (collectively referred to herein as the "Liabilities") and, except as hereinafter provided, will reimburse the Indemnified Parties for any legal or other expense reasonably incurred by them or any of them in connection with investigating or defending any such losses, claims, damages, expenses or actions asserting liability, whether or not resulting in any liability,

insofar as such losses, claims, damages, expenses, actions or liabilities arise out of or are based upon any untrue statement or misleading or alleged untrue statement or alleged misleading statement of a material fact contained in the Official Statement in the Borrower Information or any omission or alleged omission from the Official Statement of material fact with respect to the Borrower or the Project in the Borrower Information or necessary to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

(a) Promptly after receipt by an Indemnified Party of initial service of process in any action in respect of which indemnification may be sought pursuant to subsection (a) of this Section, the Indemnified Party in respect of which indemnification is sought will promptly notify the Borrower in writing; but the omission to so notify the Borrower will not relieve the Borrower from any liability which it may have to any Indemnified Party otherwise than under this Section nor affect any rights it may have otherwise than under this Section to participate in and/or assume the defense of any action brought against any Indemnified Party. In case such action is brought against any Indemnified Party, and such Indemnified Party notifies the Borrower of such initial service of process, the Borrower will be entitled to participate in, and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to the Indemnified Party), and the Borrower will assume the payment of all fees and expenses relating to such investigation and defense and will have the right to negotiate and consent to settlement thereof. Any one or more of the Indemnified Parties will have the right to employ separate counsel in any such action and to participate in the defense thereof, but after notice from the Borrower to such Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel will be at the expense of such Indemnified Party unless (i) the employment of such counsel and the payment of such fees and expenses by the Borrower has been specifically authorized in writing by the Borrower, (ii) the Borrower has not employed counsel to have charge of the defense of such action within a reasonable time after receipt of a request by the Indemnified Party to assume the defense of the action, or (iii) counsel for such Indemnified Party or Parties has reasonably concluded that there are conflicting interests among the Indemnified Parties, in which case, the Borrower will not have the right to direct the defense of such action on behalf of such Indemnified Party and the reasonable fees and expenses of counsel necessary as a result of the occurrence of the events described in (i), (ii) or (iii) above will be borne by the Borrower. The Borrower will not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Borrower or if there is a final judgment for the plaintiff in any such action as to which the Borrower has received notice in writing as hereinabove required, the Borrower agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(b) The indemnity provided by this Section will be in addition to any other liability that the Borrower may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of each of the Indemnified Parties and their respective successors, assigns and legal representatives, and no other person will acquire or have any right under or by virtue of such provisions of this Purchase Contract. No

purchaser of the Bonds from the Underwriter will be deemed to be a successor to the Underwriter by reason of such purchase.

(c) The indemnity agreements contained in this Section will remain operative and in force and effect, regardless of any investigation made by or on behalf of the Issuer or the Underwriter or the delivery of and the payment for any Bonds hereunder, and will survive the termination or cancellation of this Purchase Contract.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section 14 is for any reason held to be unavailable, the Borrower and the Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party may be subject, so that the Indemnified Party is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party 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 Indemnified Party be responsible for any amount in excess of the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds.

(e) The Borrower agrees to reimburse any Indemnified Party for any expense (including reasonable fees and expenses of counsel) incurred as a result of producing documents, presenting testimony or evidence, or preparing to present testimony or evidence (based upon time expended by an Indemnified Party at its then current time charges), in connection with any court or administrative proceeding (including any investigation which may be preliminary thereto) arising out of or relating to any public distribution of the Bonds. The Borrower, however, will not be liable to any Indemnified Parties for any liabilities or be required to reimburse any Indemnified Party if such liabilities or any court or administrative hearing arises out of gross negligence, fraud, misrepresentation, willful misconduct or breach of this Agreement by an Indemnified Party.

(f) This section shall not apply to the Credit Facility Provider should the Credit Facility Provider become the owner of the Project.

Section 14. All representations, warranties and agreements of the Underwriter, the Issuer and the Borrower set forth in or made pursuant to this Purchase Contract will remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and will survive the delivery of and payment for the Bonds.

Section 15. Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein and except as provided in this Section 16, the Borrower will pay all expenses incident to the performance of its obligations hereunder and the delivery of the Bonds, including but not limited to (i) the cost of the preparation, reproduction, printing, distribution, mailing, execution, delivery, filing and recording, as the case may be, of the Issuer Documents, the Borrower Documents, this Purchase Contract, the Official Statement and all other agreements and documents required in connection with the consummation of the transactions contemplated

hereby, (ii) the fees and disbursements of Bond Counsel and Issuer's Counsel, (iii) the fees and expenses of counsel for the Underwriter, (iv) the initial or acceptance fee of the Trustee, (v) the fees and expenses of counsel for the Trustee, (vi) any fees charged by the rating agency for the rating of the Bonds, (vii) all fees and expenses of the Servicer and Fannie Mae, including the reasonable fees and reasonable expenses of their respective counsel and (viii) all other costs of issuance of the Bonds.

The Borrower acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred in connection with the issuance of the Bonds. The Borrower acknowledges that the expense component of the underwriting fee will pay or reimburse the Underwriter for various expenses incurred by the Underwriter which are incidental to implementing this Purchase Contract and the issuance and purchase of the Bonds.

The Underwriter will pay (i) the cost of preparing and publishing all advertisements relating to the Bonds upon commencement of the offering of the Bonds, (ii) any fees of the Municipal Securities Rulemaking Board in connection with the issuance of the Bonds, and (iii) the cost of obtaining a CUSIP number assignment for the Bonds. The Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Issuer or the Borrower hereunder.

Notwithstanding the foregoing, if the Underwriter fails to fulfill its obligations under this Purchase Contract and such failure is not caused by (a) the failure of the Issuer or the Borrower to satisfy the conditions of their respective obligations or (b) the termination by the Underwriter of this Purchase Contract for any reason permitted herein, then the Borrower shall not pay the fees and expenses of the Underwriter as set forth in this Purchase Contract.

Section 16. The Issuer shall not be directly, indirectly, contingently or otherwise liable under this Purchase Contract or any document or instrument referred to herein or by reason of or in connection with this Purchase Contract or other document or instrument except, with respect to the Issuer, to the extent that such liability arises out of or is based in whole or in part on Issuer's bad faith or gross negligence or any inaccuracy in the Issuer Information in the Official Statement. It is expressly recognized that any liability of the Issuer pursuant to this Purchase Contract, to the extent involving any monetary cost, is limited to the revenues derived from the Financing Agreement or from the disposition of the Project.

Section 17. This Purchase Contract will inure to the benefit of and be binding upon the Issuer, the Borrower, and the Underwriter and their respective successors and assigns. Nothing in this Purchase Contract is intended or will be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and assigns, any legal or equitable right, remedy or claim under or in respect of this Purchase Contract or any provision herein contained. This Purchase Contract and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and assigns, and for the benefit of no other person, firm or corporation. No purchaser who purchases the Bonds from the Underwriter or other person or entity will be deemed to be a successor merely by reason of such purchase.

Section 18. Any notice or other communication to be given to the Borrower under this Purchase Contract may be given by delivering the same in writing at its address set forth above with a copy to HCP – ILP and Ballard Spahr LLP. Any notice or other communication to be given to the Issuer under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing to the Issuer or the Borrower at the respective addresses set forth on the first page hereof, or to such other person as such officer may designate in writing; any notice or other communication. Any notice or other communications to be given to the Underwriter under this Purchase Contract may be given by the same in writing to RBC Capital Markets, LLC, 500 W. Madison, Suite 2500, Chicago, IL 60661-2511, Attention: David J. Lacki.

Section 19. This Purchase Contract will be governed by and construed in accordance with the laws of the State of Florida.

Section 20. If any one or more of the provisions of this Purchase Contract shall be held invalid or unenforceable under applicable law, such provision shall be excluded from this Purchase Contract and the balance of the Purchase Contract shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

Section 21. This Purchase Contract for the Issuer's Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lake Apartment Project), may be executed in multiple counterparts, each of which will be an original but all of which together will constitute but one and the same instrument and delivery hereof may be effected by delivery to the other parties by facsimile transmission on or before the time and date specified therein.

TRUST INDENTURE

This **TRUST INDENTURE**, dated as of October 1, 2011 (“Indenture”), is by the **HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA)**, a public body corporate and politic of the State of Florida (together with any successors and assigns, “**Issuer**”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, with a designated corporate trust office located in Fort Lauderdale, Florida, which is duly authorized to accept and exercise trust powers under this Indenture (together with its permitted successors and assigns, “**Trustee**”).

The meaning of capitalized terms can be determined

by reference to Article I of this Indenture.

RECITALS

- A.** The Issuer is authorized by the Act to issue revenue bonds for the purpose of financing the development of multifamily rental housing for persons of low and moderate income.
- B.** The Borrower has requested that the Issuer provide financing for the Mortgaged Property to be owned by the Borrower by issuing the Bonds and by using the Net Bond Proceeds to fund the Loan to the Borrower and the Borrower has agreed to secure the Loan by placing the Security Instrument on the Mortgaged Property.
- C.** The Issuer has determined that the issuance and sale of the Bonds and the application of the Net Bond Proceeds to fund the Loan will facilitate the financing of the Mortgaged Property and will accomplish a valid public purpose of the Issuer.
- D.** The Issuer has, pursuant to the Act and the Bond Resolution, authorized (i) the issuance of the Bonds in the Principal Amount for the purpose of providing financing for the Mortgaged Property, (ii) the execution and delivery of this Indenture to establish the terms of the Bonds and the security for the Bonds and (iii) the execution and delivery of the Financing Agreement to establish certain terms and conditions of the Loan.
- E.** By executing this Indenture, the Issuer is directing the deposit of the Net Bond Proceeds with the Trustee, to be used by the Trustee to fund the Loan to the Borrower. The proceeds of the Loan will be applied, together with other funds, to effect the financing of the Mortgaged Property.
- F.** The Issuer, the Trustee and the Borrower are concurrently entering into the Financing Agreement.
- G.** The Loan will be (i) made by the Issuer pursuant to the Financing Agreement, (ii) evidenced by the Note, (iii) secured by the Security Instrument and (iv) otherwise documented, evidenced and secured by the other Loan Documents.
- H.** Fannie Mae has agreed, subject to the satisfaction of certain conditions, to facilitate the financing of the Mortgaged Property by providing credit enhancement for the Bonds.
- I.** Pursuant to the Assignment, the Issuer will assign and deliver all of its right, title and interest in and to the Loan, including the Note, the Security Instrument and the other Loan Documents, to the Trustee and the Credit Provider, as their interests may appear.
- J.** The operation of the Mortgaged Property will be subject to the Regulatory Agreement.

K. The Issuer has determined that all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee and issued in accordance with this Indenture, the valid, binding and legal special and limited obligations of the Issuer and to constitute this Indenture a valid assignment and pledge of the Trust Estate as security for the payment of the principal of and interest and any premium on, the Bonds, have been done, and the creation, execution and delivery of this Indenture and the creation, execution and delivery of the Bonds, subject to the terms of this Indenture, have been duly authorized by the Issuer.

L. The Trustee has trust powers and the power and authority to enter into this Indenture, to accept trusts generally and to accept and execute the trust created by this Indenture; the Trustee has accepted the trust so created, and to evidence such acceptance, has joined in the execution of this Indenture.

GRANTING CLAUSES

To secure the payment of the principal of and interest and any premium on, and the purchase price of, the Bonds according to their tenor and effect, to secure, on a parity basis, all obligations owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and to secure the performance and observance by the Issuer of the covenants expressed or implied in this Indenture and in the Bonds, the Issuer absolutely and irrevocably pledges and assigns the property described in the following paragraphs (1) through (5) to the Trustee for the benefit of the Bondholders and to the Credit Provider, as their interests may appear, subject to the Assignment and the provisions of this Indenture permitting the application of such property for the purposes set forth in this Indenture:

(1) all right, title and interest of the Issuer in and to the Loan, including the Note, the Security Instrument and the other Loan Documents and in and to the Financing Agreement, reserving, however, the Reserved Rights;

(2) all rights to receive payments on the Note and under the other Loan Documents, including all proceeds of insurance or condemnation awards;

(3) all right, title and interest of the Issuer in and to the Revenues, the Net Bond Proceeds and the accrued interest, if any, derived from the sale of the Bonds, and all Funds and Accounts under this Indenture (including, without limitation, moneys, documents, securities, investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee) but excluding all moneys in the Fees Account, the Rebate Fund and the Costs of Issuance Fund [unless and to the extent funded with Net Bond Proceeds] (including within such exclusion Investment Income retained in the Costs of Issuance Fund and the Rebate Fund);

(4) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under this Indenture for the benefit of the Bondholders and the Credit Provider; and

(5) all of the proceeds of the foregoing, including, without limitation, Investments and Investment Income (except as excluded above);

TO HAVE AND TO HOLD unto the Trustee and the Credit Provider, as their interests may appear;

IN TRUST, NEVERTHELESS, upon the terms set forth in this Indenture for the equal and proportionate benefit, security and protection of (i) all Registered Owners of the Bonds, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds and (ii) the Credit Provider to secure the payment of all amounts owed to the Credit Provider under the Credit Facility Documents;

PROVIDED, FURTHER, HOWEVER, that if the Issuer or its successors or assigns pay or cause to be paid to the Registered Owners of the Bonds the principal of and interest and any premium to become due on the Bonds at the times and in the manner provided in this Indenture, and if no amount is owing by the Borrower to the Issuer or the Trustee under the Financing Agreement or to the Credit Provider under the Credit Facility Documents, and if the Issuer keeps, performs and observes, or causes to be kept, performed and observed, all of its covenants, warranties and agreements contained in this Indenture, this Indenture and the estate and rights granted by this Indenture shall terminate and be discharged in accordance with its terms, upon which termination the Trustee shall execute and deliver to the Issuer such instruments in writing as shall be necessary to satisfy the lien of this Indenture, and, in accordance with Article IX, shall reconvey to the Issuer any property at the time subject to the lien of this Indenture which may then be in the Trustee's possession, except amounts held by the Trustee for the payment of principal of and interest and any premium on the Bonds, or moneys held in the Rebate Fund for payment to the United States Government or moneys held in the Fees Account for the payment of accrued and unpaid Third Party Fees; otherwise this Indenture shall be and remain in full force and effect, upon the trusts and subject to the covenants and conditions set forth in this Indenture; and

FINALLY, all Bonds issued and secured under this Indenture are to be issued, authenticated and delivered, and all property, rights and interests, including, but not limited to, the amounts payable under the Financing Agreement and any other amounts assigned and pledged by this Indenture are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed in this Indenture, and the Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with the Registered Owners of the Bonds as set forth in this Indenture.

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.1 **Definitions.** All capitalized terms used in this Indenture have the meanings given to those terms in this Section 1.1 or elsewhere in this Indenture unless the context clearly indicates a different meaning.

“**Account**” means an account established within a Fund.

“**Act**” means the Florida Housing Finance Authority Law, codified as Chapter 159, Part IV, Florida Statutes, as amended.

“**Act of Bankruptcy**” means any proceeding instituted under the Bankruptcy Code or other applicable insolvency law by or against the Issuer.

“**Advance**” means an advance made under the Credit Facility.

“**Affiliate**” as applied to any person, means any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, partnership interests or by contract or otherwise.

[“**Alternate Credit Facility**” means a letter of credit (whether or not so named), surety bond, insurance policy, standby bond purchase agreement, credit enhancement instrument, collateral purchase agreement, mortgage backed security or similar agreement, instrument or facility (other than the initial Credit Facility) provided in accordance with the Financing Agreement.]

[“**Alternate Credit Provider**” means the provider of an Alternate Credit Facility.]

“**as their interests may appear**” or “**as its interest may appear**” means, with reference to any of the Assigned Rights, the respective interests, exclusive of the Reserved Rights of the Issuer, of Fannie Mae and of the Trustee to such documents and rights as set forth in the Assignment.

“**Assigned Rights**” has the meaning given to that term in the Assignment.

“**Assignment**” means the Assignment and Intercreditor Agreement, dated as of the date of this Indenture, among the Issuer, the Trustee and Fannie Mae, and acknowledged and agreed to by the Borrower, as it may be amended, supplemented or restated from time to time.

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

“**Authorized Borrower Representative**” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer, the Loan Servicer, the Credit Provider and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer, the Loan Servicer and the Credit Provider) a written certificate revoking such person’s authority to act in such capacity.

“Authorized Denomination” means, \$5,000 or any integral multiple of \$5,000.

“Authorized Officer” means the chairperson, vice chairperson, secretary and any other officer or employee of the Issuer designated by certificate of any of the foregoing as authorized by the Issuer to perform a specified act, sign a specified document or otherwise take action with respect to the Bonds.

“Available Moneys” means, as of any date of determination, any of:

- (a) the proceeds of the Bonds;
- (b) [Reserved];
- (c) moneys received by the Trustee pursuant to a draw on the Credit Facility;
- (d) any other amounts, including the proceeds of refunding bonds, for which, in each case, (i) the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code and (ii) the Trustee has received written confirmation from each Rating Agency that the use of such moneys would not result in a reduction or withdrawal of the then existing rating on the Bonds;
- (e) the price paid by the Credit Provider for the purchase of Bonds in lieu of redemption pursuant to Section 3.7; and
- (f) Investment Income derived from the investment of moneys described in (a), (b), (c) or (d).

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as in effect now and in the future, or any successor statute.

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

“Bond” or **“Bonds”** means the Issuer’s Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project) in the original aggregate principal amount of \$16,800,000.

“Bond Counsel” means (i) on the Closing Date, the law firm or law firms delivering the approving opinion(s) with respect to the Bonds or (ii) after the Closing Date, any law firm selected by the Issuer and acceptable to the Credit Provider, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

“Bond Documents” means the Assignment, the Bonds, the Bond Purchase Agreement, the Credit Facility, the Disclosure Agreement, the Financing Agreement, this Indenture, the

Regulatory Agreement (and any other agreement relating to rental restrictions on the Mortgaged Property), the Tax Certificate, and all other documents, instruments and agreements executed and delivered in connection with the issuance, sale, delivery of the Bonds, as each such agreement or instrument may be amended, supplemented or restated from time to time.

“**Bond Purchase Agreement**” means the Bond Purchase Agreement, dated as of **October __, 2011**, among the Underwriter, the Issuer and the Borrower.

“**Bond Purchase Fund**” means the Bond Purchase Fund created by Section 5.1.

“**Bond Register**” means the Bond Register maintained by the Trustee pursuant to Section 2.16.

“**Bond Resolution**” means the resolution adopted by the Issuer on October __, 2011, authorizing and approving the issuance and sale of the Bonds and the execution and delivery of this Indenture, the Assignment, the Bond Purchase Agreement, the Disclosure Agreement, the Financing Agreement, the Loan Documents, the Regulatory Agreement, the Tax Certificate and certain other documents, making certain appointments and determining certain details with respect to the Bonds.]

“**Bondholder**,” “**holder**,” “**Owner**,” “**owner**,” or “**Registered Owner**” means, with respect to any Bond, the owner of the Bond as shown on the Bond Register.

“**Book-Entry Bonds**” means that part of the Bonds for which a Securities Depository or its nominee is the Bondholder.

“**Book-Entry System**” means an electronic system in which the clearance and settlement of securities transactions is made through electronic book-entry changes.

“**Borrower**” means TRG–Palm Lakes LP, a Florida limited partnership.

“**Borrower Documents**” means the Bond Documents to which the Borrower is a party, the Credit Facility Documents to which the Borrower is a party and the Loan Documents and all other documents to which the Borrower is a party and which are being executed and delivered by the Borrower in connection with the transactions provided for in the Bond Documents, the Loan Documents and the Credit Facility Documents.

“**Business Day**” means any day other than:

- (a) a Saturday or a Sunday;
- (b) any day on which banking institutions located in the City of New York, New York are required or authorized by law or executive order to close;
- (c) any day on which banking institutions located in the city or cities in which the Designated Office of the Trustee or the Loan Servicer is located are required or authorized by law or executive order to close;
- (d) [Reserved]; or

(e) so long as a Credit Facility is in effect, any day on which the Credit Provider is closed.

“**Certificate of Borrower**” means the Certificate of Borrower dated October __, 2011, as it may be amended, supplemented or restated from time to time.

“**Closing Date**” means the date on which the Bonds are issued and delivered to or upon the order of the Underwriter.

“**Code**” means the Internal Revenue Code of 1986, as amended; each reference to the Code is deemed to include (i) any successor internal revenue law and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations whether final, temporary or proposed under such provision or successor provision.

“**Conditional Redemption**” means a redemption where the Trustee has stated in the notice of redemption that the redemption is conditioned upon deposit of funds as further described in Section 3.4.

“**Costs of Issuance**” means:

(a) the fees, costs and expenses of (i) the Issuer, the Issuer’s counsel and the Issuer’s financial advisor, if any, (ii) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriter’s counsel, (iii) Bond Counsel, (iv) the Trustee and the Trustee’s counsel, (v) the Loan Servicer and the Loan Servicer’s counsel, if any, (vi) the Credit Provider and the Credit Provider’s counsel, (vii) the Borrower’s counsel and the Borrower’s financial advisor, if any, and (viii) the Rating Agency;

(b) costs of printing the offering documents relating to the sale of the Bonds; and

(c) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including printing costs, costs of reproducing documents, filing and recording fees, and any fees, costs and expenses required to be paid to the Loan Servicer in connection with the origination of the Loan.

“**Costs of Issuance Deposit**” means the deposit in the amount of \$_____ to be made by the Borrower with the Trustee on the Closing Date to pay Costs of Issuance.

“**Costs of Issuance Fund**” means the Costs of Issuance Fund created by Section 5.1.

“**Credit Facility**” means the Credit Enhancement Instrument, dated the Closing Date, issued by Fannie Mae to the Trustee, or any Alternate Credit Facility in effect at the time, as any such facility may be amended, supplemented or restated from time to time.

“**Credit Facility Account**” means the Credit Facility Account of the Revenue Fund.

“**Credit Facility Documents**” means the Reimbursement Agreement, the Certificate of Borrower, all Collateral Agreements (as that term is defined in the Security Instrument), [the Hedge Documents, the Hedge Reserve Escrow Account Security Agreement, the Hedge Security Agreement], [the **Operating Reserve Agreement**,] [the Pledge Agreement] and all other agreements and documents securing the Credit Provider or otherwise relating to the provision of the Credit Facility, as any such agreement may be amended, supplemented or restated from time to time.

“**Credit Provider**” means[, so long as the initial Credit Facility is in effect,] Fannie Mae, [or so long as any Alternate Credit Facility is in effect, the Alternate Credit Provider then obligated under the Alternate Credit Facility].

“**Custodian**” means the custodian under the Pledge Agreement.

“**Designated Office**” of the Trustee or the Loan Servicer means, respectively, the office of the Trustee or the Loan Servicer at the respective address set forth in Section 13.4 or at such other address as may be specified in writing by the Trustee or the Loan Servicer, as applicable, as provided in Section 13.4.

“**Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of October 1, 2011, by the Borrower and the Trustee.

“**DTC**” means The Depository Trust Company and any successor to it or any nominee of it.

“**DTC Participant**” has the meaning given to that term in Section 2.15(b).

“**Electronic Means**” means a facsimile transmission or any other electronic means of communication approved in writing by the Credit Provider.

“**Event of Default**” means, as used in any Transaction Document, any event described in that document as an Event of Default. Any “Event of Default” as described in any Transaction Document is not an “Event of Default” in any other Transaction Document unless that other Transaction Document specifically so provides.

“**Extraordinary Items**” means, with respect to the Trustee, reasonable compensation for extraordinary services and/or reimbursement for reasonable extraordinary costs and expenses including reasonable fees and expenses of its counsel.

“**Facility Fee**” has the meaning given to that term in the Reimbursement Agreement.

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

“**Fees Account**” means the Fees Account of the Revenue Fund.

“Financing Agreement” means the Financing Agreement, dated as of the date of this Indenture, among the Issuer, the Trustee and the Borrower, as amended, supplemented or restated from time to time.

“Fixed Rate” means the rate or rates of interest borne by the Bonds as determined in accordance with Section 2.7.

“Fixed Rate Period” means the period beginning on the Closing Date and ending on the last stated Maturity Date of the Bonds.

“Fund” means any fund created by Section 5.1.

“Government Obligations” means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

[**“Hedge Documents”** has the meaning given that term in the Hedge Security Agreement, if any.]

[**“Hedge Reserve Escrow Account Security Agreement”** means the Hedge Reserve Escrow Account and Security Agreement, if any, in effect during any Weekly Variable Rate Period among the Borrower, the Loan Servicer (if any) and the Credit Provider, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.]

[**“Hedge Security Agreement”** means the Hedge Security Agreement, if any, in effect during any Weekly Variable Rate Period among the Borrower, the Loan Servicer (if any) and the Credit Provider, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.]

“Highest Rating Category” has the meaning, with respect to an Investment, given in this definition. If the Bonds are rated by a Rating Agency, the term “Highest Rating Category” means, with respect to an Investment, that the Investment is rated by each Rating Agency in the highest rating given by that Rating Agency for that general category of security. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the term “Highest Rating Category” means, with respect to an Investment, that the Investment is rated by S&P or Moody’s in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax-exempt municipal debt established by S&P is “A-1+” for debt with a term of one year or less and “AAA” for a term greater than one year, with corresponding ratings by Moody’s of “MIG-1” (for fixed rate) or “VMIG-1” (for variable rate) for three months or less and “Aaa” for greater than three months. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody’s rate an Investment and (iii) one of those ratings is below the Highest Rating Category, then such Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, an Investment rated “AAA” by S&P and “Aa3” by Moody’s is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Investment will be deemed to be rated below the Highest

Rating Category. For example, an Investment rated “AAA” by S&P and “A1” by Moody’s is not rated in the Highest Rating Category.

“**Indenture**” means this Trust Indenture, as amended, supplemented or restated from time to time.

“**Interest Account**” means the Interest Account of the Revenue Fund.

“**Interest Payment Date**” means (i) each October 15 and April 15, commencing April 15, 2012; (ii) for Bonds subject to redemption in whole or in part on any date, the date of such redemption, (iii) each Maturity Date and (iv) for all Bonds any date determined pursuant to Section 10.10(c).

“**Interest Requirement**” means 183 days interest at the Fixed Rate, [the weighted average interest rate on the then-outstanding principal amount of Bonds,] calculated on the basis of a year of 360 days of twelve 30-day months; or such other number of days as may be required by the Rating Agency.

“**Investment**” means any Permitted Investment and any other investment held under this Indenture that does not constitute a Permitted Investment.

“**Investment Income**” means the earnings, profits and accreted value derived from the investment of moneys pursuant to Article VI.

“**Issuer**” means Housing Finance Authority Of Miami-Dade County (Florida), a public body corporate and politic of the State of Florida, and its successors and assigns.

“**Issuer Documents**” means the Assignment, the Bonds, Financing Agreement, this Indenture, the Loan Documents to which the Issuer is a party, the Regulatory Agreement and the Tax Certificate.

“**Issuer’s Fee**” means the Issuer’s annual fee in an amount equal to 25 basis points of the outstanding principal amount of the Bonds) payable by the Borrower under the Financing Agreement.

“**Letter of Representations**” means when all the Bonds are Book-Entry Bonds, the Letter of Representations executed by the Issuer and the Trustee and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“**Loan**” means the loan made by the Issuer to the Borrower pursuant to the Financing Agreement for the purpose of providing funds to the Borrower to finance the acquisition of the Mortgaged Property.

“**Loan Documents**” means, collectively, the Note, the Security Instrument and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement is a Loan Document and neither document is secured by the Security Instrument.

“**Loan Fund**” means the Loan Fund created by Section 5.1.

“**Loan Servicer**” means the multifamily mortgage loan servicer designated from time to time by the Credit Provider.

“**Mandatory Tender**” means a tender of Bonds required by Section 4.2(b). Mandatory Tenders include any tender required because of the receipt by the Trustee of written notice from the Credit Provider stating that an Event of Default under the Reimbursement Agreement has occurred and directing that the Bonds be subject to mandatory tender.

“**Mandatory Tender Advance**” means an Advance to pay principal of, plus accrued interest on, any Bonds (other than Excluded Bonds) due to as a result of a Mandatory Tender.

“**Mandatory Tender Date**” means any date on which Bonds are required to be tendered pursuant to Section 4.2.

“**Maturity Date**” means October 1, 2027 or in the event the Bonds a Sinking Fund Schedule is established, the stated maturity date of any Bond.

“**Maximum Rate**” means 12 percent per annum; provided, however, that the Maximum Rate may be increased if the Trustee receives (i) the written consent of the Credit Provider and the Borrower to a specified higher Maximum Rate not to exceed the lesser of the maximum rate permitted by law to be paid on the Bonds and the maximum rate chargeable on the Loan, (ii) an opinion of Bond Counsel to the effect that such higher Maximum Rate is permitted by law and will not adversely affect either the validity of the Bonds or the exclusion of the interest payable on the Bonds from gross income for federal income tax purposes, and (iii) a new or amended Credit Facility in an amount equal to the sum of (A) the then outstanding principal amount of the Bonds and (B) the new Interest Requirement calculated using the new Maximum Rate.

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

“**Mortgaged Property**” means the real property described in the Security Instrument, together with all improvements, fixtures and personal property (to the extent of the Borrower’s interest therein) and located on such real property.

“**Net Bond Proceeds**” means the total proceeds derived from the issuance, sale and delivery of the Bonds, representing the total purchase price of the Bonds, including any premium paid as part of the purchase price of the Bonds, but excluding the accrued interest, if any, on the Bonds paid by the initial purchaser(s) of the Bonds.

“**NOI Test**” has the meaning given to that term in the Reimbursement Agreement.

[“**NOI Test Date**” means, with respect to a Reset Date, the date which is three months before the Reset Date or such shorter period as the Credit Provider may approve.]

“**Note**” means the Multifamily Note (together with all addenda thereto) dated October __, 2011, executed by the Borrower in favor of the Issuer, as it may be amended, supplemented or restated from time to time or any mortgage note executed in substitution therefor in accordance with the Bond Documents, as such substitute note may be amended, supplemented or restated from time to time.

“**Note Interest**” has the meaning given to that term in the Note.

“**Operating Reserve Agreement**” means the Operating Reserve and Security Agreement dated as of the date of this Indenture, among the Borrower, the Loan Servicer and the Credit Provider, as such agreement may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“**Opinion of Counsel**” means a written opinion of legal counsel, acceptable to the recipient(s) of such opinion. If the opinion is with respect to an interpretation of federal tax laws or regulations or bankruptcy matters, such legal counsel also must be an attorney or firm of attorneys experienced in such matters.

“**Outstanding**” means, when used with reference to the Bonds at any date as of which the amount of Outstanding Bonds is to be determined, all Bonds which have been authenticated and delivered under this Indenture except:

- (a) Bonds cancelled or delivered for cancellation at or prior to such date;
- (b) Bonds deemed to be paid in accordance with Article IX; and
- (c) Bonds in lieu of which others have been authenticated under Article II.

In determining whether the owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds which are owned or held by or for the account of the Borrower and Pledged Bonds will be disregarded and deemed not to be Outstanding under this Indenture for the purpose of any such determination unless all Bonds are Pledged Bonds, Bonds owned or held by or for the account of the Borrower or a combination of Pledged Bonds and Bonds owned by or held for the account of the Borrower. In determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which are registered in the name of or known by the Trustee to be held for the account of the Borrower, including Pledged Bonds, will be disregarded.

“**Permitted Investments**” means, to the extent authorized by law for investment of moneys of the Issuer:

- (a) Government Obligations.
- (b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.

(d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short-term obligations are rated in the Highest Rating Category.

(e) Commercial paper rated in the Highest Rating Category.

(f) Interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts and bankers' acceptances, issued by a Qualified Financial Institution if either (A) the Qualified Financial Institution's unsecured short-term obligations are rated in the Highest Rating Category or (B) such deposits, accounts or acceptances are fully insured by the Federal Deposit Insurance Corporation.

(g) an agreement held by the Trustee for the investment of moneys at a guaranteed rate with (i) the Credit Provider or (ii) a Qualified Financial Institution whose unsecured long-term obligations, obligations for which a current insurer financial enhancement rating is available or obligations for which an insurer financial strength rating is available are rated in the Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long-term obligations, obligations for which a current insurer financial enhancement rating is available or obligations for which an insurer financial strength rating is available are rated in the Highest Rating Category; provided, however, that:

(1) the agreement is an unconditional and general obligation of the provider, and if applicable the guarantee or insurance is an unconditional and general obligation of the guarantor or insurer of the agreement, and ranks *pari passu* with all other unsecured, unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(2) the Trustee receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms;

(3) the agreement provides that the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Trustee is required to pay moneys from any Fund established under this Indenture to which the agreement is applicable, or (B) subject to paragraph (4), any Rating Agency lowers, suspends or withdraws the rating on the Bonds on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(4) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, the Provider must:

(A) within five days of such withdrawal, suspension or downgrade, the provider must notify the Trustee, the Borrower and the Credit Facility Provider; and

(B) within 15 days of such withdrawal, suspension or downgrade and at the option of the Provider, either (i) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, such collateralization to be effected in a manner and in an amount reasonably satisfactory to the Credit Provider, or, if the agreement, is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, in an amount reasonably satisfactory to the Credit Provider or (ii) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long term obligations or claims paying ability are then rated in the Highest Rating Category.

(5) the agreement also provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, and the Provider does not satisfy the requirements of paragraph (4) above within the required period of time, then the Trustee may or the Credit Provider may direct the Trustee to notify the provider that it intends to withdraw the entire balance of the agreement then on deposit, together with all of the accrued and unpaid earnings thereon. The provider will, if the requirements of paragraph (4) above have not been timely satisfied, repay the principal of and accrued but unpaid interest on the investment, with no penalty or premium unless required by law, to the Trustee within two (2) Business Days of receipt of such notice from the Trustee. Upon any such withdrawal the agreement shall terminate.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAM-G or AAAM by S&P or Aaa by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Credit Provider, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (b) or (c). If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAM-G or AAAM by S&P, if S&P is a Rating Agency, or Aaa by Moody's, if Moody's is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAM-G or AAAM by S&P or Aaa by Moody's. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Credit Provider.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to any obligation that provides for the optional or mandatory tender, at par, by the holder of such obligation at least once within one year of the date of purchase, Government Obligations irrevocably deposited with the Trustee for payment of Bonds pursuant to Section 9.3, and Permitted Investments listed in paragraphs (g) and (i)).

(2) Except for any obligation described in paragraph (a) or (b), any obligation with a purchase price greater or less than the par value of such obligation.

(3) Any asset-backed security, including mortgage-backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset-backed securities and auto loan asset-backed securities.

(4) Any interest-only or principal-only stripped security.

(5) Any obligation bearing interest at an inverse floating rate.

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

(8) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment.

(9) Any investment to which S&P has added an “r” or “t” highlighter.

“**Person**” means a natural person, estate, trust, corporation, partnership, limited liability company, association, public body or any other organization or entity (whether governmental or private).

“**Pledge Agreement**” means the Pledged Bonds Custody and Security Agreement dated as of the date of this Indenture, among the Borrower, Trustee, as collateral agent for the Credit Provider, and the Credit Provider, as such agreement may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“**Pledged Bond**” means any Bond during the period from and including the date of its purchase by the Trustee on behalf of and as agent for the Borrower with the proceeds of Mandatory Tender Advance under the Credit Facility, to, but excluding, the date on which the Advance

made by the Credit Provider on account of such Pledged Bond is reinstated under the Credit Facility.

“Potential Default” means, as used in any Transaction Document, any event that has occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default as described in that document. Any “Potential Default” as described in any Transaction Document is not a “Potential Default” in any other Transaction Document unless that other Transaction Document specifically so provides.

“Preference Claim” has the meaning given that term in Section 8.8.

“Principal Amount” means \$16,800,000, the original principal amount of the Bonds on the Closing Date.

[**“Principal Reserve Amount”** means an amount (if any) established by the Credit Provider as a condition to an adjustment of the interest rate on the Bonds to a Weekly Variable Rate.]

“Principal Reserve Fund” means the Principal Reserve Fund created by Section 5.1.

[**“Principal Reserve Schedule”** means the Schedule of Deposits to Principal Reserve Fund attached to the Reimbursement Agreement in connection with any Weekly Variable Rate Period, as such schedule may be amended, supplemented or restated from time to time.]

“Project Costs” means costs paid with respect to the acquisition and rehabilitation of the Mortgaged Property that are (i) properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse costs of the Mortgaged Property with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the costs of the Mortgaged Property were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Mortgaged Property (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Mortgaged Property that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Mortgaged Property that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Mortgaged Property is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Mortgaged Property are being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), “Project Costs” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Mortgaged Property (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliate

which are directly attributable to the work performed on the Mortgaged Property , and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Mortgaged Property or payments received by such Affiliate due to early completion of the Mortgaged Property (or any portion thereof).

“Qualified Financial Institution” means any of: (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (v) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (vi) securities dealer approved in writing by the Credit Provider the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation and (vii) any other entity which is acceptable to the Credit Provider. With respect to an entity which provides an agreement held by the Trustee for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term “Permitted Investments” or an entity which guarantees or insures, as applicable, the agreement, a “Qualified Financial Institution” may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

“Rating Agency” means any nationally recognized statistical rating agency then maintaining a rating on the Bonds.

“Rebate Analyst” means a Person that is (i) qualified and experienced in the calculation of rebate payments under Section 148 of the Code and compliance with the arbitrage rebate regulations promulgated under the Code, (ii) chosen by the Borrower and (iii) engaged for the purpose of determining the amount of required deposits, if any to the Rebate Fund.

“Rebate Fund” means the Rebate Fund created by Section 5.1.

“Record Date” means, with respect to any Interest Payment Date, the first day of the month in which the Interest Payment Date occurs.

“Redemption Account” means the Redemption Account of the Revenue Fund.

“Redemption Date” means any date upon which Bonds are to be redeemed pursuant to this Indenture.

“Regulatory Agreement” means the Land Use Restriction Agreement relating to the Mortgaged Property, dated as of October __, 2011, by the Issuer, the Trustee and the Borrower, as it may be amended, supplemented or restated from time to time.

“Reimbursement Agreement” means the Reimbursement Agreement, dated as of the date of this Indenture, by the Credit Provider and the Borrower, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Reserved Rights” means those certain rights of the Issuer under the Financing Agreement to indemnification and to payment or reimbursement of fees and expenses of the Issuer, its right to receive notices and to enforce notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrower and of the Mortgaged Property, its right to collect attorneys’ fees and related expenses, its right to specifically enforce the Borrower’s covenant to comply with applicable federal tax law and State law (including the Act and the rules and regulations of the Issuer, if any), and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Agreement relating to the Reserved Rights.

“Revenue Fund” means the Revenue Fund created by Section 5.1.

“Revenues” means all (i) payments made under the Credit Facility, (ii) Investment Income (excluding Investment Income earned from moneys on deposit in the Principal Reserve Fund, the Rebate Fund, the Fees Account and the Costs of Issuance Fund, but including Investment Income earned on Net Bond Proceeds deposited into the Costs of Issuance Fund and Investment Income on such Investment Income) and (iii) payments made under the Note.

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

“Security” means the Trust Estate and the Credit Facility.

“Security Instrument” means the Multifamily Mortgage, Assignment of Rents and Security Agreement and Fixture Filing, dated as of October __, 2011, together with all riders and exhibits, securing the Note and the obligations of the Borrower to the Credit Provider under the Credit Facility Documents, executed by the Borrower with respect to the Mortgaged Property, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Sinking Fund Payment” means, as of any particular date of calculation, the amount required to be paid by the Issuer on a single future date for the retirement of Outstanding Bonds which mature after such future date, but excluding any amount payable by the Issuer by reason of the maturity of a Bond or by optional redemption at the election of the Issuer.

“Sinking Fund Payment Date” means any of the dates on which any of the Bonds matures or is subject to redemption through the application of Sinking Fund Payments as set out in a Sinking Fund Schedule.

“Sinking Fund Schedule” means a schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments on the specified dates and/or a schedule of principal amounts of Bonds maturing as serial Bonds. [The Sinking Fund Schedule for the Bonds is set forth in Section 3.3(d).]

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc., and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then

any other nationally recognized statistical rating agency, designated by the Credit Provider, as assigns credit ratings.

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

“**Tax Certificate**” means collectively, (i) the Non-Arbitrage Certificate, dated the Closing Date, executed and delivered by the Issuer, and (ii) the Borrower’s Tax Certificate, dated the Closing Date, executed by the Borrower, as amended, supplemented or restated from time to time.

“**Tax Event**” has the meaning given to that term in Section 10.1(c).

“**Third Party Fees**” has the meaning given to that term in Section 5.7(a).

“**Transaction Documents**” means the Bond Documents, the Loan Documents and the Credit Facility Documents.

“**Trust Estate**” means the property, interests, rights, money, securities and other amounts pledged and assigned pursuant to this Indenture and the property, rights, money, securities and other amounts pledged and assigned by the Issuer to the Trustee and the Credit Provider pursuant to the Assignment.

“**Trustee**” means U.S. Bank National Association, a national bank, duly organized and existing under the laws of the United States Of America, or its successors or assigns, or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under this Indenture.

“**Trustee's Annual Fee**” means the annual continuing trust administration fee of the Trustee as provided in the Financing Agreement, computed and payable semiannually in advance on each Interest Payment Date.

“**UCC**” means the Uniform Commercial Code of the State as in effect now or in the future, whether or not such Uniform Commercial Code is applicable to the parties or the transactions.

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

“**Wrongful Dishonor**” means an uncured failure by the Credit Provider to make an Advance to the Trustee upon proper presentation of documents which conform to the terms and conditions of the Credit Facility.

SECTION 1.2 **Rules of Construction.** The rules of construction set forth in this Section 1.2 apply to this Indenture.

(a) The singular form of any word includes the plural, and vice versa, unless the context otherwise requires. The use of a pronoun of any gender includes correlative words of the other genders.

(b) All references to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Indenture; and the words “in this Indenture,” “of this Indenture,” “under this Indenture” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(c) Any captions, headings or titles of the several Articles, Sections and other subdivisions, and the table of contents are solely for convenience of reference and do not limit or otherwise affect the meaning, construction or effect of this Indenture or describe the scope or intent of any provision.

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

(e) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “direction” or similar action under this Indenture by any party must be in writing and signed by a duly authorized representative of such party with a duly authorized signature.

(f) All references in this Indenture to “counsel fees,” “attorneys fees” or the like mean and include fees and disbursements allocable to in-house or outside counsel, whether or not suit is instituted, and including fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceedings.

(g) Whenever the word “includes” or “including” is used, such word means “includes or including by way of example and not limitation.”

ARTICLE II THE BONDS

SECTION 2.1 **Authorized Amount of Bonds.** No Bonds may be issued under this Indenture except as provided in this Article. The total principal amount of Bonds that may be issued and outstanding under this Indenture is expressly limited to the Principal Amount.

SECTION 2.2 **Issuance of Bonds; Term of Bonds.**

(a) **Issuance of Bonds.** The Bonds are authorized to be issued pursuant to and in accordance with this Indenture, substantially in the form set forth in Exhibit A, with such appropriate variations, legends, omissions and insertions as permitted by this Indenture. The Bonds shall (i) be designated “Housing Finance Authority of Miami-Dade County (Florida) Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project)”, (ii) be issued in the Principal Amount, (iii) be dated the Closing Date, (iv) bear interest during the Fixed Rate, payable on each Interest Payment Date and (v) mature on the Maturity Date, subject to prior redemption as provided in Article III. The Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Bonds shall be numbered consecutively from R-1 upwards, bearing numbers not then contemporaneously outstanding (in order of issuance) according to the Bond Register.

(b) **Interest Rates.** The Bonds shall bear interest at the rates per annum and shall mature (subject to redemption prior to maturity, including sinking fund redemption), on the dates and in the principal amounts set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u> Maturing	<u>Initial Interest Rate</u>
_____	\$ _____	_____%
_____	\$ _____	_____%
_____	\$ _____	_____%

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(c) **Accrual of Interest.** The Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication of the Bonds. If the date of authentication is an Interest Payment Date for which interest has been paid or is after the Record Date, but prior to the next Interest Payment Date, the Bonds shall bear interest from such Interest Payment Date. If the date of authentication is prior to the Record Date for the first Interest Payment Date, the Bonds shall bear interest from the Dated Date of the Bonds. Notwithstanding the foregoing, if at the time of authentication of any Bond, interest on the Bond is in default, the Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment, or if no interest has been paid on the Bond, from the Dated Date of the Bond.

SECTION 2.3 **Payment of Principal and Interest.** The principal of and the interest and any premium on the Bonds are payable in lawful money of the United States of America to the Registered Owners at the close of business on the applicable Record Date. Payment of interest on the Bonds shall be made on each Interest Payment Date by check drawn upon the Trustee and mailed by first class mail, postage prepaid, to the addresses of the Registered Owners as they appear on the Bond Register or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. Payment of the principal of any Bond and premium, if any, together with interest (other than interest payable on a regularly scheduled Interest Payment Date) shall be made by check only upon presentation and surrender of the Bond on or after its maturity date or date fixed for purchase, redemption or other payment at the office of the Trustee designated for that purpose. Notwithstanding the foregoing, payment of principal of and interest and any premium on any Bond shall be made by wire transfer to any account within the United States of America designated by a Registered Owner owning \$1,000,000 or more in aggregate principal amount of Bonds if a written request for wire transfer in form and substance satisfactory to the Trustee is delivered to the Trustee by any such Registered Owner not less than five Business Days prior to the applicable payment date. A request for wire transfer that specifies that it is effective with respect to all succeeding payments of principal, interest and any premium will be so effective unless and until rescinded in writing

by the Registered Owner at least five Business Days prior to a Record Date. If interest on the Bonds is in default, the Trustee, prior to the payment of interest, shall establish a special record date (“**Special Record Date**”) for such payment. A Special Record Date may not be more than 15 nor less than ten days prior to the date of the proposed payment. Payment of defaulted interest shall then be made by check or wire transfer, as permitted above, mailed or remitted to the Registered Owners in whose names the Bonds are registered on the Special Record Date.

SECTION 2.4 **Limited Obligations.** The Bonds are special, limited obligations of the Issuer, payable solely from the Security. The Bonds are not a debt of the State or of any other political subdivision of the State, and neither the State nor any other political subdivision of the State will be liable for the payment of the Bonds. The faith and credit of the Issuer, the State or any political subdivision of the State are not pledged to the payment of the principal of or interest on the Bonds.

The Bonds are issued pursuant to the Act and, shall be special limited obligations of the Issuer payable solely from the sources provided herein, shall not be deemed to constitute a general debt, liability or obligation or pledge of the faith and credit of the Issuer, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit. The Issuer has no taxing power. The Bonds do not constitute an indebtedness of the Issuer or a loan of credit thereof within the meaning of any state constitutional provision or statutory limitation and do not give rise to a pecuniary liability of the Issuer or a charge against its general credit.

SECTION 2.5 **[Reserved]** .

SECTION 2.6 **[Reserved]** .

SECTION 2.7 **Fixed Rate.**

(a) **Fixed Rate.** During the Fixed Rate Period, the Bonds shall bear interest at the Fixed Rate determined pursuant to Section 2.7(b). During the Fixed Rate Period, interest shall accrue on the basis of a year of 360 days of twelve 30-day months.

(b) **Determination of Fixed Rate.** The Fixed Rate shall be the rate or rates set for the in Section 2.3(b).

SECTION 2.8 **[Reserved]**.

SECTION 2.9 **Credit Facility Requirement.** One or more Credit Facilities providing credit support for the Loan or the Bonds must be in effect. The Trustee shall exchange the Credit Facility with the Credit Provider for a new Credit Facility issued by the Credit Provider in accordance with Section 12.4(a). When delivered, each Credit Facility shall satisfy the following requirements:

- (a) the Credit Facility shall be in an amount equal to the aggregate principal amount of the Bonds Outstanding from time to time plus the Interest Requirement;
- (b) the Credit Facility shall provide for payment in immediately available funds to the Trustee, upon receipt of the Trustee's request for such payment with respect to any Interest Payment Date, purchase date (if applicable) or mandatory redemption date pursuant to this Indenture;
- (c) the Credit Facility shall provide an expiration date no earlier than the earliest of (i) ten days after the Trustee receives notice from the Credit Provider of an Event of Default under the Reimbursement Agreement and a direction to redeem all Outstanding Bonds; (ii) the date on which all Bonds are paid in full and this Indenture is discharged in accordance with its terms; and (iii) the final Maturity Date; and
- (d) unless waived by the Issuer in its sole discretion, the Credit Facility shall result in the Bonds receiving a long-term rating in one of the three highest rating categories of each Rating Agency.

SECTION 2.10 **[Reserved]**.

SECTION 2.11 **Temporary Bonds**. If definitive Bonds are not ready for delivery on the Closing Date, the Issuer shall execute, and at the request of the Issuer, the Trustee shall authenticate and deliver, one or more temporary typewritten, printed or lithographed Bonds, in any Authorized Denomination, in fully registered form, and in substantially the form provided for definitive Bonds with appropriate omissions, insertions and variations. The Issuer shall cause definitive Bonds to be prepared and to be executed and delivered to the Trustee. Upon presentation to it of any temporary Bond, the Trustee shall cancel the same and authenticate and deliver in exchange therefor, without charge to the owner of such Bond, a definitive Bond or Bonds of an equal aggregate principal amount of Authorized Denominations, of the same maturity and series, and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds will in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds.

SECTION 2.12 **Execution**. The Bonds shall be signed by the manual or facsimile signature of an Authorized Officer and attested by the manual or facsimile signature of an Authorized Attesting Officer under the official seal, or a facsimile of the official seal, of the Issuer. In case any officer whose signature or a facsimile of whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile will nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery.

SECTION 2.13 **Authentication**. Only such Bonds as have endorsed on them a certificate of authentication substantially in the form set forth in Exhibit A to this Indenture 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 has been manually executed by the Trustee. Such executed certificate upon any 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 signed by an authorized representative of the Trustee, but it shall not be necessary that the same person sign the certificates of authentication on all of the Bonds.

SECTION 2.14 **Mutilated, Lost, Stolen or Destroyed Bonds.** If any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond of the same maturity, interest rate, principal amount, series and tenor in lieu of and in substitution for the mutilated, lost, stolen or destroyed Bond, provided, however, that in the case of any mutilated Bond, the mutilated Bond must first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there must be first furnished to the Trustee evidence satisfactory to it of the ownership of the Bond, and of the loss, theft or destruction, together with indemnity satisfactory to the Trustee and compliance with such other reasonable requirements as the Trustee may prescribe. If any such Bond will mature within the ensuing 60-days, or if such Bond has been called for redemption or a redemption date pertaining to such Bond has passed, instead of replacing the Bond, the Trustee may, upon receipt of such indemnity, pay the Bond on such maturity date or redemption date. The Trustee shall cancel any mutilated Bond surrendered to it. In connection with any such substitution or payment, the Issuer and the Trustee may charge the holder of such Bond their reasonable fees and expenses, including attorneys' fees and expenses.

If, after the delivery of such replacement Bond, the original Bond in lieu of which such replacement Bond was issued is presented for payment or registration, the Trustee shall seek to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Trustee, the Borrower or the Issuer in connection therewith.

SECTION 2.15 **Securities Depository Provisions.**

(a) **Registration in the Book-Entry System.** Initially, all Bonds shall be Book-Entry Bonds. All Bonds shall be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Issuer and the Trustee acknowledge that they have executed and delivered a Letter of Representations with DTC. All payments of principal of, redemption premium, if any, and interest on the Book-Entry Bonds and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations. This Indenture shall govern in the event of any inconsistency between this Indenture and the Letter of Representations. The Letter of Representations may be amended without Bondholder consent.

(b) **Exculpation.** With respect to Book-Entry Bonds, neither the Issuer, the Trustee, the Credit Provider, the Loan Servicer nor the Borrower will have any responsibility or obligation to

any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (“**DTC Participant**”) or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (“**Indirect Participant**”). Without limiting the immediately preceding sentence, the Issuer, the Trustee, the Credit Provider, the Loan Servicer and the Borrower will have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any Indirect Participant or any other person, other than DTC, as Bondholder, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any DTC Participant or Indirect Participant or any other Person, other than DTC, as Bondholder, of any amount with respect to principal of, premium, if any, or interest on, the Bonds, (iv) any consent given by DTC or (v) selection of Bonds for redemption. The Issuer, the Borrower, the Credit Provider, the Loan Servicer and the Trustee shall treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever and neither the Issuer, the Borrower nor the Trustee shall have any responsibility or obligation to any Beneficial Owner of any Book-Entry Bond. While in the DTC system, no Person other than DTC will receive a Bond certificate with respect to any Bond.

(c) **Successor Securities Depository; Transfers Outside Book-Entry System.** DTC may discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer, the Trustee and the Borrower and by discharging its responsibilities with respect to the Bonds under applicable law. The Issuer or the Borrower, with the consent of the other, may terminate the services of DTC. If the Borrower is in default under any Bond Document or any Loan Document, the Issuer will not be required to obtain the consent of the Borrower to terminate the services of DTC. Upon the discontinuance or termination of the services of DTC, unless a substitute securities depository is appointed to undertake the functions of DTC under this Indenture, the Issuer, at the expense of the Borrower, shall provide Bond certificates to the Trustee for delivery to the Beneficial Owners of the Bonds, and the Bonds may be registered in whatever name or names the Registered Owners transferring or exchanging Bonds designate to the Trustee in writing. The Trustee may appoint a successor depository operating a securities depository system, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Issuer.

SECTION 2.16 Bond Registrar; Exchange and Transfer of Bonds; Persons Treated as the Bondholders.

(a) **Bond Registrar; Bond Register.** The Trustee shall act as the initial Bond Registrar and in such capacity shall keep the Bond Register for the registration of the Bonds and for the registration of transfer of the Bonds.

(b) **Transfers and Exchanges.** Any Bondholder or its attorney duly authorized in writing may transfer title to or exchange a Bond upon surrender of the Bond at the Designated Office of the Trustee together with a written instrument of transfer (in substantially the form of assignment, including signature guarantee, attached to the Bond) satisfactory to the Trustee executed by the Bondholder or its attorney duly authorized in writing. Upon surrender for registration of transfer of any Bond, the Issuer shall execute and the Trustee shall authenticate

and deliver in the name of the Bondholder or its transferee or transferees a new Bond or Bonds of the same aggregate principal amount, rate of interest, maturity, series and tenor as the Bond surrendered and of any Authorized Denomination.

(c) **Exceptions to Transfers and Exchanges.** Except as provided in Section 4.1, the Trustee will not be required to register any transfer or exchange of any Bond (or portion of any Bond) during the 15-day period immediately before the selection of Bonds for redemption, and from and after notice calling such Bonds (or portion of such Bonds) for redemption or partial redemption has been given and prior to such redemption.

(d) **Charges.** Registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, but any taxes or other governmental charges required to be paid with respect to a transfer or exchange shall be paid by the Bondholder requesting the registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange shall be paid by the Borrower.

(e) **Recognized Owners.** The person in whose name any Bond is registered on the Bond Register will be deemed the absolute owner of such Bond for all purposes, and payment of any principal, interest and premium will be made only to or upon the order of such person or its attorney duly authorized in writing, but such registration may be changed as provided above. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(g) **Issuer's Reliance.** In executing any Bond upon any exchange or registration of transfer provided for in this Section, the Issuer may rely conclusively on a representation of the Trustee that such execution is required.

SECTION 2.17 **Cancellation.** All Bonds that have been surrendered pursuant to Section 2.3 or Article III for payment upon maturity or redemption prior to maturity or Bonds which are deemed canceled or are canceled pursuant to Section 4.4(b) will be canceled by the Trustee and will not be reissued. Unless otherwise directed by the Issuer, the Trustee shall treat such Bonds in accordance with its document retention policies or as may be directed by the law of the State.

SECTION 2.18 **Conditions for Delivery of Bonds.** Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to or for the account of the Underwriter or to such persons as the Underwriter specifies, in each case in the records of DTC, provided, however, that prior to delivery of the Bonds to the Underwriter each of the following must be delivered to the Trustee:

- (a) a certified copy of the Bond Resolution authorizing the execution and delivery on behalf of the Issuer of the Bond Documents to which it is a party and related matters;
- (b) executed original counterparts of the Bond Documents, the Loan Documents and all other agreements, documents and instruments to be executed and delivered on the Closing Date by the parties to those agreements, documents and instruments, and the original executed Credit Facility;
- (c) an opinion of Bond Counsel to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, that the interest payable on the Bonds is excludable from gross income for federal income tax purposes and that the Issuer has the power to enter into the Bond Documents to which it is a party and each of the Bond Documents to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and each constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary qualifications on enforceability;
- (d) a written request and authorization by the Issuer (acting through an Authorized Officer) to the Trustee to authenticate and deliver the Bonds to or for the account of the Underwriter upon receipt from the Underwriter of \$_____;
- (e) receipt from the Underwriter of \$_____;
- (f) receipt from the Borrower of the Costs of Issuance Deposit;
- (g) evidence, acceptable to the Credit Provider and the Loan Servicer, of proper recordation of the Security Instrument, the Regulatory Agreement and the Assignment or a title insurance binder acceptable to the Credit Provider and the Loan Servicer insuring the “gap” in a manner acceptable to the Credit Provider and the Loan Servicer;
- (h) written evidence that the Bonds have been assigned a rating in the Highest Rating Category by the Rating Agency rating the Bonds; and
- (i) the Letter of Representations if required by DTC.

**ARTICLE III
REDEMPTION OF BONDS**

SECTION 3.1 **Redemption.** The Bonds are subject to redemption prior to maturity only as set forth in this Article III. All redemptions must be in Authorized Denominations.

SECTION 3.2 **Optional Redemption.**

(a) The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower. Redemptions pursuant to this Section 3.2 will be made on any date, at the respective redemption prices set forth below expressed as percentages of the

principal amounts of the Bonds called for redemption, such redemption prices declining [] percent each year until such redemption price equals 100 percent of the principal amount of the Bonds, plus accrued interest, if any, to the Redemption Date:

(b) The principal of and accrued interest on any Bond being redeemed under Section 3.2(a) shall be paid from an Advance under the Credit Facility and the premium, if any must be paid with other Available Moneys. Neither the Issuer, the Trustee, the Credit Provider nor the Loan Servicer shall have any obligation to provide funds to be included in any premium.

SECTION 3.3 **Mandatory Redemption.** The Bonds are subject to mandatory redemption as provided in this Section 3.3 on the earliest practicable Redemption Date for which timely notice of redemption can be given pursuant to Section 3.4 following the occurrence of the event requiring such redemption. The principal of and accrued interest on any Bond being redeemed under this Section shall be paid from an Advance under the Credit Facility. Bonds will be redeemed at a redemption price equal to 100 percent of the principal amount of such Bonds plus accrued interest to the Redemption Date. Bonds subject to mandatory redemption in part shall be redeemed in Authorized Denominations or shall be redeemed in such amounts so that the Bonds Outstanding following the redemption are in Authorized Denominations. If the Trustee receives an amount for the mandatory redemption of Bonds which is not equal to a whole integral multiple of the Authorized Denomination, the Trustee shall redeem Bonds in an amount equal to the next lower whole integral multiple of the Authorized Denomination to the amount received by the Trustee and hold any excess amount in the Redemption Account.

(a) **Casualty or Condemnation.** The Bonds shall be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Mortgaged Property (“**Proceeds**”) are applied in accordance with the Security Instrument to the prepayment of the Loan.

(b) **After an Event of Default under the Reimbursement Agreement.** The Bonds shall be redeemed in whole or in part in an amount specified by and at the direction of the Credit Provider requiring that the Bonds be redeemed pursuant to this subsection following any Event of Default under the Reimbursement Agreement. The Redemption Date shall be the earliest practicable date, but in no event shall such redemption occur later than two Business Days prior to the date, if any, that the Credit Facility terminates on account of the Credit Provider’s giving of direction to the Trustee pursuant to this subsection to redeem all of the Bonds.

(c) **Principal Reserve Fund.** The Bonds shall be redeemed in whole or in part as follows:

(1) [Reserved.]; and

(2) on any Interest Payment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Interest Payment Date to the Redemption Account pursuant to Section 5.11(b)(6).

(d) **Sinking Fund Redemption.**

(1) The Bonds shall be redeemed at the times and in the amounts set forth in the Sinking Fund Schedule (subject to the provisions of Section 5.5(c) permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments) as follows:

Interest Payment Date	Sinking Fund Payment

(2) If less than all of the Bonds of a specific maturity have been redeemed other than from Sinking Fund Payments applicable to such Bonds, the principal amount of the Bonds of such maturity to be redeemed in each year from Sinking Fund Payments shall be decreased pro rata among all Sinking Fund Payments applicable to such Bonds. Any such proportional redemption shall be confirmed in writing to the Trustee by the Loan Servicer.

(e) **Surplus Proceeds.** The Bonds shall be redeemed in whole or in part to the extent amounts remaining in the Loan Fund are transferred to the Redemption Account pursuant to Section 5.3(c) hereof.

SECTION 3.4 Notice of Redemption to Registered Owners.

(a) **Notice Requirement.** For any redemption of Bonds pursuant to:

(1) Section 3.2 or 3.3(a) or (c), the Trustee shall give notice of redemption by first class mail, postage prepaid, not less than ten days prior to the specified Redemption Date, to the Registered Owner of each Bond to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence.

(2) Section 3.3(b), the Trustee shall give immediate notice of redemption.

(3) Section 3.3(d), the Trustee will give notice of redemption as provided in Section 5.5(c)(3).

(4) Section 3.2, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to

pay any redemption premium in full (“**Conditional Redemption**”), and such notice and optional redemption shall be of no effect if either (i) by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds and sufficient Available Moneys to pay any redemption premium have not been deposited with the Trustee, or if such moneys are deposited, are not available on the redemption date or (ii) the Trustee at the direction of the Credit Provider rescinds such notice on or prior to the scheduled redemption date.

The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment. The Trustee shall provide copies of all notices given under this Section and of all revocations of notices to the Credit Provider and the Loan Servicer at the same time it gives notices to Bondholders.

(b) **Content of Notice.** Each notice of redemption must state: (i) the date of the redemption notice; (ii) the Closing Date and the complete official name of the Bonds, including the series designation; (iii) for each Bond to be redeemed, the interest rate or that the interest rate is variable, maturity date and in the case of a partial redemption of Bonds, the principal amount of each Bond to be redeemed; (iv) the CUSIP numbers of all Bonds being redeemed; (v) the place or places where the Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Bonds to be redeemed; (vi) the Redemption Date and redemption price of each Bond to be redeemed; (vii) the name, address, telephone number and contact person at the office of the Trustee with respect to such redemption; (viii) that interest on all Bonds to be redeemed will not accrue from and after the Redemption Date; (ix) if a redemption is a Conditional Redemption, that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to pay any redemption premium and (x) that the Credit Provider may direct the Trustee to cancel such redemption upon the occurrence of any Event of Default under the Reimbursement Agreement.

(c) **Additional Notice.** At the same time notice of redemption is sent to the Registered Owners the Trustee shall send notice of redemption by first class mail, overnight delivery service or such other means as is acceptable to the recipient, postage or service prepaid (or as specified below) (i) to the Rating Agency, (ii) if the Bonds are not subject to the Book-Entry System, to certain municipal registered Securities Depositories (described below) which are known to the Trustee, on the second Business Day prior to the date the notice of redemption is mailed to the Bondholders, to be holding Bonds, and (iii) at least two of the national Information Services (described below) that disseminate securities redemption notices. For this purpose:

(1) Securities Depositories include: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190; or, in accordance with the then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories or any such other depositories as the Issuer may designate in writing to the Trustee; and

(2) Information Services include: Financial Information, Inc. “Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services, “Called Bond Service,” 65 Broadway, 16th Floor, New York, New York 10004; Moody’s Investors Service “Municipal and Government,” 99 Church

Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard and Poor's Ratings Group "Called Bond Record," 55 Water Street, New York, New York 10041; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or any other such services as the Issuer may designate in writing to the Trustee.

(d) **Validity of Proceedings for the Redemption of Bonds.** If notice is given as stated in subsection (a), failure of any Bondholder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Bonds.

(e) **Rescission of Conditional Redemption; Cancellation of Optional Redemption.** The Trustee shall rescind any Conditional Redemption if the requirements of Section 3.2(b) have not been met on or before the Redemption Date or the Trustee has received a direction to cancel the Conditional Redemption from the Credit Provider. The Trustee shall give notice of rescission by the same means as is provided in this Section for the giving of notice of redemption or by Electronic Means confirmed in writing. The optional redemption shall be canceled once the Trustee has given notice of rescission. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the Redemption Date shall constitute an Event of Default. Notwithstanding notice having been given in the manner provided above, any optional redemption of Bonds shall be canceled with the consent of or at the direction of the Credit Provider if the Credit Provider has notified the Trustee in writing that an Event of Default under the Reimbursement Agreement has occurred.

SECTION 3.5 **Redemption Payments.** If notice of redemption has been given and the conditions for such redemption, if applicable, have been met, the Bonds called for redemption shall become due and payable on the Redemption Date, interest on those Bonds will cease to accrue from and after the Redemption Date and the called Bonds will no longer be Outstanding. The holders of the Bonds so called for redemption shall thereafter no longer have any security or benefit under this Indenture except to receive payment of the redemption price for such Bonds upon surrender of such Bonds to the Trustee. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds will be held in trust for the account of the holders of the Bonds to be redeemed. If less than the entire principal amount of a Bond is called for redemption, the Issuer shall execute, and the Trustee shall authenticate and deliver, upon the surrender of such Bond to the Trustee, without charge by the Issuer or the Trustee to the Bondholder, in exchange for the unredeemed principal amount of such Bond, a new Bond or Bonds of the same interest rate, maturity and term, in any Authorized Denomination, in aggregate principal amount equal to the unredeemed balance of the principal amount of the Bond so surrendered.

SECTION 3.6 **Selection of Bonds to be Redeemed Upon Partial Redemption.** If less than all the Outstanding Bonds are called for redemption, the Trustee shall select by lot, in such manner as it determines in its discretion, the Bonds, or portions of the Bonds in Authorized Denominations, to be redeemed. In the selection process (i) any Pledged Bonds Outstanding will

be called for redemption before any other Bonds are selected for redemption and (ii) if applicable, the Bonds with the highest interest rate will be called for redemption before any other Bonds are selected for redemption. For the purposes of this Section, Bonds which have previously been selected for redemption will not be deemed Outstanding. Notwithstanding the foregoing, the Securities Depository for Book-Entry Bonds shall select the Bonds for redemption within particular maturities according to its stated procedures.

SECTION 3.7 **Purchase of Bonds in Lieu of Redemption.** If the Bonds are called for redemption in whole or in part, the Bonds called for redemption may be purchased in lieu of redemption in accordance with this Section.

(a) **Purchase in Lieu of Redemption.** Purchase in lieu of redemption shall be available for all of the Bonds called for redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Credit Provider or the Borrower with the written consent of the Credit Provider may direct the Trustee to purchase all or such lesser portion of the Bonds so called for redemption. Any such direction to the Trustee must:

(1) be in writing;

(2) state either that all of the bonds called for redemption are to be purchased or, if less than all of the bonds called for redemption are to be purchased, identify those bonds to be purchased by maturity date and outstanding principal amount in Authorized Denominations; and

(3) be received by the Trustee no later than 12:00 noon one Business Day prior to the Redemption Date.

If so directed, the Trustee shall purchase such Bonds on the date which otherwise would be the Redemption Date. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this Indenture on the Redemption Date.

(b) **Withdrawal of Direction to Purchase.** On or prior to the scheduled redemption date, any direction given to the Trustee pursuant to this Section or any consent given by the Credit Provider to such a direction may be withdrawn by written notice to the Trustee. Subject generally to this Indenture, should a direction to purchase or the consent of the Credit Provider be withdrawn, the scheduled redemption of such Bonds shall occur.

(c) **Purchaser.** If the purchase is directed by the Credit Provider, the purchase shall be made for the account of the Credit Provider or its designee. If the purchase is directed by the Borrower with the consent of the Credit Provider, the purchase shall be made for the account of the Borrower or its designee.

(d) **Purchase Price.** The purchase price of the Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Bonds on the Redemption Date for such redemption. To pay the purchase price of such Bonds, the Trustee shall use such Available Moneys, if any, in:

(1) the Credit Facility Account to pay the principal and interest components of the purchase price; and

(2) the Redemption Account to pay the redemption premium component of the purchase price;

that the Trustee would have used to pay the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, that would have been payable on the redemption of such Bonds on the Redemption Date. Otherwise, the Trustee shall pay the purchase price only from Available Moneys. The Trustee shall not purchase the Bonds pursuant to this Section if by no later than the Redemption Date, sufficient moneys have not been deposited with the Trustee, or such moneys are deposited, but are not Available Moneys.

(e) **No Notice to Bondholders.** No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under this Indenture).

ARTICLE IV PURCHASE AND REMARKETING OF BONDS

SECTION 4.1 **[Reserved].**

(b) **Mandatory Tender upon Default; Notice.** The Bonds shall be subject to Mandatory Tender upon receipt by the Trustee of written notice from the Credit Provider stating that an Event of Default under the Reimbursement Agreement has occurred and directing that the Bonds be subject to Mandatory Tender. Such Mandatory Tender shall be made on the earliest practicable date, after notice of tender has been given to Bondholders and shall be payable solely from the sources provided in Section 4.2(d)(2) at a purchase price equal to 100 percent of the principal amount of the Bonds plus accrued interest to the Mandatory Tender Date. The Owner of any Bond may not elect to retain its Bond. Immediately upon receipt by the Trustee of such written notice from the Credit Provider, the Trustee shall give notice by first class mail, postage prepaid, to the owners of the Bonds stating that (i) such event has occurred, (ii) the Bonds are required to be tendered on the Mandatory Tender Date specified in such notice, and (iii) the Bondholders will not have the right to elect to retain their Bonds.

(c) **Untendered Bond.** Any Bond which is not tendered on a Mandatory Tender Date (“**Untendered Bond**”) will be deemed to have been tendered to the Tender Agent as of such Mandatory Tender Date, and, from and after such Mandatory Tender Date, shall cease to bear interest and no longer will be considered to be Outstanding. In the event of a failure by owners to deliver Bonds on the Mandatory Tender Date, such Owners will not be entitled to any payment (including any interest to accrue from and after the Mandatory Tender Date) other than the purchase price for such Untendered Bond, and any Untendered Bond will no longer be entitled to the benefits of this Indenture, except for the purpose of payment of the purchase price for such Untendered Bond. The Issuer shall sign, and the Tender Agent shall authenticate and

deliver to the Remarketing Agent for redelivery to the purchaser, a new Bond in replacement of the Untendered Bond. The replacement of any such Untendered Bond shall not be deemed to create new indebtedness, but shall be deemed to evidence the indebtedness previously evidenced by the Untendered Bond.

(d) **Payment and Sources of Purchase Price.** The Tender Agent shall make payment for Bonds purchased pursuant to this Section at or before 4:00 p.m. Eastern time on the Mandatory Tender Date. The Trustee shall pay the purchase price:

(1) for Bonds purchased pursuant to Section 4.2(a), **first** from remarketing proceeds on deposit in the Bond Purchase Fund, **second**, from proceeds of a payment under the Credit Facility, and **third**, from the Borrower.

(2) for Bonds purchased pursuant to Section 4.2(b) **first**, from proceeds of a payment under the Credit Facility, and **second**, from the Borrower.

(e) **Purchase Price Moneys Held in Trust.** Following any Mandatory Tender Date, moneys deposited with the Tender Agent for the purchase of Bonds shall be held in trust in the Bond Purchase Fund and shall be paid to the former owners of such Bonds upon presentation of such Bonds at the Designated Office of the Tender Agent. The Tender Agent shall promptly give notice by registered or “certified first class” mail, postage prepaid, to each Registered Owner of Bonds whose Bonds are deemed to have been purchased stating that interest on such Bonds ceased to accrue on the date of purchase and that moneys representing the purchase price of such Bonds are available against delivery of such Bonds at the Designated Office of the Tender Agent. During any period that the Bonds are Book-Entry Bonds, (i) any notice delivered pursuant to this Section 4.2(e) shall be given only to the entity designated in the Letter of Representations, as required by Section 3.4(a) and (ii) it shall not be necessary for Bond(s) to be physically delivered on the date specified for purchase of such Bond(s), but such purchase shall be made as if such Bond(s) had been so delivered, and the purchase price of such Bond(s) shall be paid to DTC.

ARTICLE V FUNDS AND ACCOUNTS

SECTION 5.1 **Creation of Funds and Accounts.** The following Funds and Accounts are created with the Trustee:

- (a) the Loan Fund;
- (b) the Revenue Fund and within the Revenue Fund, the Interest Account, the Principal Account, the Credit Facility Account, the Redemption Account, and the Fees Account;
- (c) the Costs of Issuance Fund;

- (d) the Rebate Fund;
- (e) so long as any Bonds are Outstanding and have not been adjusted to the Fixed Rate, the Bond Purchase Fund; and
- (f) the Principal Reserve Fund.

The Trustee shall hold and administer the Funds and Accounts in accordance with this Indenture.

SECTION 5.2 **Initial Deposits.** On the Closing Date, the Trustee shall make the following deposits:

- (a) \$ _____, representing the Net Bond Proceeds, into the Loan Fund; and
- (b) \$ _____, received from the Borrower, representing the Costs of Issuance Deposit into the Costs of Issuance Fund.

SECTION 5.3 **Loan Fund.**

(a) **Deposits.** The Trustee shall deposit the Net Bond Proceeds into the Loan Fund as provided in Section 5.2(a). [Any additional deposits?]

(b) **Disbursements.** Amounts on deposit in the Loan Fund shall be disbursed from time to time by the Trustee for the purpose of paying Project Costs. In addition, amounts in the Loan Fund shall be transferred to the Redemption Account at the times and in the manner provided in subsection (c) of this Section 5.3.

The Trustee shall make disbursements from the Loan Fund only upon the receipt of Requisitions signed by an Authorized Borrower Representative and countersigned by the Loan Servicer (signifying the consent to the Requisition the Loan Servicer). The countersignature of the Loan Servicer on a Requisition shall be deemed a certification and, insofar as the Trustee and the Issuer are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the Credit Facility Documents applicable to such disbursement have been fully satisfied or waived. The Trustee shall, immediately upon each receipt of a completed Requisition signed by an Authorized Officer of the Borrower and countersigned by an Authorized Officer of the Construction Phase Credit Provider and the Loan Servicer, initiate procedures with the provider of a Qualified Investment to make withdrawals as necessary to fund the Requisition and the requested disbursement shall be paid by the Trustee as soon as practicable. Upon final disbursement of all amounts on deposit in the Loan Fund, including all interest accrued therein, the Trustee shall close the Loan Fund.

(c) **Transfers.** Immediately prior to any mandatory redemption of Bonds pursuant to Section 3.3(a) (if redeemed in whole) or 3.3(b), any amount then remaining in the Loan Fund shall, at the written direction of the Credit Provider, be transferred to the Redemption Fund to be applied to reimburse the Credit Provider for the related redemption of Bonds. In addition, any amount remaining in the Loan Fund upon the earlier of (a) the date of completion of the rehabilitation of the Mortgaged Property and not required to pay Project Costs not yet due and payable or being contested in good faith, or (b) [DATE], shall be transferred to the Redemption

Fund and used to reimburse the Credit Provider for the related redemption of Bonds in accordance with Section 3.3(e).

SECTION 5.4 Revenue Fund - Interest Account and Principal Account.

(a) **Interest Account.** Deposits into, and disbursements from, the Interest Account shall occur as follows:

(1) **Deposits into the Interest Account.** The Trustee shall deposit each of the following amounts into the Interest Account:

(A) moneys provided by or on behalf of the Borrower relating to an interest payment under the Note;

(B) all Investment Income on the Funds and Accounts (except that Investment Income earned on amounts on deposit in the Loan Fund, Rebate Fund, Costs of Issuance Fund, and the Principal Reserve Fund shall be credited to and retained in those respective Funds or Accounts); and

(C) any other moneys made available for deposit into the Interest Account from any other source, including, but not limited to, any excess amounts in the Bond Purchase Fund pursuant to Section 5.10.

(2) **Disbursements from the Interest Account.** The Trustee shall disburse or transfer, as applicable, moneys on deposit in the Interest Account at the following times and apply such moneys in the following manner and in the following order of priority:

(A) On each Interest Payment Date, Redemption Date and any date of acceleration of the Bonds, the Trustee shall disburse (i) to the Credit Provider, subject to the terms of the Assignment, the amount of the interest component of any Advance under the Credit Facility for the payment of interest on the Bonds or (ii) in the event of a Wrongful Dishonor until such Wrongful Dishonor is cured, to the Bondholders, an amount equal to the interest due on the Bonds on such date;

(B) If the Credit Provider or the Loan Servicer gives a written notice to the Trustee at any time to the effect that there is any unreimbursed Advance under the Credit Facility or any other amount required to be paid by the Borrower to the Credit Provider under the Loan Documents, the Bond Documents or the Credit Facility Documents remains unpaid, then the Trustee shall transfer any Investment Income earned on the Interest Account and any Investment Income transferred to the Interest Account from any other Fund or Account from and after the preceding Interest Payment Date or the Closing Date, as applicable, to the Credit Provider but not in an amount which exceeds the amount stated as unpaid by the Credit Provider or the Loan Servicer, as the case may be, in its notice to the Trustee; and

(C) Unless there is (i) a deficiency in the Principal Reserve Fund, the Principal Account, the Fees Account or the Rebate Fund or (ii) other than as described in paragraph (B) above, an Event of Default under the Reimbursement Agreement or any Bond Document or a default under any Loan Document has occurred and is continuing, on each Interest Payment Date the Trustee shall disburse to the Borrower the Investment Income earned on, or otherwise on deposit in, the Interest Account from and after the preceding Interest Payment Date or the Closing Date, as applicable. If a deficiency exists in the Principal Reserve Fund, the Principal Account, the Fees Account or the Rebate Fund, such Investment Income shall be transferred to the Principal Reserve Fund, the Principal Account, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

(b) **Principal Account.** Deposits into, and disbursements from, the Principal Account shall occur as follows:

(1) **Deposits into the Principal Account.** The Trustee shall deposit each of the following amounts into the Principal Account:

(A) moneys provided by or on behalf of the Borrower relating to a principal payment under the Note; and

(B) any other moneys made available for deposit into the Principal Account from any other source.

(2) **Disbursements from the Principal Account.** On each Sinking Fund Payment Date, Redemption Date and any date of acceleration of the Bonds, the Trustee shall disburse (x) to the Credit Provider, subject to the terms of the Assignment, the amount of the principal component of any Advance under the Credit Facility for the payment of principal on the Bonds or (y) in the event of a Wrongful Dishonor until such Wrongful Dishonor is cured, to the Redemption Account, an amount equal to the principal due on the Bonds on such date.

SECTION 5.5 Revenue Fund - Redemption Account.

(a) **Deposits into the Redemption Account.** The Trustee shall deposit each of the following amounts into the Redemption Account:

(1) Available Moneys provided by or on behalf of the Borrower to fund the premium payable on Bonds in connection with a redemption of such Bonds, which amounts shall be held in a segregated subaccount in the Redemption Account;

(2) moneys provided by or on behalf of the Borrower relating to a principal payment, including any prepayment under the Note;

(3) moneys transferred from the Principal Reserve Fund pursuant to Section 5.11;

(4) moneys transferred from the Principal Account pursuant to Section 5.4;
and

(5) any other amount received by the Trustee and required by the terms of this Indenture or the Financing Agreement to be deposited into the Redemption Account.

(b) Disbursements from the Redemption Account. On each Redemption Date, date of acceleration of the Bonds and Maturity Date, the Trustee shall disburse from the Redemption Account (x) to the Credit Provider, the amount of the principal component of any Advance under the Credit Facility for the payment of principal on the Bonds or (y) in the event of a Wrongful Dishonor, to the Bondholders, an amount equal to the principal due on the Bonds on such date. In addition, on any date on which premium payable on Bonds in connection with a redemption of such Bonds is due, the Trustee shall disburse to the Bondholders, from the segregated subaccount in the Redemption Account, Available Moneys in an amount sufficient to pay such premium.

(c) Disbursements from the Redemption Account for Sinking Fund Payments.

(1) **Application of Moneys.** Provided that no notice of optional redemption has been sent to Bondholders on or prior to the 30th day preceding a Sinking Fund Payment Date, at the written instruction of the Issuer (acting through an Authorized Officer), at the direction of the Borrower and with the prior written consent of the Credit Provider, the Trustee shall apply any Available Moneys accumulated in the Redemption Account on or prior to the 30th day preceding such Sinking Fund Payment Date to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established at prices (including any brokerage and other charges) not exceeding the redemption price for such Bonds plus accrued and unpaid interest to the date of purchase, such purchase to be made in such manner as the Trustee (after consultation with the Issuer, the Borrower and the Credit Provider) determines. The Borrower shall provide a copy of such direction to the Loan Servicer concurrently with delivery to the Trustee.

(2) **Credit Toward Sinking Fund Payment.** Upon the purchase of any Bond pursuant to Section 5.5(c)(1), all such Bonds will be cancelled by the Trustee and an amount equal to the principal amount of the Bonds so purchased will be credited toward the Sinking Fund Payment next due with respect to the Bonds of such maturity. In the event the Trustee is able to purchase Bonds at a price less than the redemption price at which such Bonds were to be redeemed, then, presuming no notice of redemption has been sent to Bondholders, after payment by the Trustee of the purchase price of such Bonds and after payment of any other amounts due on the due date of such Sinking Fund Payment, the Trustee shall pay an amount not greater than the difference between the amount of such purchase price and the amount of such redemption price to, or at the direction of, the Borrower.

(3) **Redemption.** As soon as practicable after the 30th day preceding the due date of any such Sinking Fund Payment, and otherwise as provided in Section 3.4, the Trustee shall give notice of redemption of Bonds in such amount as is necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall call such Bonds for redemption whether or not it then has moneys in the Redemption Account sufficient to pay the applicable redemption price of the Bonds to be redeemed on the Redemption Date. The Trustee shall pay the amount required for the

redemption of the Bonds so called for redemption from the Funds specified in Article V of this Indenture, in the order of priority indicated, and such amount will be applied by the Trustee to such redemption.

SECTION 5.6 Revenue Fund - Credit Facility Account.

(a) **Deposits into the Credit Facility Account.** The Trustee shall deposit into the Credit Facility Account all Advances under the Credit Facility, except for Advances on account of Issuer's Fee. That portion of any Advance on account of Issuer's Fee shall be deposited into the Fees Account. No other moneys will be deposited into the Credit Facility Account and the Credit Facility Account shall be maintained as a segregated account and moneys therein shall not be co-mingled with any other moneys held under this Indenture. The Credit Facility Account shall be closed at such time as the Credit Provider has no continuing liability under the Credit Facility.

(b) **Transfers from the Credit Facility Account.** The Trustee shall cause amounts deposited into the Credit Facility Account to be applied on the date payment is due to the payments for which the Advance was made pursuant to the Credit Facility. In no event shall amounts in the Credit Facility Account be applied to the payment of principal of and interest and any premium on any Bonds known by the Trustee to be held by the Borrower or any Affiliate of the Borrower. Any amounts remaining in the Credit Facility Account after making the payment for which the Advance was made pursuant to the Credit Facility shall be immediately refunded to the Credit Provider.

SECTION 5.7 Revenue Fund - Fees Account.

(a) **Deposits into the Fees Account.** The Trustee shall deposit into the Fees Account the (i) payments made by the Borrower under the Financing Agreement attributable to the Issuer's Fee, and the fees and expenses of the Trustee and the Rebate Analyst (collectively, "**Third Party Fees**"), and (ii) amounts derived from the Credit Facility for the payment of the Issuer's Fee.

(b) **Disbursements from the Fees Account.** On any date on which any amounts are required to pay any Third Party Fees, such amounts shall be withdrawn by the Trustee from the Fees Account for payment to the appropriate party, provided, however, that amounts derived from the Credit Facility and deposited into the Fees Account will be used only to pay the Issuer's Fee when due. In the event the amount in the Fees Account is insufficient to pay such Third Party Fees, the Trustee shall make written demand on the Borrower for the amount of such insufficiency and, pursuant to the terms of the Financing Agreement, the Borrower shall be liable to promptly pay the amount of such insufficiency to the Trustee after the date of the Trustee's written demand. The Trustee will provide notice of the insufficiency to the Loan Servicer.

(c) **No Other Claims to Trust Estate.** The Rebate Analyst shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for such Person. Except as otherwise stated in Sections 5.17 and 9.2, the Issuer shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for the Issuer. Except as otherwise

stated in Sections 5.17, 9.2 and 10.10, the Trustee shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for the Trustee.

SECTION 5.8 **Costs of Issuance Fund.**

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

(b) **Disbursements from the Costs of Issuance Fund.** The Trustee shall disburse moneys on deposit in the Costs of Issuance Fund, pursuant to requisitions in the form of Exhibit B attached to this Indenture, signed by an Authorized Borrower Representative, to pay Costs of Issuance. The Trustee may conclusively rely on such requisitions for purposes of making such disbursements. Moneys on deposit in the Costs of Issuance Fund shall not be part of the Trust Estate and will be used solely to pay Costs of Issuance.

(c) **Disposition of Remaining Amounts.** Any moneys remaining in the Costs of Issuance Fund six months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower. Upon final disbursement, the Trustee shall close the Costs of Issuance Fund.

SECTION 5.9 **Rebate Fund.** The Trustee shall hold and apply the Rebate Fund as provided in the Tax Certificate. Within 30 days after the end of every fifth Bond Year (as defined in the Tax Certificate), and within 55 days after the date on which no Bonds are Outstanding, the Borrower or the Trustee shall cause the Rebate Analyst to deliver to the Trustee and the Issuer a certificate stating whether any rebate payment is required to be made, as set forth in the Tax Certificate, and the Borrower shall deliver to the Trustee any amount so required to be paid.

SECTION 5.10 **Bond Purchase Fund.**

(a) **Deposits into Bond Purchase Fund.** The Trustee shall deposit each of the following into the Bond Purchase Fund:

(1) Any Mandatory Tender Advance under the Credit Facility to enable the Trustee to pay the purchase price of Tendered Bonds, which amounts the Trustee shall transfer to the Tender Agent on or before 3:00 p.m. Eastern time on each Tender Date.

Subject to Section 8.3 permitting reimbursement of amounts owed to the Credit Provider, moneys in the Bond Purchase Fund shall be held uninvested and exclusively for the payment of the purchase price of Tendered Bonds. Amounts held to pay the purchase price for more than two years will be applied in the same manner as provided under Section 5.16 with respect to unclaimed payments of principal and interest.

(b) **Disbursements from the Bond Purchase Fund.** The Trustee shall apply amounts on deposit in the Bond Purchase Fund to pay the purchase price of Tendered Bonds to the former owners of such Bonds upon presentation of the Bonds pursuant to Sections 4.1 or 4.2.

SECTION 5.11 Principal Reserve Fund

[Delete if no PFR; otherwise edit as applicable]

(a) **Deposits into the Principal Reserve Fund.** During any Weekly Variable Rate Period, the Trustee shall deposit each of the following amounts into the Principal Reserve Fund:

 (1) If applicable, all of the monthly payments of principal by the Borrower under the Note;

 (2) If applicable, all of the monthly payments made by the Borrower in accordance with the Schedule of Deposits to Principal Reserve Fund attached to the Reimbursement Agreement, as such schedule may be amended in accordance with the Reimbursement Agreement; and

 (3) Investment Income earned on amounts on deposit in the Principal Reserve Fund.

The Trustee may rely upon the (i) Schedule of Payments attached to the Note during any Reset Period or Fixed Rate Period, and (ii) Schedule of Deposits to Principal Reserve Fund attached to the Reimbursement Agreement provided to it as of the Adjustment Date with respect to the Weekly Variable Rate Period, in each case until it is furnished an amended schedule by the Credit Provider or the Loan Servicer.

(b) **Disbursements from the Principal Reserve Fund.** The Trustee shall pay or transfer amounts on deposit in the Principal Reserve Fund as follows:

 (1) at the written direction of the Credit Provider, to the Credit Provider to reimburse the Credit Provider for any unreimbursed Advance under the Credit Facility and to pay any other amounts required to be paid by the Borrower under the Loan Documents, the Bond Documents or the Credit Facility Documents (including any amounts required to be paid to the Credit Provider);

 (2) at the written direction of the Credit Provider, with the written consent of the Borrower (so long as an Event of Default has not occurred and is not continuing under any of the Credit Facility Documents), to the Credit Provider or the Borrower, as the Credit Provider elects, to make improvements or repairs to the Mortgaged Property;

 (3) at the written direction of the Credit Provider, if a default has occurred under the Credit Facility Documents, any Loan Document or any Bond Document, to the Credit Provider for any use approved in writing by the Credit Provider;

 (4) at the written direction of the Credit Provider, if a new mortgage and mortgage note have been substituted for the Security Instrument and the Note in accordance with the Loan Documents, or if the Borrower otherwise consents, for any purpose approved in writing by the Credit Provider;

(5) unless the Credit Provider otherwise directs by written notice to the Trustee, on each Adjustment Date, to the Redemption Account;

[(6) during a Weekly Variable Rate Period, [on the tenth Business Day] prior to each Interest Payment Date, all amounts on deposit in the Principal Reserve Fund (rounded downward to the nearest multiple of \$100,000) in excess of the Principal Reserve Amount, to the Redemption Account; and]

– or –

[(6) during a Weekly Variable Rate Period, if the aggregate amount on deposit in the Principal Reserve Fund (excluding all Investment Income) [on the tenth day] of any month equals or exceeds \$100,000, an amount equal to the amount on deposit in the Principal Reserve Fund (rounded downward to the nearest integral multiple of \$100,000), to the Redemption Account; and]

(7) pay to the Borrower, Investment Income on moneys in the Principal Reserve Fund on the Interest Payment Date following receipt by the Trustee of such interest or profits; provided that there is no deficiency in the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account or the Rebate Fund, and that the Trustee has not received written notice from the Credit Provider or the Loan Servicer to the effect that an Event of Default has occurred under a Credit Facility Document, Loan Document or Bond Document. If a deficiency exists in the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account or the Rebate Fund, the Trustee shall transfer such Investment Income to the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

SECTION 5.12 **Moneys to be Held in Trust.** Except for (i) moneys deposited with or paid to the Trustee for the redemption of Bonds notice of the redemption of which has been duly given, and (ii) moneys on deposit in the Costs of Issuance Fund, the Rebate Fund and the Fees Account, all moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account will be held by the Trustee in trust and, while held by the Trustee, shall constitute part of the Trust Estate and be subject to the security interest created by this Indenture.

SECTION 5.13 **Records.** The Trustee shall keep and maintain accurate records with respect to the Funds and Accounts. The Trustee shall file at least an annual accounting of the Funds and Accounts and the payment history on the Bonds and the Loan with the Issuer, the Loan Servicer and the Borrower and, upon request, with the Credit Provider. Any notices, reports or other information delivered by the Trustee to the Loan Servicer with respect to any Fund or Account also will be delivered, upon request, to the Credit Provider.

SECTION 5.14 **Reports by the Trustee.** The Trustee shall, on or before the 20th day of each month, file with the Loan Servicer and the Borrower a statement setting forth in respect of the preceding calendar month:

- (a) the amount withdrawn or transferred and the amount deposited within or on account of each Fund and Account under this Indenture, including the amount of Investment Income on each Fund and Account transferred to the Interest Account;
- (b) the amount on deposit at the end of such month to the credit of each Fund and Account;
- (c) a brief description of all obligations held as an investment of moneys in each Fund and Account;
- (d) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed; and
- (e) any other information which the Borrower, the Credit Provider, the Loan Servicer or the Issuer may reasonably request.

No monthly statement for a Fund or Account need be rendered if no activity occurred in that Fund or Account during such month. Upon the written request of any Bondholder owning 25 percent or more in aggregate principal amount of Bonds then Outstanding, the Trustee, at the Borrower's expense, shall provide a copy of such statement to the Bondholder. All records and files pertaining to the Trust Estate will be open at all reasonable times during regular business hours of the Trustee to the inspection and audit of the Issuer, the Loan Servicer, the Borrower and the Credit Provider and their agents and representatives upon reasonable prior notice.

SECTION 5.15 **Moneys Held for Particular Bonds.** The amounts held by the Trustee for payment of the interest, premium, if any, principal or redemption price due on any date with respect to particular Bonds, pending such payment, will be set aside and held in trust by the Trustee for the Bondholders entitled to such payment. For the purposes of this Indenture such interest, premium, principal or redemption price, after the due date of payment, will no longer be considered to be unpaid.

SECTION 5.16 **Nonpresentment of Bonds.** In the event any Bond is not presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for two years after such principal has become due and payable, such amounts, to the extent amounts are owed to the Credit Provider as set forth in a written statement of the Credit Provider addressed to the Trustee, will be paid to the Credit Provider, with any excess to be paid to the Borrower. Upon such payment, all liability of the Issuer and the Trustee to the holder of any Bond for the payment of such Bond will cease and be completely discharged. The obligation of the Trustee under this Section to pay any such amounts to the Credit Provider or the Borrower will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

SECTION 5.17 **Disposition of Remaining Moneys.** Provided that the rebate requirements referenced in the Tax Certificate are first satisfied, any amounts remaining in the

Revenue Fund or the Principal Reserve Fund after payment in full of the principal of and interest and any premium on the Bonds will be applied to pay (i) first, to the Credit Provider any unpaid amounts certified by the Credit Provider to be due and owing to the Credit Provider, (ii) second, to the person or persons entitled to be paid, all other unpaid amounts required to be paid under this Indenture or the Financing Agreement, and (iii) third, to the Borrower the balance upon the expiration or sooner cancellation or termination of the term of the Financing Agreement as provided in the Financing Agreement.

ARTICLE VI INVESTMENTS

SECTION 6.1 Permitted Investments; Investment Limitations.

(a) **Permitted Investments Generally.** Moneys held as part of any Fund or Account shall be invested and reinvested in Permitted Investments. Permitted Investments shall have maturities corresponding to, or shall be available for withdrawal without penalty no later than, the dates upon which such moneys shall be needed for the purpose for which such moneys are held.

(b) **Certain Limitations on Permitted Investments.** Moneys on deposit in the:

(1) Interest Account and Principal Account shall be invested only in investments described in paragraphs (a), (b), (c) and (h) of the definition of Permitted Investments;

(2) Redemption Account shall be invested only in investments described in paragraph (a) of the definition of Permitted Investments, with a term not exceeding the earlier of 30 days from the date of investment of such moneys or the date or dates that such moneys are anticipated to be required for redemption;

(3) Credit Facility Account shall be held uninvested; and

(4) Costs of Issuance Fund, until disbursed or returned to the Borrower pursuant to Section 5.8, shall be invested only in investments described in paragraph (h) of the definition of Permitted Investments.

(c) **Selection of Permitted Investments.** Subject to subsections (a) and (b), the Borrower may select all Permitted Investments by written direction to the Trustee; but if the Borrower fails to provide direction to the Trustee, the Trustee shall invest such moneys in investments described in paragraph (h) of the definition of Permitted Investments or, in the case of the Redemption Account, in investments described in paragraph (a) of the definition of Permitted Investments, or, in the case of the Credit Facility Account and the Bond Purchase Fund, shall hold the moneys uninvested.

SECTION 6.2 **Investment Income.** Investment Income from moneys held in the Loan Fund, the Rebate Fund, the Costs of Issuance Fund and the Principal Reserve Fund shall remain in the respective Fund where earned. All other Investment Income from moneys held in all other Funds and Accounts, upon receipt, shall be deposited into the Interest Account.

SECTION 6.3 **Trustee's Authority and Responsibilities.** All Permitted Investments shall be made by the Trustee in its name, as Trustee, and shall be held by or under the control of the Trustee. The Trustee shall take such actions as shall be necessary to assure that Permitted Investments purchased by it under this Indenture are held pursuant to the terms of this Indenture and are subject to the trusts and security interests created in this Indenture. The Trustee is authorized to sell and reduce to cash a sufficient amount of Permitted Investments whenever the cash balance is or will be insufficient to make a requested or required disbursement. The Trustee shall not be accountable for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale. The Trustee may trade with itself and its Affiliates in the purchase and sale of securities for investments, and may transact purchases and sales through its investment department or through its Affiliates. The Trustee and its Affiliates may act as principal, agent, sponsor, advisor or depository with respect to any investments. In computing the amount in any Fund or Account, Permitted Investments if purchased at par shall be valued at principal cost plus accrued interest, or, if purchased at other than par, at principal cost plus amortized discount or less amortized premium (amortization to be on a straight-line basis to the date of stated maturity without regard to redemptions or repayments of principal which may occur prior to maturity) plus accrued interest. The Issuer (and the Borrower by its execution of the Financing Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law.

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER

SECTION 7.1 **Issuer's Representations and Warranties.** The Issuer represents and warrants that:

(a) The Issuer is duly authorized under the Constitution and laws of the State, including the Act, to (i) issue the Bonds, (ii) execute and deliver this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement and to endorse the Note, (iii) assign its interest in the Financing Agreement (except the Reserved Rights) and (iv) pledge and assign the Trust Estate as set forth in this Indenture for the benefit of (A) the Bondholders, to secure the payment of the principal of and interest and any premium on the Bonds in accordance with the terms and provisions of this Indenture and the Bonds and (B) the Credit Provider to secure the payment of all amounts owing to the Credit Provider under the Credit Facility Documents.

(b) All actions on the part of the Issuer for the issuance, sale and delivery of the Bonds and for the execution and delivery of this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement and the endorsement of the Note have been or will be taken duly and effectively.

(c) The Bonds, together with all other indebtedness of the Issuer, are within all applicable debt limits.

(d) The Bonds will be valid and enforceable special obligations of the Issuer according to their terms, subject to bankruptcy and equitable principles.

SECTION 7.2 **Issuer's Covenants.** In addition to all other covenants and agreements of the Issuer contained in this Indenture or the Financing Agreement, the Issuer further covenants and agrees with the Bondholders and the Trustee as follows:

(a) Except as provided in Article XII, the Issuer shall not alter, modify or cancel, or agree to alter, modify or cancel, any agreement which relates to or affects the Security.

(b) Except as otherwise provided in this Indenture, the Financing Agreement, the Assignment or the Credit Facility Documents, the Issuer shall not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Security or create or authorize to be created any debt, lien or charge thereon.

(c) At the expense of the Borrower, the Issuer shall cooperate with the Borrower in the Borrower's performing the Borrower's obligation to cause this Indenture, or any related instruments or documents relating to the assignment made by the Issuer under this Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the holders of the Bonds and the rights of the Trustee hereunder.

SECTION 7.3 **Limitations on Liability.** Notwithstanding any other provision of this Indenture to the contrary:

(a) The obligations of the Issuer with respect to the Bonds are not general obligations of the Issuer but are special, limited obligations of the Issuer payable by the Issuer solely from the Security.

(b) Nothing contained in the Bonds or in this Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate.

(c) The Bonds are not and will not be a debt of the State, the Issuer or of any other political subdivision of the State, and neither the State, the Issuer nor any other political subdivision of the State is or will be liable for the payment of the Bonds.

(d) Neither the faith and credit of the Issuer, the State nor of any other political subdivision of the State are pledged to the payment of the principal of and interest and any premium on the Bonds.

(e) No failure of the Issuer to comply with any term, condition, covenant or agreement in this Indenture or in any document executed by the Issuer in connection with the Mortgaged Property, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other charges except to the extent that the same can be paid or recovered from the Trust Estate.

(f) The Issuer shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of this Indenture, any of the other Bond Documents or any of the Loan Documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of Third Party Fees or administrative expenses or otherwise.

SECTION 7.4 **Further Assurances; SECURITY AGREEMENT.** The Issuer, to the extent permitted by law, shall execute, acknowledge and deliver such supplemental indentures and other instruments and documents, and perform such further acts, as the Trustee or the Credit Provider may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee or the Credit Provider all of its respective interest in the property described in this Indenture and the revenues, receipts and other amounts pledged by this Indenture. The Issuer shall cooperate to the extent necessary with the Borrower, the Trustee and the Credit Provider in their defenses of the Trust Estate and the Security against the claims and demands of all Persons. In addition to the assignment by the Issuer of its rights in the Trust Estate to the Trustee, the Issuer hereby acknowledges that in order to more fully protect, perfect and preserve the rights of the Trustee, the Borrower and the Credit Provider in the Trust Estate, the Issuer grants to the Trustee a security interest in the Trust Estate and the proceeds thereof.

SECTION 7.5 **Enforcement.** The Issuer agrees that the Trustee and, so long as a Credit Facility provided by the Credit Provider continues in effect, the Credit Provider, in its name or in the name of the Issuer, may enforce against the Borrower or any other Person any rights of the Issuer under the Bond Documents (other than the Reserved Rights) whether or not the Issuer is in default under this Indenture or under the Financing Agreement, but neither the Trustee nor the Credit Provider will be deemed to have assumed any of the obligations of the Issuer under the Bond Documents. The Issuer shall fully cooperate with the Trustee or the Credit Provider in the enforcement by the Trustee or the Credit Provider of any such rights. At the request of the Trustee or the Credit Provider, the Issuer, upon being indemnified to its reasonable satisfaction against all liability, costs and expenses which may be incurred in connection with such enforcement, shall in its name commence legal action or take such other actions as the Trustee or the Credit Provider reasonably requests to enforce the rights of the Issuer, the Trustee or the Credit Provider under or arising from the Bonds or the Bond Documents.

SECTION 7.6 **Tax Covenants.** The Issuer agrees:

(a) it shall neither make nor direct the Trustee to make any investment or other use of the proceeds of the Bonds that would cause the Bonds to be “arbitrage bonds” as that term is defined in Section 148(a) of the Code and that it shall comply with the requirements of the Code throughout the term of the Bonds.

(b) it (i) shall take, or use its best efforts to require to be taken, all actions that may be required of the Issuer for the interest on the Bonds to be and remain not included in gross income for federal income tax purposes and (ii) shall not take or authorize to be taken any actions within its control that would adversely affect that status under the provisions of the Code.

(c) it shall enforce or cause to be enforced all obligations of the Borrower under the Regulatory Agreement in accordance with its terms and seek to cause the Borrower to correct any violation of the Regulatory Agreement within a reasonable period after any such violation is first discovered.

In furtherance of the covenants in this Section, the Issuer and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Indenture and made a part of this Indenture, and by its acceptance of this Indenture the Trustee acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Indenture by this reference. The Trustee agrees that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with subsection (a).

ARTICLE VIII CREDIT FACILITY; ALTERNATE CREDIT FACILITY

SECTION 8.1 **Acceptance of the Credit Facility.** The Trustee shall hold the Credit Facility and shall enforce in its name all rights of the Trustee and all obligations of the Credit Provider under the Credit Facility for the benefit of the Bondholders. The Trustee shall not assign or transfer the Credit Facility except to a successor Trustee under this Indenture. The Issuer and the Trustee acknowledge that the obligations of Fannie Mae as the Credit Provider under the initial Credit Facility are not backed by the full faith and credit of the United States of America, but by the credit of Fannie Mae, a federally-chartered, stockholder owned corporation.

SECTION 8.2 **Requests for Advances Under Credit Facility.** The Trustee shall request Advances under the Credit Facility in accordance with its terms and cause the proceeds of each Advance to be applied so that full and timely payments are made on each date on which payment of principal, or interest or purchase price is due on any Bond or any payment of the Issuer’s Fee is due and not paid by the Borrower pursuant to the Financing Agreement. The Trustee shall not request, and shall not apply the proceeds of, any Advance to pay (i) principal of, interest on or the purchase price of, any Pledged Bond or any Bond known by the Trustee to be held by the Borrower or any Affiliate of the Borrower, (ii) premium that may be payable upon the redemption of any of the Bonds or (iii) interest that may accrue on any of the Bonds on or after the maturity of such Bond. Prior to requesting an Advance to pay principal of or interest on

the Bonds on an Interest Payment Date, the Trustee shall determine the amount necessary to make such payment of principal or interest.

SECTION 8.3 **[Reserved]** .

SECTION 8.4 **[Reserved]** .

SECTION 8.5 **[Reserved]** .

SECTION 8.6 **Limitations on Rights of Credit Provider**. Notwithstanding anything contained in this Indenture to the contrary, all provisions in this Indenture regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned in such provisions (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) after the Credit Facility ceases to be valid and binding on the Credit Provider for any reason, or is declared to be null and void by final judgment of a court of competent jurisdiction; provided, however, that the Credit Provider's right to notices and the payment of amounts due to the Credit Provider shall continue in full force and effect. The foregoing shall not affect any other rights of the Credit Provider.

SECTION 8.7 **References to Credit Provider When No Credit Facility Is In Effect**. All provisions of this Indenture relating to the rights of the Credit Provider shall be of no force and effect if there is no Credit Facility in effect and there are no Pledged Bonds and all amounts owing to the Credit Provider under the Credit Facility Documents have been paid. In such event, all references to the Credit Provider shall have no force or effect.

SECTION 8.8 **Certain Notices to the Credit Provider and the Loan Servicer**. The Trustee and Issuer shall promptly notify the Credit Provider and the Loan Servicer of any of the following as to which it has actual knowledge: (i) the occurrence of any Event of Default under this Indenture or under any of the other Transaction Documents, or any event which, with the passage of time or service of notice, or both, would constitute such an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such event, (ii) an Act of Bankruptcy or a bankruptcy filing by or against the Borrower and (iii) the making of any claim in connection with seeking the avoidance as a preferential transfer ("**Preference Claim**") of any payment of principal of, or interest on, the Loan.

SECTION 8.9 **Credit Provider to Control Insolvency Proceedings**. Each Bondholder, by its purchase of Bonds, the Trustee and the Issuer agree that the Credit Provider may at any time during the continuation of an insolvency proceeding of the Issuer or the Borrower ("**Insolvency Proceeding**") direct all matters relating to the Bonds in any such Insolvency

Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Credit Provider shall be subrogated to the rights of the Issuer, the Trustee and the Bondholders in any Insolvency Proceeding to the extent it has performed its payment obligations under the Credit Facility, including any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding and rights pertaining to the filing of a proof of claim, voting on a reorganization plan and rights to payment thereunder.

ARTICLE IX DISCHARGE OF LIEN

SECTION 9.1 Discharge of Lien and Security Interest.

(a) **Discharge.** Upon satisfaction of the conditions set out in subsection (b), the Trustee shall (i) cancel and discharge this Indenture and the pledge and assignment of the Security, (ii) execute and deliver to the Issuer such instruments in writing prepared by the Issuer or its counsel and provided to the Trustee and the Credit Provider as may be required to cancel and discharge this Indenture and the pledge and assignment of the Trust Estate, (iii) reconvey, assign and deliver to the Issuer so much of the Trust Estate as may be in its possession or subject to its control (except for (A) moneys and Government Obligations held for the purpose of paying Bonds and (B) moneys and Investments held in the Rebate Fund for payment to the United States Government) who shall, in turn, convey, assign and deliver the remaining Trust Estate to the Borrower and (iv) return the Credit Facility to the Credit Provider.

(b) **Conditions to Discharge.** The conditions precedent to the cancellation and discharge of this Indenture and the other acts described in subsection (a) are (i) payment in full of the Bonds, (ii) payment of the Trustee's Annual Fee and the Trustee's ordinary costs and expenses under this Indenture, (iii) receipt by the Trustee of a written statement from the Credit Provider stating that all obligations owed to the Credit Provider under the Credit Facility Documents have been fully paid, (iv) payment of all Extraordinary Items, (v) receipt by the Trustee of a written statement from the Issuer stating that all amounts owed to the Issuer in respect of Reserved Rights have been fully paid and (vi) receipt by the Trustee of an Opinion of Counsel, at the expense of the Borrower, stating that all conditions precedent to the satisfaction and discharge of this Indenture have been satisfied.

(c) **Survival of Rights and Powers.** The Reserved Rights of the Issuer and the rights and powers granted to the Trustee with respect to the payment, transfer and exchange of Bonds shall survive the cancellation and discharge of this Indenture.

SECTION 9.2 Payment of Outstanding Amounts. If the Bonds are paid in full, but any one or more of the other conditions precedent set out in Section 9.1(b) are not satisfied because an amount has not been paid, the Trustee, prior to cancellation and discharge of this Indenture,

shall pay to the persons listed below, in the strict order set out below, the amounts required to satisfy those conditions precedent:

(a) **Trustee's Annual Fee and Ordinary Costs and Expenses.** If any portion of the Trustee's Annual Fee or ordinary costs and expenses of the Trustee remain unpaid, the Trustee shall pay to itself so much of the Trust Estate as will fully pay such unpaid amounts. No Extraordinary Items may be included under this subsection (a).

(b) **Credit Provider.** If the Trustee receives a written statement from the Credit Provider stating that moneys are owed to the Credit Provider under the Credit Facility Documents or the Loan Documents, the Trustee shall pay to the Credit Provider so much of the remaining Trust Estate as will fully pay all amounts due and owing to the Credit Provider, as determined by the Credit Provider. The Trustee is authorized to rely on the written statement of the Credit Provider.

(c) **Trustee.** If any Extraordinary Items have not been paid to the Trustee, the Trustee shall pay to itself so much of the remaining Trust Estate as will fully pay all amounts owing to the Trustee for Extraordinary Items.

(d) **Issuer.** If the Trustee receives a written statement from the Issuer stating that moneys are owed to the Issuer in respect of the Reserved Rights, the Trustee shall pay to the Issuer so much of the remaining Trust Estate as will fully pay all amounts owing to the Issuer in respect of the Reserved Rights.

SECTION 9.3 Defeasance.

(a) **Provision for Payment of Bonds.** Any Bond will be deemed paid within the meaning of Section 9.1 if each of the conditions set out in this Section is satisfied. The conditions are:

(1) If the Issuer or the Borrower deposits with the Trustee (A) Available Moneys or (B) Government Obligations which are not subject to early redemption and which are purchased with Available Moneys, of such maturities and interest payment dates and bearing such interest as will be sufficient, without further investment or reinvestment of either the principal amount of such Government Obligations or the interest earnings on Government Obligations (the earnings to be held in trust also), together with any Available Moneys, for the payment on their respective maturity dates, or redemption dates prior to maturity, of the principal of such Bonds and redemption premium, if any, and interest to accrue on such Bonds to such maturity or redemption dates.

(2) The Trustee receives, at the expense of the Borrower, and may rely upon: (A) a verification report of an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses; and (B) an Opinion of Bond Counsel to the effect that such deposit with the Trustee and consequent defeasance of the Bonds does not adversely affect the excludability from gross income for federal income tax purposes of the interest payable on the Bonds.

(3) All Third Party Fees due or to become due have been paid or sufficient additional moneys to make the required payments have been irrevocably deposited with the Trustee.

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

The Trustee shall redeem the Bonds specified by such irrevocable instructions on the date specified by such irrevocable instructions.

(b) **Defeased Bonds No Longer Outstanding.** At such times as a Bond is deemed to be paid under this Indenture, it will no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of payment in accordance with this Indenture.

(c) **Release of Certain Income.** All income from all Government Obligations in the hands of the Trustee pursuant to this Section which is identified by an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses as not required for the payment of the Bonds and interest on such income with respect to which such moneys have been so deposited will be deposited with the Trustee as and when realized and collected for use and application as are other moneys deposited with the Trustee.

(d) **Particular Bonds.** Notwithstanding any other provision of this Indenture to the contrary, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article IX for the payment of Bonds (including accrued interest on such Bonds) shall be applied to and used solely for the payment of the particular Bonds (including interest on such Bonds) with respect to which such moneys or Government Obligations have been so set aside in trust.

ARTICLE X DEFAULT PROVISIONS AND REMEDIES

SECTION 10.1 Events of Default; Preliminary Notice.

(a) **Events of Default.** Each of the following constitutes an Event of Default under this Indenture:

(1) default in the payment when due and payable of any interest due on any Bond (other than a Pledged Bond);

(2) default in the payment when due and payable of (A) the principal of or any redemption premium on any Bond (other than a Pledged Bond) at maturity or upon any redemption, or (B) the purchase price of any Tendered Bonds (other than a Pledged Bond);

(3) written notice to the Trustee from the Credit Provider of a default by the Issuer in the observance or performance of any covenant, agreement, warranty or representation

on the part of the Issuer included in this Indenture or in the Bonds (other than an Event of Default set forth in subsection (1) or (2) above) and the continuance of such default for a period of 30 days after the Trustee receives such notice;

(4) written notice to the Trustee from the Credit Provider of an Event of Default under the Reimbursement Agreement;

(5) written notice to the Trustee from the Credit Provider of an Act of Bankruptcy; or

(6) a Wrongful Dishonor.

(b) **Preliminary Notice.** The Trustee shall immediately notify the Issuer, the Loan Servicer, the Borrower and the Credit Provider after the Trustee obtains knowledge or receives notice of the occurrence of an Event of Default under this Indenture or an event which would become such an Event of Default with the passage of time, the giving of notice or both, identifying the paragraph in Section 10.1(a) under which the Event of Default has occurred or may occur.

(c) **Non-Default and Prohibition of Mandatory Redemption Upon Tax Event.** The occurrence of any event (“**Tax Event**”) which results in the interest payable on the Bonds being includable, for federal income tax purposes, in the gross income of the Bondholders, including any violation of any provision of the Regulatory Agreement or any of the other Bond Documents, shall not (i) directly or indirectly constitute an Event of Default under this Indenture or permit any party (other than the Credit Provider) to accelerate, or require acceleration of, the Loan or the Bonds, unless the Credit Provider provides written notice to the Trustee that such Tax Event constitutes a default under the Reimbursement Agreement, or (ii) give rise to a mandatory redemption of the Bonds, or (iii) give rise to the payment to the Bondholders of any amount, denoted as “supplemental interest,” “additional interest,” “penalty interest,” “liquidated damages,” “damages” or otherwise, in addition to the amounts payable to the owners of the Bonds prior to the occurrence of the Tax Event. Nothing contained in this subsection will be deemed to amend or supplement the terms of the Loan Documents. Promptly upon determining that a Tax Event has occurred, the Issuer or the Trustee, by notice in writing to the Credit Provider, the Loan Servicer and all Registered Owners of the Bonds, shall state that a Tax Event has occurred and whether the Tax Event is cured, curable within a reasonable period or incurable. Notwithstanding the availability of the remedy of specific performance to cure a Tax Event that is curable within a reasonable period, neither the Issuer nor the Trustee shall have, upon the occurrence of a Tax Event, any right or obligation to cause or direct acceleration of the Bonds or the Loan, to enforce the Note or to foreclose the Security Instrument, to accept a deed to the Mortgaged Property in lieu of foreclosure, or to effect any other comparable conversion of the Mortgaged Property.

SECTION 10.2 **Acceleration and Redemption** . The Bonds shall be subject to acceleration, and redemption and Mandatory Tender as set out in this Section.

(a) **Acceleration.** Upon:

(1) the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may, and upon the written request of Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding must, by written notice to the Issuer, the Borrower, the Credit Provider and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue on the Bonds to the date of payment immediately due and payable; or

(2) the occurrence of any other Event of Default under this Indenture, the Trustee may, upon receiving the prior written consent of the Credit Provider, and must upon the written direction of the Credit Provider requiring that the Bonds be accelerated pursuant to this subsection, by written notice to the Issuer, the Borrower, the Credit Provider and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue on the Bonds to the date of declaration immediately due and payable.

(b) **Redemption and Mandatory Tender.** Upon the occurrence of an Event of Default under Section 10.1(a)(4) of this Indenture, if the Credit Provider so directs pursuant to Section 3.3(b), the Bonds shall be redeemed in whole or in part in the amount specified by and at the direction of the Credit Provider. [Notwithstanding anything to the contrary in this Indenture, if the Credit Provider directs that the Bonds be redeemed in part pursuant to Section 3.3(b), the Credit Provider may further direct on one or more other occasions under this subsection that the Bonds be redeemed in whole or in part.]

(2) if the Credit Provider so directs pursuant to Section 4.2(b), the Bonds shall be subject to Mandatory Tender or that the Bonds be subject to Mandatory Tender.

(c) **Notice.**

(1) Acceleration. Upon any decision to accelerate payment of the Bonds, the Trustee shall notify the Bondholders of the declaration of acceleration, that, in the event of acceleration pursuant to Section 10.2(a)(2), interest on the Bonds will cease to accrue upon such declaration, and payment of the Bonds will be made upon presentment of the Bonds at the Designated Office of the Trustee. Such notice shall be sent by registered mail or overnight delivery service, postage prepaid, or, at the Trustee's option, may be given by Electronic Means to each Registered Owner of Bonds at such Registered Owner's last address appearing in the Bond Register. Any defect in or failure to give notice of such declaration will not affect the validity of such declaration.

(2) Redemption. Upon the direction of the Credit Provider to redeem the Bonds in whole or in part pursuant Section 3.3(b) and as provided in Section 3.4(a), immediate notice of redemption will be given.

(3) Mandatory Tender. Upon any direction of the Credit Provider that the Bonds be subject to Mandatory Tender, the Trustee shall give notice to the Bondholders as provided in Section 4.2(b).

(d) **Draw on Credit Facility.** Immediately upon acceleration, mandatory redemption or Mandatory Tender of the Bonds, the Trustee shall request an Advance under the Credit Facility in accordance with its terms.

SECTION 10.3 **Other Remedies.** Upon the occurrence and continuance of an Event of Default under this Indenture, the Trustee may, with or without taking action under Section 10.2, but only with the prior written consent of the Credit Provider, and must at the direction of the Credit Provider if the Event of Default occurs under Section 10.1(a)(3), (4) or (5), pursue any of the following remedies:

- (a) an action in mandamus or other suit, action or proceeding at law or in equity (i) to enforce the payment of the principal of and interest and any premium on the Bonds, (ii) for the specific performance of any covenant or agreement contained in this Indenture, the Financing Agreement or the Regulatory Agreement or (iii) to require the Issuer to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;
- (b) the liquidation of the Trust Estate; or
- (c) an action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

Subject to the provisions of Section 10.7 and the requirement, if any, that the Credit Provider consent in writing to the exercise by the Trustee of any remedy, upon the occurrence and continuance of an Event of Default under this Indenture, the Trustee shall exercise such of the rights and powers conferred by this Section as the Trustee, being advised by counsel, deems most effective to enforce and protect the interests of the Bondholders and, unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider.

SECTION 10.4 **Preservation of Security and Remedies if Payment Under Credit Facility is Not Made or is Insufficient; Rights of Bondholders.** Upon the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent of the aggregate principal amount of the Bonds Outstanding and the receipt of indemnity reasonably satisfactory to the Trustee shall proceed, to protect and enforce its rights and the rights of the Bondholders under this Indenture by such suits, actions or special proceedings in equity or at law, whether for the specific performance of any covenant or agreement, or in aid of the execution of any power granted in this Indenture or by the Act, or for the enforcement of any legal or equitable right or remedy, as the Trustee, being advised by counsel, deems most effective to protect and enforce such rights or to perform any of its duties under this Indenture.

SECTION 10.5 **Remedies Not Exclusive; Delay or Omission.** No right or remedy conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy will be cumulative and in addition to any other right or remedy given to the Trustee or to the Bondholders under this Indenture or under the Financing Agreement, the Regulatory Agreement or the Credit Facility or now or later existing at law or in equity. No delay or omission to exercise any right or remedy

provided in this Indenture will impair any such right or remedy or be construed to be a waiver of any Event of Default or acquiescence in it. Every such right and remedy may be exercised from time to time as often as may be deemed expedient.

SECTION 10.6 **Waiver**. Subject to the conditions precedent set out below, (i) the Trustee may waive, (ii) the Trustee shall waive if directed to do so by the Credit Provider in writing, and (iii) Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding may waive, by written notice to the Trustee, any Event of Default under this Indenture and its consequences and rescind any declaration of acceleration of maturity of principal. The conditions precedent to any waiver are:

- (a) unless waiver is directed by the Credit Provider, the Credit Provider consents to such waiver in writing;
- (b) the principal and interest on the Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate or rates of interest borne by the Bonds has been paid or provided for by the Borrower in Available Moneys or by the Credit Provider and all fees and expenses of the Trustee have been paid or provided for by the Borrower or the Credit Provider; and
- (c) after the waiver, the Credit Facility remains in effect in an amount equal to the aggregate principal amount of the Bonds Outstanding (other than Pledged Bonds) plus the Interest Requirement, provided, however, that such waiver will be permitted without the Credit Facility remaining in effect if (i) the Issuer consents to the waiver, (ii) the Rating Agency then rating the Bonds is notified and the Trustee gives written notice to the Bondholders that the ratings on the Bonds may be reduced or withdrawn upon the occurrence of such waiver, and (iii) 100 percent of the Bondholders consent to the waiver.

Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes and the Issuer, the Borrower, the Trustee and the Bondholders will be restored to their former positions and rights under this Indenture. No waiver of any default or Event of Default shall extend to or affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

SECTION 10.7 **Rights of the Credit Provider and the Bondholders to Direct Proceedings; Rights and Limitations Applicable to Bondholders, Issuer and Trustee.**

- (a) **Rights to Direct Proceedings**. Notwithstanding anything contained in this Indenture to the contrary, the Credit Provider itself or Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, but only with the prior written consent of the Credit Provider, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings under this Indenture, provided, however, that such direction will not be otherwise than in accordance with the provisions of law and of this Indenture, and

provided that the Trustee will be indemnified to its reasonable satisfaction (except for actions required under Section 10.2(c) and (d)).

(b) **Limitations on Bondholders' Rights.** No Bondholder has or shall have the right to enforce the provisions of this Indenture or the Financing Agreement, or to institute any proceeding in equity or at law for the enforcement of this Indenture or the Financing Agreement, or to take any action with respect to an Event of Default under this Indenture or an Event of Default under the Financing Agreement, or to institute, appear in or defend any suit or other proceeding with respect to this Indenture or the Financing Agreement upon an Event of Default unless (i) such Event of Default is a Wrongful Dishonor, (ii) such Bondholder has given the Trustee, the Issuer, the Credit Provider, the Loan Servicer and the Borrower written notice of the Event of Default, (iii) the holders of not less than 51 percent in aggregate principal amount of Bonds then Outstanding have requested the Trustee in writing to institute such proceeding, (iv) the Trustee has been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, (v) the Trustee has been offered reasonable indemnity, where required, and (vi) the Trustee has thereafter failed or refused to exercise such powers or to institute such proceeding within a reasonable period of time. No Bondholder has or shall have any right in any manner whatever to affect, disturb or prejudice the pledge of revenues or of any other moneys, Funds, Accounts or securities under this Indenture. Except as provided in this subsection, no Bondholder has or shall have the right, directly or indirectly, individually or as a group, to seek to enforce, collect amounts available under, or otherwise realize on, the Credit Facility.

SECTION 10.8 **Discontinuance of Proceedings.** If the Trustee or any Bondholder has instituted any proceeding or remedy under this Indenture, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case the Issuer, the Credit Provider and the Trustee will be restored to their former positions and rights under this Indenture, and all rights, remedies, powers, duties and obligations of the Issuer, the Trustee and the Credit Provider shall continue as if no such proceedings had been taken, subject to the limits of any adverse determination.

SECTION 10.9 **Possession of Bonds.** All rights under this Indenture or upon any of the Bonds enforceable by the Trustee may be enforced by the Trustee without the possession of any of the Bonds, or the production of the Bonds at trial or other proceedings. Any suit, action or proceeding instituted by the Trustee may be brought in its name for itself or as representative of the Bondholders without the necessity of joining Bondholders as parties, and any recovery resulting from such proceedings shall, subject to Section 10.10, be for the ratable benefit of the Bondholders.

SECTION 10.10 **Application of Moneys.** Amounts derived from payments under the Credit Facility (other than amounts derived from an Advance to pay the Issuer's Fee) shall be deposited into the Credit Facility Account and applied solely to pay the principal of and interest on the Bonds. Amounts on deposit in the Bond Purchase Fund shall be applied solely to pay the purchase price of the Bonds. All other moneys received by the Trustee pursuant to any action taken under this Article X shall be deposited into the Interest Account and the Redemption

Account, as applicable, after payment of the ordinary fees, costs and expenses of the Trustee. The balance of such moneys, less such amounts as the Trustee determines may be needed for possible use in paying future fees and expenses and for the preservation and management of the Mortgaged Property (as identified by the Credit Provider), shall be applied as set out in the following subsections.

(a) **Principal on Bonds Not Declared Due and Payable.** Unless the principal on all Bonds has become or been declared due and payable, all such moneys will be applied:

First - to the payment of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, of the amounts due, without any discrimination or privilege;

Second - to the payment of the unpaid principal of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to this Indenture), in the order of due dates, with interest upon the principal amount of the Bonds from the respective dates upon which they become due at the rate or rates borne by the Bonds, to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled to such payment without any discrimination or privilege;

Third - to the payment of amounts owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and then to any amounts due to the Trustee for Extraordinary Items, for this purpose including the costs and expenses of any proceedings resulting in the collection of such moneys and of advances incurred or made by the Trustee.

(b) **Principal of Bonds Declared Due and Payable.** If the principal of all the Bonds has become or been declared due and payable, all such moneys shall be applied **first**, to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest to the persons entitled to payment, until all such principal and interest has been paid; **second**, to pay the Credit Provider amounts owed to it under the Credit Facility Documents and the Loan Documents; and **third**, to any other amounts due and payable under this Indenture.

(c) **General.** Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times, and from time to time, as the Trustee determines, having due regard for the amount of such moneys available for application, the likelihood of additional moneys becoming available for such application in the future, and potential expenses relating to the exercise of any remedy or right conferred on the Trustee by this Indenture. Whenever the Trustee applies such moneys, it shall fix the date (which will be an Interest Payment Date unless it deems an earlier date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue, unless

interest has already ceased to accrue in accordance with Section 10.2(c). 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 owner of any Bond until such Bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

ARTICLE XI THE TRUSTEE

SECTION 11.1 **Appointment of Trustee; Duties.** The Trustee is appointed and agrees to act in such capacity and to perform the duties of the Trustee under this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement upon the express terms and conditions of this Indenture.

(a) **Attorneys, Agents or Receivers.** The Trustee may execute any of its trusts or powers under this Indenture and perform any of its duties by or through attorneys, agents or receivers. The Trustee shall be entitled to advice of counsel concerning all matters of trust under this Indenture and its duties under this Indenture. The Trustee may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Borrower for all such compensation paid. The Trustee may act upon the opinion or advice of counsel, accountants, or such other professionals as the Trustee deems necessary and selected by it in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice which is not contrary to the express terms of this Indenture, any of the other Bond Documents or the Loan Documents.

(b) **Limitation of Responsibility.** The Trustee shall not be responsible for any recital in this Indenture (other than Recital L) or in the Bonds (other than in the certificates of authentication on the Bonds), or for insuring the Mortgaged Property, or for the sufficiency of any insurance, or for collecting any insurance moneys, or for the validity of this Indenture or of any supplements to this Indenture or instruments of further assurance, or for the sufficiency of the security for the Bonds issued under this Indenture or intended to be secured by this Indenture, or for the value or condition of or title to the Mortgaged Property or the Security. The Trustee may require (but shall be under no duty to require) of the Borrower full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the Mortgaged Property. The Trustee shall not be liable for any loss suffered in connection with any investment of amounts made by it in accordance with this Indenture. The Trustee is not accountable for the use (i) of any Bonds delivered in accordance with instructions of the Issuer, (ii) by the Borrower of the proceeds of the Loan, or (iii) for the use or application of any moneys paid out by the Trustee in accordance with this Indenture.

(c) **Reliance.** The Trustee shall be protected in acting upon any Opinion of Counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of this Indenture, the other Bond Documents or the Loan Documents. Any action taken by the Trustee pursuant to this Indenture

upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond as shown on the Bond Register will be conclusive and binding upon all future owners or holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

(d) **Right Not Duty Until Undertaken.** The permissive right of the Trustee to do things enumerated in this Indenture or in the other Bond Documents to which the Trustee is a party shall not be construed as duties until specifically undertaken by the Trustee. Prior to an Event of Default under this Indenture, the Trustee shall only be responsible for the performance of the duties expressly set forth in this Indenture and in the other Bond Documents to which it is a party and shall not be answerable for other than its negligence or willful misconduct in the performance of those express duties.

(e) **No Personal Liability.** The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts, relating to the Mortgaged Property.

(f) **No Bond or Surety Required.** The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers or otherwise in respect of the premises.

(g) **Security or Indemnity Bond.** Before taking any action requested by Bondholders under Article X (except for acceleration of the Bonds), the Trustee may require reasonably satisfactory security or an indemnity bond reasonably satisfactory to it from such Bondholders for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct by reason of any such action so taken.

(h) **Not Bound to Inquire.** The Trustee is not required to take notice or deemed to have notice of any default or Event of Default under this Indenture, except Events of Default under Section 10.1(a) (1), (2) or (6), unless the Trustee has actual knowledge thereof or has received notice in writing of such default or Event of Default from the Issuer, the Borrower, the Credit Provider, the Loan Servicer, or the holders of at least 25 percent in aggregate principal amount of the Outstanding Bonds, and in the absence of any such notice, the Trustee may conclusively assume that no such default or Event of Default exists. The Trustee may nevertheless require the Issuer and the Borrower to furnish information regarding performance of their respective obligations under the Financing Agreement, the Regulatory Agreement and this Indenture, but is not obligated to do so.

(i) **Standard of Care.** The Trustee, during the existence and continuation of any Event of Default under this Indenture, shall exercise such of the rights vested in it by this Indenture, the Financing Agreement and the Regulatory Agreement, and use the same degree of care and skill in their exercise, as a reasonable person would exercise or use under the circumstances in the conduct of such person's own affairs. The foregoing will not limit the Trustee's obligations under Article VIII or Section 10.2(a).

(j) **Notice to Rating Agency.** At any time that the Bonds are rated by a Rating Agency, the Trustee shall give notice by mail to that Rating Agency at its address (as specified in Section

13.4) promptly upon the occurrence of any of: (i) the appointment of any successor trustee, tender agent or separate trustee or co-trustee, (ii) any amendment of or supplement to this Indenture, the Financing Agreement, the Credit Facility or any Loan Document, (iii) the termination of the Credit Facility, the extension or expiration of the Credit Facility, (iv) an Event of Default under this Indenture, (v) a redemption, acceleration or defeasance of the Bonds in whole or in part (other than any mandatory sinking fund redemption or redemption caused by the deposit and accumulation of moneys in the Principal Reserve Fund), (vi) any Mandatory Tender of the Bonds [Reserved], (vii) execution by the Trustee of an agreement for the investment of moneys at a guaranteed rate as an Investment, (viii) any change in the provider of an agreement in the Trust Estate for the investment of moneys at a guaranteed rate; (ix) [Reserved], (x) [Reserved], and (xi) any other event of which notice reasonably is requested by the Rating Agency. In addition, the Trustee shall supply to each Rating Agency such information as such Rating Agency may reasonably request from time to time in connection with its ongoing surveillance of its rating on the Bonds. Notwithstanding the foregoing, it is expressly understood and agreed that failure to provide any such notice to any Rating Agency or any defect in any such notice will not affect the validity of any action with respect to which notice is to be given or the effectiveness of any such action.

(k) **Notice to Loan Servicer.** The Trustee shall give prompt written notice to the Loan Servicer of the non-payment of any fee, cost or expense payable under the Financing Agreement.

(l) **Authority to Execute.** The Trustee is authorized and directed by the Issuer to execute or accept and acknowledge and to perform its obligations under, as applicable, in its capacity as Trustee, the Financing Agreement, the Assignment, the Regulatory Agreement and any financing statements.

(m) **No Disclosure Responsibility.** The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee.

(n) **No Financial Obligation.** No provision of this Indenture or any other Bond Document or any Loan Document shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under this Indenture.

(o) **No Liability for Directions.** The Trustee will not be liable for any action taken or not taken by it in accordance with the direction of the Credit Provider or Bondholders pursuant to this Indenture except for the Trustee's own negligent action, its own negligent failure to act, or its own willful misconduct.

(p) **No Liability for Loan Servicer.** The Trustee shall not be responsible for the actions or omissions of the Loan Servicer and shall have no duty or responsibility to monitor the performance of the Loan Servicer.

(q) **Books, Records and Accounts.** The Trustee, on behalf of the Issuer, shall keep and maintain, or cause to be kept and maintained, proper books, records and accounts in which

complete and accurate entries shall be made of all of its transactions relating to the Bonds, this Indenture, the Financing Agreement, the Regulatory Agreement, the Loan, the Credit Facility, the Funds and Accounts, Permitted Investments and Investment Income, all of which, at all reasonable times, and upon reasonable prior notice, will be subject to the inspection and audit by the Issuer, the Credit Provider, the Borrower, the Loan Servicer and Bondholders owning not less than 25 percent in aggregate principal amount of Bonds then Outstanding or any of their accountants or agents duly authorized in writing, each of whom will have the right, at its expense, to make copies of any such books of record and accounts.

(r) **List of Bondholders.** The Trustee shall keep the Bond Register available for inspection by any Bondholder or its attorney duly authorized in writing during normal business hours upon reasonable prior notice.

SECTION 11.2 Qualification. The Trustee and any successor Trustee shall at all times be a bank or trust company organized under the laws of the United States of America or any state, authorized under such laws to exercise corporate trust powers, having a combined capital stock, surplus and undivided profits of at least \$50,000,000 (or an affiliate of a corporation or banking association meeting that requirement which guarantees the obligations and liabilities of the Trustee) and subject to supervision or examination by federal or state banking authority.

SECTION 11.3 Fees; Expenses. The Trustee is entitled to payment and reimbursement from the Borrower, or from the Trust Estate to the extent otherwise permitted in this Indenture, for reasonable fees for its ordinary services rendered under this Indenture and the other Bond Documents and its ordinary costs and expenses reasonably incurred in connection with its services under this Indenture and the other Bond Documents. In the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to Extraordinary Items; provided however, that if such Extraordinary Items are incurred as a result of the negligence or willful misconduct of the Trustee it will not be entitled to compensation or reimbursement for such services or expenses. The Borrower's failure to pay amounts owed to the Trustee shall not excuse the performance of its obligations. The Trustee recognizes that all fees, charges and other compensation to which it may be entitled under this Indenture are required to be paid by the Borrower under the Financing Agreement, and, accordingly, the Trustee agrees that except for moneys that the Issuer may derive from the Borrower for purposes of the foregoing, the Issuer shall not be liable for any such fees, charges and other compensation.

SECTION 11.4 Merger; Consolidation. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger or consolidation, provided such corporation or association otherwise qualifies under Section 11.2, shall be and become the successor Trustee under this Indenture with all the estates, properties, rights, powers and duties of the predecessor Trustee without the execution or filing of any instrument or any

further act, deed or conveyance (other than the provision of notice to the Issuer, the Credit Provider and the Loan Servicer).

SECTION 11.5 **Resignation or Removal of Trustee.** The Trustee may resign only upon giving 60 days prior written notice to the Issuer, the Credit Provider, the Loan Servicer, the Borrower and to each Registered Owner of Bonds then Outstanding as shown on the Bond Register. The Trustee may be removed at any time upon 30 days prior written notice to the Trustee, (i) by the Issuer, with the prior written consent of the Credit Provider, (ii) by the owners of not less than 51 percent in aggregate principal amount of Bonds then Outstanding, which written instrument shall designate a successor Trustee approved by the Credit Provider, or (iii) by the Credit Provider. Such resignation or removal shall not be effective until a successor Trustee satisfying the requirements of Section 11.2 is appointed and has accepted its appointment.

SECTION 11.6 **Appointment of Successor Trustee.** Upon the resignation or removal of the Trustee, a successor Trustee, satisfying the requirements of Section 11.2, shall be appointed by the Borrower with the prior written consent of the Issuer and the Credit Provider (unless appointed by the Bondholders as provided in Section 11.5), provided, however, that if the Borrower is then in default under any Bond Document or any Loan Document or if an event has occurred and is continuing which, with notice or the passage of time or both, would constitute such a default, such appointment will be made by the Issuer with the prior written consent of the Credit Provider. If, in the case of resignation or removal of the Trustee, no successor is appointed within 30 days after the notice of resignation or within 30 days after removal, as the case may be, then, in the case of a resignation, the resigning Trustee shall appoint a successor with the prior written consent of the Issuer and the Credit Provider or apply to a court of competent jurisdiction for the appointment of a successor Trustee and, in the case of a removal, the Credit Provider shall have the right to appoint a successor Trustee or to apply to a court of competent jurisdiction for the appointment of a successor Trustee. The successor Trustee must accept in writing its duties and responsibilities under this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement. The successor Trustee shall give notice of such succession by first-class mail, postage prepaid, to each Bondholder, the Issuer, the Credit Provider, the Loan Servicer and the Borrower.

SECTION 11.7 **Transfer of Rights and Mortgaged Property to Successor Trustee.** The successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of the predecessor Trustee, but the former Trustee shall nevertheless, on the written request of the Issuer, the Credit Provider or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for more fully and certainly vesting and confirming in the successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under this Indenture, and

shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in this Indenture. The former Trustee shall execute and deliver a certificate of transfer or such other certificate or document as may be required by the Credit Facility for its transfer to a successor Trustee and do such other things as may be reasonably required to transfer all of its right, title and interest in and to the Credit Facility to the successor Trustee. Should any deed, conveyance or instrument in writing from the Issuer be required by the successor Trustee for more fully and certainly vesting in and confirming to the successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, shall, on request, and as may be authorized by law, be executed, acknowledged and delivered by the Issuer.

SECTION 11.8 Power To Appoint Co-Trustees and Separate Trustees.

(a) **Appointment of Co-Trustees.** At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Mortgaged Property is located, the Issuer (at the request of the Borrower, unless the Borrower is then in default under any Bond Document or any Loan Document or if an event has occurred and is continuing which, with notice or the passage of time or both, would constitute such a default) shall have the power, subject to the approval of the Credit Provider, to appoint one or more persons approved by the Trustee either to act as co-trustee jointly with the Trustee or as separate trustee of all or any part of the Mortgaged Property, and to vest in such person, in such capacity, such title to the Mortgaged Property or any part of it, and/or such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable. If the Issuer is in default under this Indenture, the Trustee alone will have the power to make such appointment with the prior written consent of the Credit Provider. The Issuer shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee. Any co-trustee shall give prompt written notice of such appointment to the Loan Servicer.

(b) **Effect of Death, Incapacity, Resignation or Removal of Co-Trustee or Separate Trustee.** In case any co-trustee or separate trustee dies, becomes incapable of acting, resigns or is removed, the pledge and assignment of the Security and all rights, powers, trusts, duties and obligations of the co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee is appointed in the same manner as provided in subsection (a).

(c) **Approval of the Issuer.** No co-trustee or separate trustee may assume its duties under this Indenture without the prior written approval of the Issuer, unless the Issuer is in default under this Indenture or has failed to respond timely as otherwise provided in this Article XI.

SECTION 11.9 Filing of Financing Statements. At the expense of the Borrower, the Trustee shall file or record or cause to be filed or recorded all financing statements which are required to be filed or recorded in order to protect and preserve the security interests relating to and the priority of (i) the Trust Estate and the Security, (ii) at the direction of the Credit Provider

or the Loan Servicer, the Loan and (iii) the rights and powers of the Issuer, the Trustee and the Credit Provider in connection with such security interests, including, but not limited to, all continuation statements for the purpose of continuing without lapse the effectiveness of those financing statements which have been filed at or prior to the Closing Date in connection with the security for the Bonds pursuant to the authority of the UCC, and any previously filed continuation statements which have been filed as required by this Indenture; provided, however, that if the Credit Provider or the Loan Servicer gives written notice to the Trustee that it has filed or recorded all applicable financing statements, the Trustee shall be entitled to rely on such written notice. The Issuer shall sign, and the Trustee shall obtain from the Borrower, the Loan Servicer or the Credit Provider, all such financing statements as may be required for such purposes. Upon the filing of any such financing statement the Trustee shall immediately notify the Issuer, the Borrower, the Credit Provider and the Loan Servicer that the same has been done. If direction is given by the Loan Servicer or the Credit Provider, the Trustee shall file all financing statements in accordance with such directions.

SECTION 11.10 [Reserved].

SECTION 11.11 [Reserved].

ARTICLE XII SUPPLEMENTAL INDENTURES; AMENDMENTS

SECTION 12.1 Supplemental Indentures Not Requiring Bondholder Consent. The Issuer and the Trustee, without the consent of or notice to any Bondholder, may enter into an indenture or indentures supplemental to this Indenture for one or more of the following purposes:

- (a) to cure any ambiguity or to correct or supplement any provision contained in this Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision contained in this Indenture or in any supplemental indenture;
- (b) to amend, modify or supplement this Indenture in any respect if such amendment, modification or supplement is not materially adverse to the interests of the Bondholders;
- (c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to grant or pledge to the Trustee for the benefit of the Bondholders any additional security other than that granted or pledged under this Indenture;
- (d) to modify, amend or supplement this Indenture in such manner as to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the States of the United States;

- (e) to appoint a successor trustee, separate trustee or co-trustee or Bond Registrar;
- (f) to make any change requested by the Credit Provider which is not materially adverse to the interests of the Bondholders, including, but not limited to, provision of a Credit Facility other than or in substitution for the initial Credit Facility, provided that the provision of such other Credit Facility does not adversely affect the rating then in effect for the Bonds;
- (g) to make any changes in this Indenture or in the terms of the Bonds necessary or desirable in order to maintain the then existing rating awarded to the Bonds by the Rating Agency or otherwise to comply with requirements of any Rating Agency then rating the Bonds; or
- (h) to comply with the Code and the regulations and rulings issued with respect to the Code, to the extent determined as necessary in the Opinion of Bond Counsel.

If the Trustee has received written confirmation from the Rating Agency to the effect that such supplemental indenture will not result in the suspension, withdrawal or reduction of the then current rating on the Bonds and all conditions precedent in this Section 12.1 and in Sections 12.5 and 12.6 have been satisfied, the Trustee shall join the Issuer in the execution of any such supplemental indenture. The Trustee promptly shall furnish a copy of any such supplemental indenture to the Credit Provider, the Loan Servicer and the Borrower.

SECTION 12.2 Supplemental Indentures Requiring Bondholder Consent. The Issuer and the Trustee may, with the consent of Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, from time to time, execute indentures supplemental to this Indenture for the purpose of modifying or amending any of the provisions of this Indenture provided, however, that nothing in this Section 12.2 permits, or shall be construed as permitting:

- (a) an extension of the maturity of the principal of or interest on, or the mandatory redemption date of, any Bond, without the consent of the owner of such Bond;
- (b) a reduction in the principal amount of, or the rate of interest on, any Bond, without the consent of the owner of such Bond;
- (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the owners of all such Bonds;
- (d) the creation of a lien prior to or on parity with the lien of this Indenture, without the consent of the owners of all of the Bonds then Outstanding;
- (e) a change in the percentage of Bondholders necessary to waive an Event of Default under this Indenture or otherwise approve matters requiring Bondholder approval under this Indenture, including consent to any supplemental indenture, without the consent of the owners of all the Bonds then Outstanding;
- (f) a transfer, assignment or release of the Credit Facility (or modification of the provisions of this Indenture governing such transfer, assignment or release), other than as permitted by this

Indenture or the Credit Facility, without the consent of the owners of all of the Bonds then Outstanding;

(g) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the holders of all of the Bonds then Outstanding;

(h) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under this Indenture, without the consent of the holders of all of the Bonds then Outstanding; or

(i) the amendment of this Section 12.2, without the consent of the holders of all of the Bonds then Outstanding.

The Trustee shall promptly furnish a copy of any such supplemental indenture to the Credit Provider, the Loan Servicer and the Borrower. Notice of any amendment pursuant to this Section shall be given to the Bondholders promptly following the execution thereof.

SECTION 12.3 No Bondholder Consent Required for Amendment to Loan

Documents. Unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider alone may consent to any amendment to the Loan Documents and no consent of the Bondholders is required; provided, however, that any amendment of the payment terms of the Note shall occur only following written confirmation of the Rating Agency that such amendment will not result in a reduction or withdrawal of the rating on the Bonds.

SECTION 12.4 Amendments to the Credit Facility. The Credit Facility may only be amended, supplemented or otherwise changed in accordance with the following:

(a) **Replacement Credit Facility.** At the request of the Credit Provider, the Trustee shall exchange the Credit Facility with the Credit Provider for a new Credit Facility issued by the Credit Provider, provided that there is delivered to the Trustee (i) a written confirmation from the Rating Agency to the effect that such exchange shall not adversely affect the rating then in effect for the Bonds and (ii) a written opinion of Bond Counsel to the effect that such exchange will not adversely affect the excludability of interest on the bonds from gross income for federal income tax purposes. No such exchange shall require the approval of the Issuer, the Trustee or any of the Bondholders or constitute or require a modification or supplement to this Indenture.

(b) **Amendment of the Credit Facility.** The Trustee may consent, without the consent of the owners of the Bonds, to any amendment of the Credit Facility not addressed in subsection (a) which does not prejudice in any material respect the interests of the Bondholders.

(c) **Other Amendments of the Credit Facility.** Except as provided in subsections (a) and (b), the Credit Facility may be amended only with the consent of the Trustee and the owners of a majority of the owners of all Outstanding Bonds. No amendment may be made to the Credit Facility which would reduce the amounts required to be paid under the Credit Facility or change the time for payment of such amounts; provided, however, that any such amounts may be reduced without such consent solely to the extent that such reduction represents a reduction in any fees payable from such amounts.

SECTION 12.5 **Notice to and Consent of Bondholders.** If consent of the Bondholders is required for any supplement, amendment or modification to this Indenture or for any other similar purpose, the Trustee shall give notice of the proposed supplement, amendment or modification by first class mail, postage prepaid, to the Bondholders. Such notice will be conclusively presumed to have been duly given and received when given in such manner, whether or not any holder actually receives the notice. Such notice shall briefly set forth the nature of the proposed supplement, amendment or modification, and shall state that copies of any such supplement, amendment or modification are on file at the Designated Office of the Trustee for inspection by the Bondholders. The consent of the holder of any Bond will be binding on any transferee and successor transferees of such Bond.

SECTION 12.6 **Required Approvals.** Subject to the provisions of Section 8.6, no amendment, supplement or modification may be made to any Transaction Document without the prior written consent of the Credit Provider. Anything in this Indenture to the contrary notwithstanding, a supplement or amendment or other document described under this Article XII which materially and adversely affects any rights or obligations of the Borrower will not become effective unless and until the Borrower (if the Borrower is not then in default under any Bond Document or any Loan Document and if no event which, with notice or the passage of time or both, would constitute such a default has occurred and is continuing) has consented in writing to the execution of such supplemental indenture, amendment or other document. The Trustee shall not be required to enter into any supplement or amendment which adversely affects the Trustee's rights and duties under this Indenture.

SECTION 12.7 **Opinions of Counsel.** Subject to the provisions of Section 11.1, the Trustee may obtain and will be fully protected in relying upon an Opinion of Counsel as conclusive evidence that any supplement or amendment to this Indenture is authorized and permitted by this Indenture and, if applicable, is not materially adverse to the interests of the Bondholders. No supplement or amendment with respect to this Indenture will be effective until the Issuer and the Trustee have received an opinion of Bond Counsel to the effect that such supplement or amendment will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds.

SECTION 12.8 **Notation of Modification on Bonds; Preparation of New Bonds.** Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation, in form approved by the Trustee and the Issuer as to any matter provided for in such supplemental indenture, and if such supplemental indenture so provides, new Bonds, so modified as to conform, in the opinion of the Trustee and the Issuer, to any modification of this Indenture contained in any such supplemental indenture, may be prepared by the Issuer, authenticated by the Trustee and delivered without cost to the Bondholders, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

ARTICLE XIII
MISCELLANEOUS

SECTION 13.1 **Consents, Etc., of Bondholders.** Any consent, request, direction, or other instrument required to be signed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed by any Bondholder in person or by an authorized agent appointed in writing. The fact and date of the execution by any person of any such request, consent, direction, approval, objection or other instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before such officer its execution, or by an affidavit of any witness to such execution. Such proof of execution or of the writing appointing any agent will be sufficient for any of the purposes of this Indenture and will be conclusive in favor of the Trustee with regard to any action taken by it under such consent, request, direction or other instrument. In the event that the Trustee receives conflicting directions from two groups of Bondholders, each with combined holdings of not less than 25 percent in aggregate principal amount of all Bonds then Outstanding, the directions given by the group of Bondholders which hold the largest percentage of Bonds Outstanding will be controlling and the Trustee shall follow such directions as elsewhere required in this Indenture.

SECTION 13.2 **Limitation of Rights.** With the exception of rights expressly conferred in this Indenture, nothing expressed in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the Issuer, the Trustee, the Bondholders, the Credit Provider, the Loan Servicer and the Borrower any legal or equitable right, remedy or claim under or in respect of this Indenture. This Indenture and all of the covenants, conditions and provisions in this Indenture are intended to be for the sole and exclusive benefit of the parties to this Indenture, the Bondholders, the Credit Provider, the Loan Servicer and the Borrower as provided in this Indenture. The Credit Provider is a third-party beneficiary of this Indenture with the right to enforce its provisions.

SECTION 13.3 **Severability.** If any provision of this Indenture is held to be in conflict with any applicable constitution or statute or rule of law, or is otherwise held to be unenforceable for any reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other part or circumstance, or of rendering any other provision or provisions contained in this Indenture invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or Sections of this Indenture will not affect the remaining portions of this Indenture.

SECTION 13.4 **Notices.** Unless otherwise specified in this Indenture, it shall be sufficient service or giving of any notice, request, certificate, demand or other communication if the same is sent by (and all notices required to be given by mail will be given by) first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which

provides evidence of delivery, or sent by Electronic Means which produces evidence of transmission, confirmed by first-class mail, postage prepaid, and in each case will be deemed to have been given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To the Issuer:

HFA of Miami-Dade County, Florida

7300 NW 19 Street, Suite 501

Miami, Florida 33126

Attention: Patricia Bryanon

Telephone: (305) 594-2518

Facsimile: (305) 392-2723

Email: p.braynon@miamidade.gov

To the Trustee:

U.S. Bank Corporate Trust Services
500 W. Cypress Creek Road, Suite 560
Fort Lauderdale, Florida 33309
Attention: Scott Schuhle
Telephone: (954) 776-2216
Email: scott.schuhle@usbank.com

To the Borrower:

TRG – Palm Lake, LP
275 Battery Street, Suite 500
San Francisco, California 94111
Attention: Peter Nichol
Telephone: (415) 501-9605
Email: pnichol@reliantgroup.com

To the Rating Agencies:

Standard & Poor's Rating Services
55 Water Street
38th Floor
New York, NY 10041
Attention: Public Finance Surveillance Group
Telephone: (212) 438-2054
Facsimile: (212) 438-2157

Moody's Investor Services
99 Church Street
New York, New York 10007
Attention: Fully Supported Group
Telephone: (212) 553-4441
Facsimile: (212) 553-4090

To the Credit Provider

Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Director, Multifamily Asset Management
Telephone: (301) 204-8008
Facsimile: (301) 280-2065

RE: \$16,800,000 Housing Finance Authority of Miami-Dade
County (Florida) Multifamily Mortgage Revenue Bonds, Series
2011A (Palm Lakes Apartments Project), Wells Fargo Multifamily
Capital

with a copy to:

Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Vice President, Multifamily Operations
Telephone: (301) 204-8422

Facsimile: (202) 752-8369

RE: \$16,800,000 Housing Finance Authority of Miami-Dade County (Florida) Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project), Wells Fargo Multifamily Capital

provided, however, that any notice required to be delivered to the Credit Provider pursuant to Section 4.1, 4.2 or 4.3 will be addressed as follows:

Fannie Mae

3900 Wisconsin Avenue, N.W.

Washington, DC 20016-2899

Attention: Director, Fiscal Agency Relations and Treasury
Backoffice

Telephone: (202) 752-7916

Facsimile: (202) 752-6087

RE: \$16,800,000 Housing Finance Authority of Miami-Dade County (Florida) Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project), Wells Fargo Multifamily Capital

with a copy to:

Fannie Mae

3900 Wisconsin Avenue, N.W.

Washington, DC 20016-2899

Attention: Director, Multifamily Asset Management

Telephone: (301) 204-8008

Facsimile: (301) 280-2065

RE: \$16,800,000 Housing Finance Authority of Miami-Dade County (Florida) Multifamily Mortgage Revenue Bonds, Series 2011A (Palm Lakes Apartments Project), Wells Fargo Multifamily Capital

To the Loan Servicer:

Wells Fargo Multifamily Capital

2010 Corporate Ridge

Suite 1000

McLean, VA 22102

Attention: Douglas A. Westfall

Telephone: (703) 760-4777

Facsimile: (703) 358-8045

Email: douglas.a.westfall@wellsfargo.com

RE: \$16,800,000 Housing Finance Authority of Miami-Dade
County (Florida) Multifamily Mortgage Revenue Bonds, Series
2011A (Palm Lakes Apartments Project), Wells Fargo Multifamily
Capital

Copies of all notices given to the Credit Provider must be given concurrently to the Loan Servicer. By notice given under this Indenture, any entity whose address is listed in this Section may designate any different addresses to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity (except for Credit Provider) will be required to be sent to more than two addresses. All approvals required under this Indenture will be given in writing.

SECTION 13.5 **Action Required to be taken on a Non-Business Day.** If the date for making any payment or any date on which action is required to be taken is not a Business Day, then any action required to be taken or any payment required to be made may be taken or made on the following Business Day with the same force and effect as if made or taken on the date otherwise provided for in this Indenture and, in the case of any payment date, no interest will accrue for the period from and after such date.

SECTION 13.6 **Binding Effect.** From and after the Closing Date, this Indenture shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in this Indenture.

SECTION 13.7 **Governing Law.** This Indenture shall be governed by and interpreted in accordance with internal laws of the State without regard to conflicts of laws principles.

SECTION 13.8 **No Personal Liability; No Recourse.** No member, officer, agent, employee or attorney of the Issuer, including any person executing this Indenture or the Bonds, will be liable personally on the Bonds or for any reason relating to the issuance of the Bonds. No recourse will be had for the payment of the principal of or the interest on the Bonds, or for any claim based on such Bonds, or otherwise in respect of such Bonds, or based on or in respect of this Indenture or any indenture supplemental to this Indenture, against any member, officer, employee or agent, as such, of the Issuer or any successor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance of this Indenture and as part of the consideration for the issue of the Bonds, expressly waived and released.

SECTION 13.9 **Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

SUBORDINATE LOAN AGREEMENT

This SUBORDINATE LOAN AGREEMENT, dated as of October 1, 2011 (this "Loan Agreement"), by and between the HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (Florida), a public body corporate and politic, duly organized and validly existing under the laws of the State of Florida (the "Issuer"), and TRG-Palm Lakes LP, a Florida limited partnership (together with its permitted successors and assigns, the "Borrower"):

WITNESSETH:

WHEREAS pursuant to Chapter 159, Part IV, Florida Statutes, as amended, and resolutions of the Issuer adopted on March __, 2011 and July __, 2011, and other applicable provisions of law (collectively, the "Act") and the Subordinate Trust Indenture of even date herewith (the "Indenture"), between the Issuer and U.S. Bank, National Association, as trustee (in such capacity, the "Trustee"), the Issuer has determined to issue its Housing Finance Authority of Miami-Dade County (Florida) Subordinate Multifamily Mortgage Revenue Bonds, Series 2011B (Palm Lakes Apartments Project) in the principal amount of \$1,600,000 (the "Bonds"); and

WHEREAS, pursuant to this Subordinate Loan Agreement, the Issuer has agreed to use the proceeds of the Bonds to fund a subordinate loan to the Borrower (the "Subordinate Loan"), and the Borrower has agreed to (i) apply the proceeds of the Loan to pay a portion of the costs of the acquisition and renovation of the multifamily rental housing project located at 2575 N.W. 115th Street, Miami, Florida known as Palm Lakes Apartments (the "Project"), (ii) make payments sufficient to pay the principal of, premium, if any, and interest on the Bonds when due (whether at maturity, by redemption, acceleration or otherwise), and (iii) observe the other covenants and agreements and make the other payments set forth herein; and

WHEREAS, the Borrower has delivered to the Trustee, on behalf of the Issuer, its Subordinate Promissory Note dated the date of issuance of the Bonds in an original principal amount equal to the aggregate original principal amount of the Bonds in substantially the form set forth on Exhibit A hereto (as the same may be amended, modified or supplemented from time to time, the "Subordinate Note") evidencing its obligation to repay the Subordinate Loan; and

WHEREAS, to secure its obligations under this Loan Agreement and the Subordinate Note, the Borrower has executed (i) a [Subordinate Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (as amended, modified or supplemented from time to time, the "Subordinate Bond Mortgage")], (ii) [other subordinate collateral documents], each dated as of even date with this Subordinate Loan Agreement and for the benefit of the Issuer, as secured party; and

WHEREAS, the parties hereto acknowledge the matters set forth in the Recitals to the Indenture;

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

ARTICLE XII

DEFINITIONS

Section 12.01. Definitions. The following words and terms as used in this Loan Agreement shall have the following meanings, unless some other meaning is plainly intended. Terms that are not defined in this Loan Agreement shall have the meaning specified in Section 1.01 of the Indenture, except as otherwise provided herein or unless the context requires otherwise.

“Borrower Documents” means this Loan Agreement, the Subordinate Note, the Regulatory Agreement, the Subordinate Mortgage and the Tax Certificate.

“Generally Accepted Accounting Principles” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting which have other substantial authoritative support and are, applicable in the circumstances as of the date of application, as such principles are from time to time supplemented or amended.

“Indenture” means the Subordinate Trust Indenture, dated as of October 1, 2011, by and between the Issuer and the Trustee, as it may from time to time be amended or supplemented.

“Issuer Documents” means the Indenture, this Loan Agreement, the Regulatory Agreement and the Tax Certificate.

“Loan Agreement” means this Subordinate Loan Agreement, including any agreements amendatory hereof or supplemental hereto.

“Project” means the land and the buildings, structures, fixtures, equipment and other related property located or to be located thereon, as described in the Regulatory Agreement.

“Subordinate Loan” means the loan of the proceeds of the Bonds to the Borrower pursuant to this Loan Agreement.

“Subordinate Loan Payment” means each payment to be made by the Borrower pursuant to Section 3.02 of this Loan Agreement.

“Term” means the term of this Loan Agreement as provided in Section 3.01 hereof.

Section 12.02. Rules of Construction.

(a) The singular form of any word used herein, including the terms defined in the Indenture or the Regulatory Agreement, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(b) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement as originally executed. The words “hereof,” “herein,” “hereunder” and words of similar import refer to this Loan Agreement as a whole.

(c) The headings or titles of the several articles and sections, and the table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

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

ARTICLE XIII

REPRESENTATIONS AND WARRANTIES

Section 13.01. Representations and Warranties by the Issuer. The Issuer makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) The Issuer is a public body corporate and politic duly organized and validly existing under the laws of the State. By proper action, the Issuer has authorized the execution, delivery and due performance by it of the Issuer Documents.

(b) The Bonds will mature, bear interest and be subject to redemption as set forth in the Indenture.

(c) The Bonds will be secured by the Indenture, pursuant to which the Issuer’s interest in this Loan Agreement (except its Reserved Rights) will be pledged to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds.

(d) The Issuer has not pledged and will not pledge its interest in this Loan Agreement for any purpose other than to secure the repayment of the Bonds under the Indenture.

(e) To the best knowledge of the Issuer, no officer or other official of the Issuer has any personal financial interest in the Project or the Borrower or in the transactions contemplated by this Loan Agreement.

Section 13.02. Representations and Warranties by the Borrower. The Borrower makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) The Borrower is a limited partnership duly organized under the laws of the State pursuant to its organizational documents of the Borrower and is, and will at all times be, validly existing and in good standing under the laws of the State. The Borrower and each General Partner has, and will at all times have, all requisite power to own its property and conduct its business as now conducted and as presently contemplated, to execute and deliver the Subordinate Loan Documents and to perform its duties and obligations thereunder.

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

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

(d) The Borrower will hold fee simple title to the Project, subject only to Permitted Encumbrances (as defined in the Subordinate Mortgage). The Borrower will at all times possess all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted or as it is intended to be conducted with respect to the Project, without known conflict with any rights of others.

(e) The Borrower is not subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation that has or is expected in the future to have a materially adverse effect on the business assets or financial condition of

the Borrower. The Borrower is not, and will not be, a party to any contract or agreement that has or is expected, in the judgment of the Borrower's partners, to have any materially adverse effect on the business or financial condition of the Borrower.

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

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

(h) To the best knowledge of the Borrower, no member of the Issuer, nor any other official or employee of the Issuer, has any interest, financial, employment or other, in the Borrower, the Project or the transactions contemplated hereby.

(i) There is no Event of Default on the part of the Borrower under this Loan Agreement or any other Subordinate Loan Document or any Senior Loan Document, and no event has occurred and is continuing which after notice or passage of time or both would give rise to a default under any thereof.

(j) The certifications, representations, warranties, statements, information and descriptions contained in the Subordinate Loan Documents, as of the Closing Date, are and will be true, correct and complete, do not and will not contain any untrue statement or misleading statement of a material fact, and do not and will not omit to state a material fact necessary to make the certifications, representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading.

(k) The Borrower has furnished to the Issuer all information necessary for the Issuer to file an IRS Form 8038 with respect to the Bonds and such reports as required by

the State, and all of such information is and will be on the date of filing, true, complete and correct.

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

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

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

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

(p) The Borrower has not entered into the Subordinate Loan or any Subordinate Loan Document with the actual intent to hinder, delay, or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for its obligations under the Subordinate Loan Documents. Giving effect to the transactions contemplated by the Subordinate Loan Document, the fair saleable value of the Borrower's assets exceeds and will, immediately following the execution and delivery of the Subordinate Loan Documents, exceed the Borrower's total liabilities, including subordinated, unliquidated, dispute or contingent liabilities. The fair saleable value of the Borrower's assets is and will, immediately following the execution and delivery of the Subordinate Loan Documents, be greater than the Borrower's probable liabilities, including maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. The Borrower's assets do not and, immediately following the execution and delivery of the Subordinate Loan Documents, will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Borrower does not intend to, and does not believe it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

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

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

(s) All utility services necessary and sufficient for the operation of the Project are and will at all times be available through dedicated public rights of way or through perpetual private easements with respect to which the Subordinate Mortgage will create a valid and enforceable subordinate lien.

(t) The rights of way for all roads necessary for the full utilization of the Project for its intended purposes have either been acquired or have been dedicated to public use and accepted, and all such roads shall have been completed, or all necessary steps have been taken by the Borrower to assure the complete construction and installation thereof prior to the date upon which access to the Project via such roads will be necessary, and the right to use all such roads, or suitable substitute rights of way approved by the Senior Credit Facility Provider, shall be maintained at all times for the Project.

(u) The Borrower has not transferred and will not transfer or permit the transfer of (i) the Project or any portion thereof or (ii) more than 50% of the equity interests in the Borrower within six months before or after the Closing Date.

ARTICLE XIV

TERM; LOAN PAYMENT AND PREPAYMENT; PAYMENT OF OTHER COSTS

Section 14.01. Term. The Term shall commence as of the date hereof and shall terminate at 11:59 p.m., Florida time, on October 15, 2027, but in no event prior to the date that all Bonds then Outstanding and all other obligations payable hereunder or under the Indenture shall have been paid in full, or sufficient funds for such payment shall be held in trust by the

Trustee or provisions for payment pursuant to the Indenture otherwise made, unless terminated sooner pursuant to the provisions hereof as provided in Section 6.02.

Section 14.02. Subordinate Loan Payments.

(a) In consideration of the Subordinate Loan made by the Issuer, the Borrower hereby agrees that simultaneously with the execution and delivery of this Loan Agreement and delivery of the Bonds, it will execute and deliver the Regulatory Agreement, the Subordinate Note and the Subordinate Mortgage.

(b) The Borrower covenants and agrees to pay, subject to the Subordinate Intercreditor Agreement, amounts due under this Loan Agreement from, and to the extent of, Available NOI, in accordance herewith during the Term. The Borrower hereby agrees to deposit with the Trustee, on or before the second Business Day preceding each Interest Payment Date, to the extent available for deposit with the Trustee, Available NOI in an amount equal to the amount then due and payable under the Subordinate Note (each a "Subordinate Loan Payment") and to make interim deposit of Available NOI in accordance with Section 5.10. Pursuant to the terms of the Indenture, the Trustee shall deposit Subordinate Loan Payments, as they are received, into the Bond Fund and apply such money as provided in the Indenture.

(c) In the event that Available NOI shall be insufficient to pay interest on the Bonds on any Interest Payment Date, such interest shall be considered delinquent (a "Delinquent Subordinate Loan Payment"), and the Delinquent Subordinate Loan Payment shall continue as an obligation of the Borrower until such amount shall have been fully paid (provided no additional interest shall accrue or compound on any Delinquent Subordinate Loan Payment). *Failure to make a Subordinate Loan Payment, Delinquent Subordinate Loan Payment or the failure to make a payment in connection with redemption or otherwise with respect to the Bonds shall not be an Event of Default hereunder or under the Indenture unless, and only to the extent, sufficient Available NOI is available to make such Subordinate Loan Payment, Delinquent Subordinate Loan Payment or payment with respect to the Bonds.* The Borrower agrees to make Delinquent Subordinate Loan Payments as set forth in the Indenture, from the date such Delinquent Subordinate Loan Payment was due and payable until such Delinquent Subordinate Loan Payment is paid. Delinquent Subordinate Loan Payments shall be made by the Borrower, in the order of their delinquency, only from Available NOI.

(d) The Borrower covenants and agrees that it will pay or cause to be paid when due and payable hereunder each Subordinate Loan Payment, without notice or demand therefor, in such coin or currency of the United States of America which, at the time of payment, shall be legal tender for the payment of public and private debts. Subordinate Loan Payments shall be made by the Borrower directly to the Trustee at the Principal Corporate Trust Office of the Trustee, or such other office as specified by the Trustee.

(e) Failure to receive any prior notice of the due date of any Subordinate Loan Payment shall not relieve the Borrower of its obligation to make such Subordinate Loan

Payment when it is due and payable, and any such notice is hereby expressly waived by the Borrower.

(f) Subject to the terms of the Subordinate Intercreditor Agreement, if the obligation of the Issuer to pay the Bonds is accelerated pursuant to the Indenture, or the Bonds shall otherwise be declared immediately due and payable or be called for redemption, at the Borrower's option or otherwise, the Borrower hereby agrees that it shall forthwith pay to the Trustee, for deposit to the Bond Fund, an amount which shall be sufficient, with all other funds available therefor, to pay the Bonds in full, including all principal and interest, and redemption premium, if any, and to pay all other obligations of the Issuer incurred or to be incurred in connection with the Project or under the Indenture or this Loan Agreement.

(g) Whenever provision for payment in full of the Bonds shall have been made in accordance with Article X of the Indenture, the obligation of the Borrower to make further Subordinate Loan Payments hereunder shall be satisfied and terminated.

Section 14.03. Advance Payments. Prior to the maturity of the Bonds, the Borrower shall have the option from time to time to purchase Bonds as they mature or are to be redeemed, as the case may be, on the open market and to surrender the same to the Trustee. Bonds so purchased and surrendered shall be canceled by the Trustee.

Section 14.04. Borrower's Payments as Trust Funds; Unconditional Obligation. All Subordinate Loan Payments and other payments required to be made by the Borrower under this Loan Agreement, which are required under the Indenture to be applied to the payment of, or as security for, the Bonds, shall be and constitute and are hereby declared to be trust funds for the benefit of the Bondholders, whether held by the Issuer, the Trustee or any bank or trust company designated for such purpose, and shall continue to be impressed with a trust for the benefit of the Bondholders until such money is applied in the manner provided in the Indenture.

So long as any Bonds remain Outstanding, the obligation of the Borrower to make Subordinate Loan Payments from, but only to the extent of, Available NOI shall be absolute and unconditional and shall not be abated, set off, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever, regardless of any rights of set-off, recoupment or counterclaim that the Borrower might otherwise have against the Issuer or the Trustee or any Bondholder or any other party or parties for whatever reason and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during or after the acquisition of the Project, including, but without limiting the generality of the foregoing: (a) any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of or affecting the Borrower, whether with or without the approval of the Issuer, except as otherwise expressly provided in this Loan Agreement; (b) any failure of the Issuer to perform or observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Loan Agreement or the Indenture; or (c) any change in the tax or other laws of the United States of America or of any state or other governmental authority.

Section 14.05. Prepayment of Subordinate Loan Payments.

(a) ***Extraordinary Prepayment.*** The Borrower shall prepay the Subordinate Loan in full from Available NOI, subject to the Subordinate Intercreditor Agreement, and cancel or terminate this Loan Agreement, if any of the following shall have occurred:

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

(2) title in and to, or the temporary use of, all or substantially all of the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person acting under governmental authority or by any other person acting under governmental authority (including such a taking as, in the judgment of the Borrower, results in the Borrower being prevented thereby from carrying on its normal operations at the Project).

The Borrower shall (I) within 90 days following the event giving rise to the redemption of Bonds described in this Section, deliver to the Trustee a certificate, executed by an Authorized Borrower Representative, stating (A) the event giving rise to the redemption of Bonds, (B) that the Borrower is directing the Trustee to redeem all of the Bonds in accordance with the provisions of the Indenture, (C) the date upon which such prepayment is to be made (which date shall not be less than 30 days nor more than 45 days from the date such notice is mailed); and (II) make arrangements satisfactory to the Trustee for the giving of the required notice of redemption to the Bondholders and the Issuer.

The prepayment price that shall be paid to the Trustee by the Borrower upon its exercise of the option granted in this Section shall be the sum of an amount of money which, when added to the amounts then on deposit in the Bond Fund, will be sufficient to pay and redeem all of the then Outstanding Bonds on the earliest applicable redemption date including, without limitation, the principal of plus accrued interest on the Bonds to said redemption date, plus an amount of money equal to the fees and expenses of the Issuer, the Trustee and any Paying Agent under the Indenture accrued and to accrue until such final payment and redemption of the Bonds.

(b) ***Defeasance.*** The Borrower shall also have the option pursuant to Article X of the Indenture to prepay the Subordinate Loan Payments in whole from Available NOI, at any time (i) depositing irrevocably with the Trustee either money in an amount which shall be sufficient, or Government Obligations the principal of and interest on which when due will provide money which, together with the money, if any, deposited with or held by the Trustee at the same time and available for such purpose, shall be sufficient pursuant to the Indenture, to pay the principal of and interest on all of the Bonds due and to become due on or prior to the redemption date (if the Bonds are to be redeemed) or maturity thereof, (ii) paying to the Trustee all fees and expenses of the

Trustee and the Issuer due in connection with the payment or redemption of any such Bonds, and (iii) if any Bonds are to be redeemed on any date prior to their maturity, giving the Trustee irrevocable instructions to redeem such Bonds on such date and either evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices.

(c) **Optional Prepayment.** The Borrower may prepay the Subordinate Loan on any Interest Payment Date in full or in part from Available NOI, subject to the Subordinate Intercreditor Agreement and with the consent of the Senior Credit Facility Provider, upon 15 days' written notice to the Trustee of such prepayment and the deposit of Available NOI for payment of such redemption not less than one Business Day prior to the applicable Interest Payment Date.

Section 14.06. Payment of Fees and Expenses. The Borrower agrees to pay all costs of issuing the Bonds on the Closing Date. The Borrower covenants and agrees to pay, or to cause to be paid, to the Trustee, the following costs and expenses in full as incurred or when due (exclusive of the costs and expenses, if any, that are payable from the proceeds of the Bonds) and the Trustee shall forward such amounts to the appropriate payees as soon as practicable after receipt thereof:

(1) the fees and other costs incurred for services of the Trustee, any Paying Agent and the Bond Registrar;

(2) the Issuer's Fee and all reasonable fees, charges and other costs, not otherwise paid under the Issuer Documents or the Borrower Documents; incurred by the Issuer in connection with its administration and enforcement of, and compliance with, the Issuer Documents, including, without limitation, legal fees and expenses incurred in connection with the performance, amendment, interpretation and enforcement of any documents relating to the Project or the Bonds;

(3) the fees and other costs incurred for services of a rebate analyst and any rebate amount payable in compliance with the Tax Certificate;

(4) the reasonable costs incurred in connection with the redemption of the Bonds, to the extent money is not otherwise available therefor;

(5) amounts advanced by the Issuer or the Trustee under authority of the Issuer Documents or the Borrower Documents, which the Borrower is obligated to repay; and

(6) any other amounts payable by the Borrower under the Issuer Documents or the Borrower Documents.

Section 14.07. Nonrecourse Obligation of Borrower. Notwithstanding any other term or provision contained in any of the Issuer Documents, the Borrower Documents or any other instrument executed or delivered in connection with the Subordinate Loan, but subject to the

immediately following sentence, the Issuer, on behalf of itself and its successors and assigns, agrees that the liability of the Borrower and its general partners for any payments due under this Loan Agreement or any other document relating to the Subordinate Loan, including, without limitation, the principal of, premium, if any, and interest on the Bonds, and for the performance of any obligation under this Loan Agreement or any other document relating to the Subordinate Loan, shall be non-recourse and strictly and absolutely limited in rem to the assets of the Borrower and shall not be a personal or recourse liability of the general or limited partners of the Borrower or such partners' assets, except as follows. Notwithstanding the foregoing and subject to the terms of the Subordinate Intercreditor Agreement, the Borrower is personally responsible for the performance of the Borrower's covenants contained in Sections 3.06, 5.12 and 7.04 of this Loan Agreement and is personally liable for the breach of the Borrower's covenants thereunder, but specifically excluding from such liability any Subordinate Loan Payments or the principal of, premium, if any, interest on the Bonds

Section 14.08. Security for the Subordinate Loan. As security for the Subordinate Loan, subject to the terms of the Subordinate Intercreditor Agreement, the Borrower shall execute and deliver to the Issuer the Subordinate Note and the Subordinate Mortgage, which, together with the Subordinate Intercreditor Agreement, the Borrower shall cause to be recorded in the official records of the jurisdiction in which the Project is located. The Borrower hereby acknowledges that the Issuer shall assign its interests in the Subordinate Note and the Subordinate Mortgage to the Trustee for the benefit of the Bondholders.

Section 14.09. Subordination to Senior Loan Documents. The indebtedness evidenced by the Bonds and all amounts payable under this Loan Agreement, the Indenture and any other documents further evidencing or securing the Subordinate Loan is and shall be subordinate in right of payment, to the extent and in the manner provided in the Subordinate Intercreditor Agreement, to the prior payment in full of the Senior Bonds and other amounts payable under the Senior Loan Documents and the Senior Credit Facility Documents; provided that Subordinate Loan Payments may be made from, but only to the extent of, Available NOI so long as there is no Event of Default under the Senior Loan Documents. The Indenture and this Loan Agreement are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Regulatory Agreement, the Senior Loan Documents, the Senior Credit Facility Documents and the obligations thereunder and to the terms and conditions of the Subordinate Intercreditor Agreement.

ARTICLE XV

COVENANTS RELATING TO THE BONDS

Section 15.01. Draw Requests. At such time as the Borrower shall desire to obtain an advance from the Loan Account, the Insurance and Condemnation Proceeds Account, or, the Equity Account of the Project Fund, the Borrower shall complete, execute and deliver a Draw Request to the Subordinate Loan Servicer. Each Draw Request shall be signed on behalf of the Borrower p[and shall be in the form required by the Construction Disbursement Agreement]. The Subordinate Trustee may rely conclusively on the statements and certifications contained in any Draw Request. The Borrower shall not submit any Draw Request directly to the Subordinate Trustee. Each advance from the Loan Account, the Insurance and Condemnation Proceeds

Account, or the Equity Account of the Project Fund by the Subordinate Trustee shall be subject to prior approval of the Draw Request by the Subordinate Loan Servicer. Upon approval, the Subordinate Loan Servicer and Issuer Servicer shall forward each Draw Request to the Subordinate Trustee for payment.

Section 15.02. Investments. Upon Written Direction of the Borrower to the Trustee, any money in any Fund held by the Trustee under the Indenture shall be invested or reinvested by the Trustee in Investment Securities as provided in the Indenture and the Tax Certificate. The Borrower hereby approves the investment provisions of the Indenture and directs the Trustee to make such investments, subject to the covenants of Section 4.04 hereof.

Section 15.03. Compliance with Indenture. The Borrower hereby acknowledges and accepts the terms of the Indenture. The Borrower covenants that it will comply with the terms, covenants, conditions and provisions of the Indenture that expressly refer to, or impose obligations on, the Borrower, and covenants to cooperate with the Issuer and the Trustee in carrying out the terms of the Indenture.

Section 15.04. Tax-Exempt Status of Bonds.

(a) It is the intention of the Issuer and the Borrower that interest on the Bonds shall be and remain excluded from the gross income of the owners thereof for federal income tax purposes, and to that end the covenants and agreements of the Borrower in this Section and in the Tax Certificate are for the benefit of the Trustee on behalf of and for each and every owner of Bonds.

(b) The Borrower covenants and agrees that it will not use or permit the use of any of the funds provided by the Issuer hereunder or any other funds of the Borrower, directly or indirectly, or direct the Trustee to invest any funds held by it hereunder or under the Indenture, in such manner as would, or enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the Bonds that would, or take or omit to take any other action that would cause any Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and applicable regulations promulgated from time to time thereunder.

(c) In the event that at any time the Borrower is of the opinion or becomes otherwise aware that for purposes of the Tax Certificate, this Section or Section 6.08 of the Indenture it is necessary to restrict or to limit the yield on the investment of any money held by the Trustee under the Indenture, the Borrower shall determine the limitations and so instruct the Trustee in writing (with a copy to the Issuer) and cause the Trustee to comply with those limitations under the Indenture. The Borrower will take such action or actions as may be reasonably necessary in the opinion of Bond Counsel, or of which it otherwise becomes aware, to comply fully with Section 148 of the Code.

(d) The Borrower shall not, pursuant to an arrangement, formal or informal, purchase Bonds in an amount related to the amount of the Subordinate Loan, except as otherwise permitted under the Indenture.

Section 15.05. Tax Certificate; Regulatory Agreement. In order to maintain the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income purposes and to assure compliance with the laws of the State, the Borrower hereby agrees that it shall, concurrently with or before the execution and delivery of the Bonds, execute and deliver the Tax Certificate and the Regulatory Agreement, and shall cause the Regulatory Agreement to be recorded in the official records of the of the jurisdiction in which the Project is located.

The Borrower shall comply with every term of the Tax Certificate and the Regulatory Agreement, and the Borrower hereby acknowledges that, subject to the Subordinate Intercreditor Agreement, in the event of a default under the Regulatory Agreement that is not cured within any applicable cure period, and with the consent of the Senior Credit Facility Provider, the Subordinate Loan may be accelerated. The Borrower agrees to cause any amendments to the Regulatory Agreement to be recorded in the appropriate official public records. The books and records of the Borrower pertaining to the incomes of and rents charged to Low Income Tenants (as defined in the Regulatory Agreement) residing in the Project shall, upon reasonable notice, be open to inspection at the Borrower's designated management office by any authorized representative of the Issuer, the Trustee.

Section 15.06. Limitation on the Issuer's Liability. All obligations of the Issuer expressed or implied in this Loan Agreement or otherwise incurred in connection with the delivery of the Bonds for the payment of money or for damages resulting from breach of any covenant, undertaking, agreement, or warranty shall not be a general debt of the Issuer, the State or any political subdivision thereof, but shall be payable solely from the Trust Estate. Neither the members, officers, employees nor agents of the Issuer shall be personally liable for the payment of any sum or for the performance of any obligation under this Loan Agreement.

Section 15.07. Redemption of Bonds. The Issuer, at the request of the Borrower, shall take all steps that may be proper and necessary under the applicable redemption provisions of the Indenture to effect the redemption of all or a portion of the then Outstanding Bonds that are subject to redemption as may be specified by the Borrower in accordance with this Loan Agreement and the Indenture, on the earliest redemption date on which such redemption may be effected. It is understood that all expenses of such redemption shall be paid by the Borrower or from money in the hands of the Trustee and held for such purpose, and not from other funds of the Issuer. The Issuer shall cooperate with the Borrower in effecting any purchase or redemption of the Bonds.

ARTICLE XVI

SPECIAL COVENANTS OF THE BORROWER

Section 16.01. Completion of the Project. The Borrower will commence renovation of the Project within sixty (60) days after the Closing Date, will diligently pursue renovation of the Project, will attain completion prior to _____, and will pay all sums and perform all such acts as may be necessary or appropriate to complete such renovation.

Section 16.02. Maintenance of the Project. The Borrower shall, at its sole cost and expense, cause the Project to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, in the reasonable judgment of the Borrower, may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 16.03. Compliance with Applicable Law. The Borrower covenants and agrees that throughout the Term, at its sole cost and expense, it shall comply or cause there to be compliance with applicable law relating to the use or occupancy or manner of use of the Project. The Borrower shall also observe and comply with the requirements respecting the Project of all policies of insurance at any time in force with respect to any of the buildings, improvements, machinery or equipment constituting a part of the Project.

Section 16.04. Payment of Other Obligations. The Borrower covenants and agrees to pay, or to cause to be paid, directly to the appropriate party, when due, all assessments, levies, taxes and insurance payments of every kind and nature relating to the whole or any part of the Project, or any interest therein, and all costs, expenses, liabilities and charges of every kind and nature, including charges for gas, electricity, water, sewer and other utilities, relating to the maintenance, operation, repair, replacement and improvement of the Project, or any part thereof, or any facilities, machinery or equipment thereon or to the operations or services conducted or provided thereon or in connection therewith which may arise or accrue during the Term; provided, however, that the Borrower shall be under no obligation to pay any such item so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless the Trustee shall receive an opinion of Bond Counsel that such contest or the failure to make such payment during such contest jeopardizes in any material respect the interest of the Bondholders, and, subject to the terms of the Subordinate Intercreditor Agreement, the Borrower shall be obligated to make any such payment immediately upon its receipt of notice from the Trustee to the effect that the Trustee has received such an opinion.

Section 16.05. Insurance. Subject to the terms of the Subordinate Intercreditor Agreement, the Borrower agrees to insure the Project or cause the Project to be insured during the Term of this Loan Agreement for such amounts and for such occurrences as are required under the Subordinate Mortgage, naming the Trustee as an additional insured. The Borrower further agrees to provide the Trustee with evidence of such insurance and to certify compliance with the insurance requirements by not later than December 1 of each year; and to notify the Trustee, by certified mail, immediately upon cancellation or material alteration of such insurance. No acceptance of any insurance policy by the Issuer or the Trustee shall relieve or release the Borrower from any liability, duty or obligation under the provisions of this Loan Agreement.

Section 16.06. Use and Operation of Project. The Borrower agrees that it will faithfully and efficiently administer, maintain and operate the Project free of unlawful discrimination based upon race, creed, color, sex, national origin, handicap or age. It is the express intention of the parties hereto that the Borrower shall have the right to manage, administer and govern the Project in all its activities and affairs on a continuing day-to-day basis.

The Borrower covenants to maintain and operate the Project as a “qualified residential rental housing project” as defined in the Code and the Act, and that prior to any change in the use of the Project (or any portion thereof) the Borrower shall provide the Trustee with an opinion of Bond Counsel that such proposed change in use will not adversely affect the exclusion from gross income for federal income tax purposes of interest payable on the Bonds under the Code.

Section 16.07. Inspections. The Issuer and the Trustee through their respective officers, employees, consultants and other authorized representatives, shall have free and unobstructed access at all reasonable times, and upon reasonable advance notice, to the Project for purposes of ascertaining whether the Borrower has complied with its agreements under this Loan Agreement.

Section 16.08. No Warranty of Condition or Suitability. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AND OFFERS NO ASSURANCE, RESPECTING THE CONDITION OF THE PROJECT, OR THE SUITABILITY THEREOF FOR THE NEEDS AND REQUIREMENTS OF THE BORROWER.

Section 16.09. Information Reporting. The Borrower will deliver, or cause to be delivered, to the Trustee:

(a) as soon as available, but in any event not later than ninety (90) days after the end of each fiscal year of the Borrower, the audited balance sheet of the Borrower at the end of such year, and the related audited statement of income, statement of retained earnings, changes in capital, and statement of cash flows for such year, and a statement of all contingent liabilities of the Borrower which are not reflected in such financial statements or referred to in the notes thereto, each setting forth in comparative form the figures for the previous fiscal year and all such statements to be in reasonable detail, prepared in accordance with generally accepted accounting principles, and accompanied by an auditor’s report prepared without qualification by an independent certified public accountant, together with a written statement from such accountants to the effect that they have read a copy of this Loan Agreement, and that, in making the examination necessary to said certification, they have obtained no knowledge of any Event of Default under this Loan Agreement, or, if such accountants shall have obtained knowledge of any then existing Event of Default they shall disclose in such statement any such Event of Default, provided that such accountants shall not be liable to the Trustee or the Senior Credit Facility Provider for failure to obtain knowledge of any default or Event of Default;

(b) contemporaneously with the filing or mailing thereof, copies of all material of a financial nature filed with the Securities and Exchange Commission or sent to the stockholders, partners, members or beneficiaries of the Borrower and any affiliate thereof; and

(c) from time to time such other financial data and information as the Issuer or the Trustee.

Section 16.10. Deposit of Available NOI. The Borrower hereby covenants and agrees to deposit with the Trustee by the fifteenth of each month, Available NOI (to the extent such amounts exist) in an amount equal to one-sixth (1/6) of the amount due as payment for the Bonds on the next Interest Payment Date (with pro rata adjustment for payments prior to the first Interest Payment Date).

Section 16.11. Maintenance of Partnership Existence; Permitted Mergers and Consolidations.

(a) The Borrower agrees that during the Term of this Loan Agreement it will remain in good standing and organized to do business in the State and will maintain its existence as a limited partnership, will not dissolve or otherwise dispose of all or substantially all of its assets and will not combine or consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, however, that the Borrower may so combine, consolidate with, or merge into another entity existing under the laws of one of the states of the United States, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve, as long as the surviving, resulting or transferee entity, as the case may be, (i) assumes and agrees in writing to pay and perform all of the obligations of the Borrower hereunder, (ii) qualifies (if required under applicable law) to do business in the State, (iii) will not cause a violation of any of the representations or warranties in Section 2.02 hereof, and (iv) the Borrower delivers an opinion of Bond Counsel to the effect that such consolidation or merger will not cause the interest payable on the Bonds to be included in gross income for federal income tax purposes.

(b) The rights and obligations of the Borrower under this Loan Agreement may not be assigned by the Borrower to any person in whole or in part, unless such assignment shall (A) have been approved by the Senior Credit Facility Provider, (B) comply with Section 12 of the Regulatory Agreement; and (C) meet the following conditions: (i) the assignee shall assume in writing the obligations of the Borrower hereunder to the extent of the interest assigned, and a copy of such instrument of assumption shall be delivered to the Issuer and the Trustee within ten (10) days after the execution thereof; (ii) the Borrower shall have obtained the written consent of the Issuer as provided in Section 12 of the Regulatory Agreement; (iii) the Borrower shall remain liable for its obligations hereunder to the extent of any interest not so assigned; and (iv) the assignment will not cause a violation of any of the representations or warranties in Section 2.02 hereof.

No assignment, other than pursuant to this Section, shall relieve the Borrower from primary liability for any of its obligations hereunder, and in the event of any assignment not pursuant to this Section, the Borrower shall, subject to Section 3.07 hereof, continue to remain primarily liable for the Subordinate Loan Payments and payments specified in Sections 3.06 and 5.12 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it.

Section 16.12. Indemnification. The Borrower hereby releases the Issuer and its members, officers and employees from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee and their respective officers, members, directors, officials, agents and employees and each of them (each an “indemnified party”), but only from Available NOI, from and against,

(1) any and all claims, joint or several, by or on behalf of any person arising from any cause whatsoever if in connection with transactions contemplated hereby or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating thereto;

(2) any and all claims, joint or several, arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Subordinate Loan;

(3) any and all claims, joint or several, arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Subordinate Loan or the Project;

(4) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon;

(5) any and all claims arising in connection with the delivery and sale or resale of any Bonds, or any claims arising in connection therewith, or any certifications or representations made by any person other than the Issuer or the party seeking indemnification in connection therewith and the carrying out by the Borrower of any of the transactions contemplated by the Bonds and this Loan Agreement;

(6) any declaration of taxability of interest on the Bonds, or allegations (or regulatory inquiry) that interest on the Bonds is not excludable from gross income for federal tax purposes;

(7) any and all claims arising in connection with the operations of the Project, or the conditions, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof; and

(8) any and all losses, claims, damages, liabilities or expenses, joint or several, arising out of or connected with the Trustee’s acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under this Agreement, the Regulatory Agreement or any other agreements in connection therewith to which it is a party;

except (A) in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials and employees, to the extent such damages are caused by the default, negligence or willful misconduct of such indemnified party, or with respect to the Trustee, to the extent the Trustee is otherwise liable as provided in the Indenture; or (B) in the

case of the foregoing indemnification of the Issuer or any of its program participants, officers, members, directors, officials and employees, to the extent such damages are caused by the willful misconduct of such indemnified party. In the event that any action or proceeding is brought against any indemnified party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the indemnified party in such party's sole discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Issuer and the Trustee shall have the right to review and approve or disapprove any such compromise or settlement. Each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the prior written approval of the Borrower, which approval shall not be unreasonably withheld, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each indemnified party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless such transfer was made in accordance with Section 5.11 hereof.

Section 16.13. Senior Bonds. Subject to the rights of Senior Credit Provider to direct the Borrower (or to take such actions on its own behalf), the Borrower agrees not to amend, supplement or otherwise modify any Senior Loan Document or any related document without the consent of the Senior Credit Facility Provider. The Borrower shall immediately provide to the Senior Credit Facility Provider copies of any and all notices or communications received under the Senior Loan Documents, including, without limitation, notices regarding events of default or potential events of default.

Section 16.14. Recording and Filing. The Borrower shall cause any financing statements filed in connection with the Indenture to be kept recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and the rights of the Trustee thereunder.

ARTICLE XVII

AMENDMENT OF AGREEMENT; DISCHARGE OF AGREEMENT

Section 17.01. Amendment of Loan Agreement. Subject to the terms of the Subordinate Intercreditor Agreement, this Loan Agreement may be amended as provided in Article IX of the Indenture; provided, however, that nothing herein or in the Indenture shall permit or be construed as permitting any abatement, reduction, abrogation, waiver or diminution in any manner or to any extent whatsoever of the obligation of the Borrower to make the Subordinate Loan Payments or to pay any other amounts required to be paid by the Borrower hereunder.

Section 17.02. Termination. The Borrower may, by notice to the Issuer and the Trustee, terminate this Loan Agreement at any time when all the Bonds Outstanding and the redemption premium (if any) and interest thereon shall be deemed to have been paid and discharged under the provisions of Article X of the Indenture and there shall have been paid all other amounts due and payable hereunder and under the Indenture and all fees and charges of the Issuer, the Trustee and any Paying Agent due or to become due through the date on which the Bonds are to be retired or redeemed.

When the Term of this Loan Agreement has expired or been terminated as provided in the preceding paragraph, and the Trustee certifies to the Issuer that all the Bonds Outstanding and the redemption premium (if any) and interest thereon, and all other obligations incurred by the Issuer in connection with the Project under the Indenture and this Loan Agreement have been paid or provision for payment of such amounts shall have been made in accordance with the Indenture, this Loan Agreement shall be of no further force or effect except as otherwise expressly provided herein, and the Trustee shall execute and deliver to the Borrower proper instruments acknowledging satisfaction and discharge of the Indenture.

ARTICLE XVIII

EVENTS OF DEFAULT AND REMEDIES

Section 18.01. Events of Default. Each of the following shall, in each case subject to the Subordinate Intercreditor Agreement, constitute an Event of Default under this Loan Agreement:

(a) The Borrower shall fail to deposit all Available NOI with the Trustee as required pursuant to Section 3.02(b);

(b) The Borrower shall fail to perform, observe or comply with the terms, covenants, conditions or provisions contained in this Loan Agreement (other than those described in Section 7.01(a)) binding upon the Borrower, and any such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Borrower by the Issuer or the Trustee; provided, however, that if such failure relates to damage, destruction, condemnation or other physical condition of the Project and the Borrower shall proceed to make any repair, restoration or replacement which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty days and would correct such failure, then such period shall be increased to such extent as shall be necessary to enable the Borrower to begin and complete such repair, restoration or replacement through the exercise of due diligence; provided further, however, that if any such failure shall be such that it cannot be cured or corrected within such thirty-day period, it shall not constitute an Event of Default hereunder if curative or corrective action is instituted within said thirty day period and if such action is diligently pursued until the failure of performance is cured or corrected within the period so extended;

(c) Any material breach by the Borrower of any representation or warranty made in this Loan Agreement or any requisition for a period of thirty (30) days after written notice specifying such breach or failure and requesting that it be remedied, given

to the Borrower by the Trustee or the Issuer; provided, however, that in the event such breach or failure be such that it can be corrected but cannot be corrected within said 30-day period, the same shall not constitute an Event of Default hereunder if (i) corrective action is instituted by the Borrower or on behalf of the Borrower within said 30-day period and is being diligently pursued and (ii) in the opinion of Bond Counsel, failure to correct such breach or failure indefinitely (or such shorter time as shall be established as a limitation on the period of time during which correction may be pursued) will not adversely affect the exclusion from gross income of interest on the Bonds for federal income taxation purposes or violate state law;

(d) Any Event of Default as defined or otherwise set forth in any of the Subordinate Loan Documents shall have occurred and shall remain uncured beyond any applicable curative period provided in the applicable document; or

(e) The Borrower shall file a voluntary petition in bankruptcy under Title 11 of the United States Code, or an order for relief shall be issued against the Borrower in any involuntary petition in bankruptcy under Title 11 of the United States Code, or the Borrower shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief of debtors, or the Borrower shall seek or consent to or acquiesce in the appointment of any custodian, trustee, receiver, conservator or liquidator of the Borrower, or of all or any substantial part of its respective property, or the Borrower shall make an assignment for the benefit of creditors, or the Borrower shall give notice to any governmental authority or body of insolvency or pending insolvency or suspension of operation; or an involuntary petition in bankruptcy under Title 11 of the United States Code shall be filed against the Borrower and such petition shall not be dismissed within sixty (60) days of the filing thereof.

The provisions of paragraph (b) of this Section are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States of America or of the State of any of their departments, agencies, political subdivisions or officials, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, partial or entire failure of utilities, or any other cause or event not reasonably within the control of the Borrower, the Borrower is unable in whole or in part to carry out its agreements on its part herein contained, the Borrower shall not be deemed in default during the continuance of such inability. 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 agreements; provided, however, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Borrower, and the Borrower shall not be required to make settlement of strikes, lockouts and other industrial disturbances when such course is, in the judgment of the Borrower, unfavorable to the Borrower.

Section 18.02. Remedies.

(a) Whenever an Event of Default specified in Section 7.01 hereof (other than pursuant to subsection (a) or (c) thereof) shall have happened and be continuing, the Issuer and the Trustee, as the assignee and pledgee of the Issuer under the Indenture, shall have the following rights and remedies, subject to Sections 3.07 and 7.06 hereof and the terms of the Subordinate Intercreditor Agreement:

(1) Subject to the terms of the Subordinate Intercreditor Agreement, the Trustee may declare all Subordinate Loan Payments and all other amounts due from the Borrower pursuant to the terms of this Loan Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable. If the Trustee elects to exercise the remedy afforded in this Section 7.02(a), the amount then due and payable by the Borrower as accelerated payments shall be the sum of (A) the aggregate principal amount of the Bonds then Outstanding, (B) the total amount of accrued and unpaid interest on the Bonds to the date of their payment, (C) the amount of redemption premium (if any) and (D) an additional amount sufficient to pay and satisfy all other reasonable unpaid costs and obligations incurred or to be incurred by the Issuer and the Trustee in connection with the Project or such Event of Default and under this Loan Agreement or the Indenture.

(2) Subject to the terms of the Subordinate Intercreditor Agreement, the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect any sums then due and thereafter to become due hereunder or to enforce the observance or performance of any agreement of the Borrower hereunder and under the Indenture.

(3) Subject to the terms of the Subordinate Intercreditor Agreement, the Trustee may exercise any and all remedies available under the Indenture.

(b) Whenever an Event of Default specified in Section 7.01(a) (and not cured within five days) shall have happened and be continuing, the Trustee, as assignee and pledgee of the Issuer under the Indenture, shall (subject to the terms of the Subordinate Intercreditor Agreement) declare all Subordinate Loan Payments and all other amounts due hereunder to be immediately due and payable.

The Issuer and the Borrower acknowledge that the Issuer will assign to the Trustee simultaneously with the delivery of the Bonds all right, title and interest of the Issuer in this Loan Agreement (except for the Reserved Rights) and the Issuer agrees that upon the occurrence of an Event of Default hereunder or under the Indenture to take, or refrain from taking, but in either case at the expense of the Borrower, such action as shall be reasonably requested by the Trustee in respect to such Event of Default.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

Section 18.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof (unless expressly waived by the Trustee in accordance with the Indenture), but any such right or power may be exercised from time to time and as often as may be deemed expedient. The Trustee and the holders or owners of the Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of all agreements herein contained, other than the Reserved Rights of the Issuer.

Section 18.04. Attorneys' Fees and Expenses. Should an Event of Default occur and the Issuer or the Trustee employ attorneys or incur other expenses for the collection of sums due hereunder or the enforcement of the rights of the Issuer hereunder, the Borrower shall on demand pay to the Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 18.05. No Waiver of Rights. No failure by the Issuer, the Trustee or the Bondholders to insist upon the strict performance of any term, covenant, condition or provision of this Loan Agreement, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of Subordinate Loan Payments during the continuance of any such breach, shall constitute a waiver of any such breach or of such term, covenant, condition or provision or a waiver or relinquishment for the future of the right to insist upon and to enforce by an appropriate legal remedy the strict compliance with all the terms, covenants, conditions and provisions of this Loan Agreement, or of the right to exercise any such rights or remedies, if any breach by the Borrower be continued or repeated. No term, covenant, condition or provision of this Loan Agreement binding upon the Borrower, and no breach thereof, shall be waived, altered or modified, except in accordance with the Indenture. No waiver of any breach shall affect or alter this Loan Agreement, but every term, covenant, condition and provision of this Loan Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 18.06. Borrower's Remedies. In the event that the Issuer should fail to perform any of its obligations under the Loan Agreement, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance; provided that no such action shall seek to impose any personal pecuniary liability upon any member, officer, employee or agent thereof.

ARTICLE XIX

MISCELLANEOUS

Section 19.01. Issuer Officers Not Liable. The members, officers, employees and agents of the Issuer shall not be personally liable for any costs, losses, damages or liabilities caused or subsequently incurred by the Borrower or any officer, director or agent thereof in connection with or as a result of this Loan Agreement.

Section 19.02. Available Funds. When all the Bonds Outstanding shall have been redeemed or retired and all other obligations incurred or to be incurred by the Issuer in connection with the Project or under the Indenture or this Loan Agreement shall have been paid, or sufficient funds or Government Obligations are held in trust pursuant to the Indenture for the payment of all such obligations, and assuming the existence of no other resolutions or other agreements, imposing a continuing lien on the surplus funds hereinafter mentioned, any surplus funds remaining to the credit of the Bond Fund or any other fund or account thereunder shall be paid to the Borrower to the extent permitted by law and the terms of the Subordinate Intercreditor Agreement.

Section 19.03. Notices. All notices, certificates or other communications shall be deemed sufficiently given upon actual receipt when the same have been mailed by certified mail, postage prepaid, sent via a reliable overnight courier or telecopied and addressed to the Issuer, the Borrower or the Trustee at the respective addresses set forth in Section 11.03 of the Indenture. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day. A duplicate copy of each notice, certificate or other communication given hereunder shall also be given to the other parties to this Loan Agreement and, if a notice of default has been given pursuant to the Subordinate Intercreditor Agreement, to the Credit Provider (as defined in the Senior Indenture). The Issuer, the Borrower and the Trustee may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 19.04. Consents and Approvals. Whenever the written consent or approval of the Issuer or the Borrower, or any general partner thereof, shall be required under the provisions of this Loan Agreement, such consent or approval shall not be unreasonably withheld.

Section 19.05. Governing Law. This Loan Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 19.06. Multiple Counterparts. This Loan Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting but one and the same instrument.

Section 19.07. Severability. If any one or more of the covenants, agreements or provisions of this Loan Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of such covenants, agreements and provisions shall in no way affect the validity, enforceability or effectiveness of the remainder of this Loan Agreement, and this Loan Agreement shall continue in force to the fullest extent permitted by law.

Section 19.08. Holidays. If the date for making any payment hereunder or the last date for the performance of any act or the exercising of any right hereunder shall not be a Business Day in the place of such payment or the place where such act shall be taken or right exercised, such payment may, unless otherwise provided herein or in the Indenture, be made or act taken or right exercised on the next succeeding Business Day with the same force and effect as if made,

taken or exercised on the date required hereunder, and with respect to any such payment, no interest shall accrue for the period from and after the due date of such payment.