

NEW ISSUE/BOOK-ENTRY ONLY

EXPECTED RATING: S&P: "AA+"
(See "RATING" herein)

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax. Such interest also may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

\$22,000,000*

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES B
(PRAXIS OF DEERFIELD BEACH)**

CUSIP: _____ †

Price: ____% - Interest Rate: ____%

Dated: Date of Delivery

Maturity Date: August 1, 2022*
Mandatory Tender Date: August 1, 2021*

The above-captioned Bonds (the "Bonds") are being issued by the Housing Finance Authority of Broward County, Florida (the "Issuer") to fund a loan (the "Loan") to Praxis Venture LP, a Florida limited partnership (the "Borrower"). The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach and located in Deerfield Beach, Broward County, Florida (the "Development"), which property shall be occupied by persons of lower income as required by Florida law and the Code. The Issuer is issuing the Bonds pursuant to a Trust Indenture dated as of August 1, 2019 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Issuer will loan the proceeds of the Bonds to the Borrower pursuant to the terms of that certain Loan Agreement dated as of August 1, 2019 (the "Bond Loan Agreement") between the Issuer and the Borrower.

The Bonds will be issued as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of Bonds will be made in book-entry form only in principal amounts of \$5,000 each and integral multiples thereof. Individual purchasers of Bonds will not receive certificates evidencing their interest in the Bonds. So long as the Bonds are in book-entry form only, all payments of principal of and interest on the Bonds will be made by the Trustee to DTC or its successors. Disbursement of such payments from DTC to the DTC Participants is the responsibility of DTC and disbursement to the Holder is the responsibility of the DTC Participants. The Bonds will bear interest from their dated date, payable semiannually on February 1* and August 1* of each year, commencing February 1, 2020*. Principal of the Bonds will be payable (a) at the Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due, and (b) upon the request of any registered owner of Bonds on the applicable Record Date (as defined in the Indenture) having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds.

At all times the Bonds will be secured by Permitted Investments sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date. See "SECURITY FOR THE BONDS" herein. On the Closing Date, a FHA Lender Collateral Deposit to the Collateral Fund will be invested in Government Obligations maturing on or immediately prior to the Mandatory Tender Date.

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on August 1, 2021* (the "Mandatory Tender Date"). All Holders must tender their Bonds for purchase on the Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. See "THE BONDS – Mandatory Tender" herein.

The Bonds are not subject to redemption prior to the Mandatory Tender Date. See "THE BONDS - Redemption of Bonds." The maturity of the Bonds may be accelerated upon the occurrence of certain events as described herein. See "APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Acceleration" herein.

NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED BY THE ISSUER FOR THE PAYMENT THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL BE SOLELY THE OBLIGATIONS OF THE ISSUER AND NOT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL BE PAYABLE SOLELY OUT OF THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM THE FUNDS AND ACCOUNTS HELD UNDER AND PURSUANT TO THE INDENTURE AND SUCH OTHER PROPERTY CONSTITUTING THE TRUST ESTATE PLEDGED THEREUNDER. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

This cover page contains only a brief description of the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors must read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Nabors, Giblin & Nickerson, P.A., Bond Counsel, Tampa, Florida, and certain other conditions. Certain legal matters will be passed upon for the Issuer by its counsel, the County Attorney's Office of Broward County, Florida, Fort Lauderdale, Florida, for the Borrower by its counsel, Nelson Mullins Broad and Cassel, Orlando, Florida, and for the Underwriter by Norris George & Ostrow PLLC, Washington, D.C. It is anticipated that the Bonds will be available for delivery through DTC in New York, New York, on or about _____, 2019.

RBC CAPITAL MARKETS**RAYMOND JAMES**

Date: _____, 2019

* Preliminary; subject to change.

† The Issuer shall not be responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This Official Statement, including the cover page hereof, is provided for the purpose of setting forth information in connection with the issuance and sale of the Bonds. No dealer, broker, salesperson or other person has been authorized by the Issuer, the Borrower or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered herein, nor shall there be any sale of the Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Issuer, the Borrower and other sources which are believed to be reliable, but has not been independently verified, and such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer, the Borrower or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the Issuer, the Borrower, or any other parties described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Issuer has not approved any information in this Official Statement except information relating to the Issuer under the captions "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION - The Issuer" (as such information pertains to the Issuer), and takes no responsibility for any other information contained in this Official Statement (other than with respect to the description herein under the captions "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION - The Issuer" (as such information pertains to the Issuer).

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Bonds. Except for information under the heading "THE TRUSTEE," the Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE ISSUER FOR PURPOSES OF RULE 15c2-12 ("RULE 15c2-12") ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

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OFFICIAL STATEMENT

\$22,000,000*

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES B (PRAXIS OF DEERFIELD BEACH)

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to set forth information concerning the offering and sale by Housing Finance Authority of Broward County, Florida (the "Issuer") of its \$22,000,000* Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the "Bonds").

The Bonds are authorized to be issued pursuant to the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Ordinance No. 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the "Board"), on June 20, 1979 (the "Act"), and the Trust Indenture dated as of August 1, 2019 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Bonds are being issued for the purpose of funding a loan (the "Loan") to Praxis Venture LP, a Florida limited partnership (the "Borrower"), pursuant to the terms of a Loan Agreement dated as of August 1, 2019 (the "Bond Loan Agreement"), between the Issuer and the Borrower. The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach and located in Deerfield Beach, Broward County, Florida (the "Development"), as more fully described under "THE DEVELOPMENT AND THE PARTICIPANTS" herein. The Borrower's obligations to repay the Loan will be evidenced by a Promissory Note (the "Note") executed by the Borrower in favor of the Issuer and assigned to the Trustee. See "APPENDIX B - DOCUMENT SUMMARIES" herein.

The Development will be occupied by and held open for occupancy by persons of lower income as required by Florida law and by Section 142(d) of the Internal Revenue Code of 1986, as amended, pursuant to a Land Use Restriction Agreement, dated as of August 1, 2019, as amended by a HUD Rider (the "Land Use Restriction Agreement"), by and among the Issuer, the Trustee and the Borrower. See "THE DEVELOPMENT AND THE PARTICIPANTS" and "APPENDIX B - DOCUMENT SUMMARIES" herein. The Borrower is required to operate the Development in compliance with the Land Use Restriction Agreement, which contains certain representations, warranties and covenants concerning the operation thereof. Under the Land Use Restriction Agreement, the Borrower is required during the Qualified Project Period (as such term is defined in the Land Use Restriction Agreement), among other things, to lease at least 40% of the completed residential units in the Development to Lower-Income Persons (i.e., persons or families with an adjusted gross income that is at or below 60% of the area median income ("AMI") for the area in which the Development is located), as further described in the Land Use Restriction

* Preliminary; subject to change.

Agreement. In addition, at least 60% of the completed residential units in the Development must be leased to persons or families whose annual gross income does not exceed 150% of AMI. A failure to comply with certain of these requirements could result in the loss of the federal tax exemption on the Bonds retroactive to their date of issuance. See "CERTAIN BONDHOLDERS' RISKS - Taxability of the Bonds," "TAX MATTERS" and "APPENDIX B - DOCUMENT SUMMARIES" herein.

The Development will also be encumbered by certain rent and occupancy restrictions in connection with the low-income housing tax credits (the "Tax Credits") expected to be granted for the Development. See "THE DEVELOPMENT AND THE PARTICIPANTS - Additional Restrictive Covenants" herein.

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on August 1, 2021* (the "Mandatory Tender Date"). All Holders must tender their Bonds for purchase on the Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. See "THE BONDS – Mandatory Tender" herein.

The Bonds are not subject to redemption prior to the Mandatory Tender Date as set forth herein under "THE BONDS."

The disbursement of Bond proceeds from the Project Fund will be conditioned, among other things, on the prior deposit with the Trustee by Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (the "FHA Lender") of an equal amount of funds from the FHA Lender (the "FHA Lender Collateral Deposit"), pursuant to the Funding and Disbursement Agreement, dated as of August 1, 2019 (the "FHA Lender Disbursement Agreement"), by and among the FHA Lender, the Borrower and acknowledged by the Investor Limited Partner (as defined herein). The Bonds will be secured by funds held under the Indenture and a pledge of the loan payments made pursuant to the Bond Loan Agreement. At all times the Bonds will be secured by Permitted Investments sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date, as further described herein. See "SECURITY FOR THE BONDS" herein. On the Closing Date, a FHA Lender Collateral Deposit will be invested in Government Obligations maturing on or immediately prior to the Mandatory Tender Date. See "SECURITY FOR THE BONDS" and "APPENDIX B - DOCUMENT SUMMARIES" herein.

Principal and Interest payments due on the Bonds are to be made from funds and Permitted Investments on deposit in the Bond Fund, Project Fund and the Collateral Fund. Therefore, the security for the Bonds is the Project Fund, the Capitalized Interest Account of the Bond Fund, and the Collateral Fund, and the interest earnings thereon. See "SECURITY FOR THE BONDS"

* Preliminary; subject to change.

herein. The amounts deposited in the Capitalized Interest Account of the Bond Fund, the Project Fund and the Collateral Fund are to be invested in Permitted Investments, as defined in the Indenture. See "APPENDIX B - DOCUMENT SUMMARIES" herein. The sum of the Bond proceeds in the Project Fund plus amounts deposited in the Collateral Fund and the Capitalized Interest Account of the Bond Fund, as invested pursuant to the Indenture, shall at all times be sufficient to pay principal and interest on the Bonds as and when they become due to the Mandatory Tender Date.

The FHA Lender will make a loan in the aggregate principal amount not to exceed \$25,751,000* to the Borrower to provide permanent financing for the Development (the "FHA Lender Loan"). In connection with the FHA Lender Loan, the Borrower will execute a Note (Multistate) (the "FHA Note"). The Borrower's repayment obligations under the FHA Note will be secured by a first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) on the Development (the "FHA Lender Mortgage").

In no event shall the U.S. Department of Housing and Urban Development ("HUD") or the FHA Lender have any claim or lien upon the Trust Estate (as defined herein) and funds pledged to secure the repayment of the Bonds.

None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the FHA Lender Loan or under the FHA Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a (a) superior lien to the FHA Lender on the real estate on which the Development is located, or (b) a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the FHA Lender in connection with the FHA Lender Loan.

Definitions of certain terms used herein and not otherwise defined are set forth in Appendix A hereto. Brief descriptions of the Issuer, the Development, the Borrower, the use of proceeds of the Bonds and the Bonds together with descriptions of the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement are provided below. All information with respect to the Borrower, the Development and the private participants contained in this Official Statement has been furnished by the Borrower. The descriptions of the Bond Loan Agreement, the Indenture, the Land Use Restriction Agreement and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof included in the Indenture. See "MISCELLANEOUS" herein for the availability of those documents.

THE ISSUER

General

The Issuer is a public body corporate and politic created under the laws of the State of Florida. It was created by Ordinance No. 79-41 enacted by the Board on June 20, 1979, pursuant to the provisions of the Act. The Board is the principal legislative and governing body of Broward

* Preliminary; subject to change.

County, Florida, as provided by the Florida Constitution and Chapter 125 of the Florida Statutes. The Issuer was created for the purpose of addressing a housing shortage in Broward County, Florida by stimulating the construction and rehabilitation of housing through the use of public financing. Pursuant to the Act, the Issuer has the power to issue revenue bonds for the purposes described in the Act including, but not limited to, the purchasing of or making of commitments to purchase mortgage loans to stimulate the construction and rehabilitation of housing in the Issuer's area of operation.

The Issuer is authorized to finance and refinance multifamily rental housing projects, and since its inception, has issued approximately \$1,000,000,000 aggregate principal amount of revenue bonds for such purpose (the "Prior Bonds"). The Prior Bonds do not share in the security for the Bonds, and the Bonds will not be secured by the revenues relating to the projects financed by such Prior Bonds or the security for the Prior Bonds in connection with such projects.

Organization and Membership

The members of the Issuer and their terms of office are as follows:

| Member⁽¹⁾ | Beginning Date of Current Term | Ending Date of Current Term⁽²⁾ |
|------------------------------------|---------------------------------------|--|
| Milette Manos, Chair | August 14, 2018 | August 14, 2022 |
| Donna Jarrett-Mays, Vice Chair | December 11, 2012 | December 11, 2016 |
| Daniel D. Reynolds, Secretary | June 12, 2018 | June 12, 2022 |
| Ruth T. Cyrus, Assistant Secretary | September 25, 2018 | September 25, 2022 |
| Jose "Pepe" Lopez, Member | August 14, 2018 | August 14, 2022 |
| John G. Primeau, Member | December 1, 2018 | December 6, 2019 |
| Colleen LaPlant, Member | November 3, 2015 | November 3, 2019 |

⁽¹⁾ There are currently two (2) vacancies of the members of the Issuer.

⁽²⁾ Members whose terms have expired will continue to hold office until a qualified successor has been appointed.

Ralph Stone is currently the Director of Housing Finance and Community Redevelopment for Broward County, Florida. He also concurrently serves as the Executive Director of the Issuer. Mr. Stone has a Bachelor of Arts degree in English from the University of Central Florida and a Master's degree in Urban and Regional Planning from Florida State University. Mr. Stone has held a number of senior positions in local government in Florida, including City Manager, Assistant City Manager for Economic Development, Executive Director of Downtown Development Authority, Community Redevelopment Agency Executive Director and Planning Director supervising programs including Housing, Planning, Zoning, Building and Permits, Code Enforcement and Neighborhood Services. Mr. Stone has written or directed plans and/or programs that have received over thirty national or state awards in various areas of expertise, including the Governor's Award for the Best Large City Comprehensive Plan in the State of Florida. Mr. Stone has also provided private sector services as a sole proprietor and as a senior manager in a national Engineering, Environmental Sciences and Planning firm. Mr. Stone has been accepted by both Federal and State courts as an expert witness.

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

The Issuer's offices are located at 110 Northeast Third Street, Suite 201, Fort Lauderdale, Florida 33301; (Telephone (954) 357-4900). Zomermaand Financial Advisory Services, L.L.C. serves as financial advisor to the Issuer.

THE TRUSTEE

The Issuer has appointed The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, to serve as Trustee. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Borrower of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Borrower. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

SECURITY FOR THE BONDS

General

At all times the Bonds will be secured by Permitted Investments on deposit in the Proceeds Account of the Project Fund, the Collateral Fund, and/or the Bond Fund (including the Capitalized Interest Account therein) sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date, as further described herein. On the Closing Date, a FHA Lender Collateral Deposit will be invested in Government Obligations maturing on or immediately prior to the Mandatory Tender Date.

Pursuant to the Indenture, the Bonds are equally and ratably secured by a pledge of and lien on the following, which constitutes the Trust Estate: (a) all right, title and interest of the Issuer in and to all Revenues (as defined below), derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Bond Loan Agreement (other than the Unassigned Rights of the Issuer (as defined in Appendix A)), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate; (b) all right, title and interest of the Issuer in and to the Note (other than the Unassigned Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof; (c) any fund or account created under the Indenture except for the Cost of Issuance Fund, the Expense Fund and the Rebate Fund; (d) all right, title and interest of the Issuer in and to, and remedies under, the Bond Loan Agreement; and (e) all funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture. "Revenues" means all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement. The Bonds will not be secured by a mortgage, deed of trust or other security interest in the Development.

The Collateral Fund; Application of FHA Lender Collateral Deposit

On the Closing Date, the proceeds of the Bonds will be deposited in the Project Fund pursuant to the Bond Loan Agreement and the Indenture. On the Closing Date, the FHA Lender will irrevocably deposit \$22,000,000* into the Collateral Fund, pursuant to the FHA Lender Disbursement Agreement. Following the deposit of Bond proceeds into the Project Fund and the deposit of a FHA Lender Collateral Deposit into the Collateral Fund, Bond proceeds in an amount equivalent to such FHA Lender Collateral Deposit will be disbursed by the Trustee in accordance with the direction of Borrower and FHA Lender, to be applied to the Costs of the Development. Upon maturity of the Bonds, redemption prior to maturity, or the occurrence of an event of default under the Indenture and acceleration of maturity of the Bonds, the Trustee is authorized to apply moneys held in the Proceeds Account of the Project Fund, the Collateral Fund, and/or the Bond Fund (including the Capitalized Interest Account therein) to payment of interest and principal on the Bonds. Following the payment in full of principal of, premium, if any, and interest on the Bonds (together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same), then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Borrower, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Collateral Fund and all

* Preliminary; subject to change.

balances remaining in any other fund created under the Indenture and shall assign and transfer to the Borrower all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Borrower.

In no event shall HUD or the FHA Lender have any claim or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the FHA Lender Loan or under the FHA Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a (a) superior lien to the FHA Lender on the real estate on which the Development is located, or (b) a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the FHA Lender in connection with the FHA Lender Loan.

Nonrecourse Liability of Borrower

The Bond Loan Agreement provides that (a) the liability of the Borrower and the General Partner under the Bond Loan Agreement shall be limited to the Trust Estate, and such amounts as may be invested in accordance with the Indenture, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower or the General Partner under the Bond Loan Agreement shall be limited to the Development and moneys derived from the operation of the Development, and any other security so given for satisfaction thereof, and (b) no deficiency or other personal judgment shall be sought or rendered against the Borrower or the General Partner or their respective successors, transferees or assigns, in any action or proceeding arising out of the Bond Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing contained in the Bond Loan Agreement shall limit the Issuer's or the Trustee's ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or to any trustee under the Bond Loan Agreement, or both, or to exercise any right against the Borrower or the General Partner, on account of any claim for fraud or deceit, and against any other person or entity on account of any claim for fraud or deceit. Subject to Section 9.12 of the Bond Loan Agreement, notwithstanding anything else in the Bond Loan Agreement to the contrary, nothing in the provisions of the Bond Loan Agreement described in this section shall limit the rights of indemnification against the Borrower and the General Partner pursuant to the terms of the Bond Loan Agreement. Furthermore, notwithstanding anything to the contrary, the Borrower and the General Partner shall be fully liable for (i) amounts payable to the Issuer constituting Unassigned Rights of the Issuer, (ii) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, (iii) payment of the Issuer Fee, and (iv) any indemnification or payment obligations to the Issuer as more particularly described in the Bond Loan Agreement.

Limited Obligations of the Issuer

NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM (IF ANY),

OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND ASSETS PLEDGED BY THE ISSUER FOR THE PAYMENT THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL BE SOLELY THE OBLIGATIONS OF THE ISSUER AND NOT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL BE PAYABLE SOLELY OUT OF THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM THE FUNDS AND ACCOUNTS HELD UNDER AND PURSUANT TO THE INDENTURE AND SUCH OTHER PROPERTY CONSTITUTING THE TRUST ESTATE PLEDGED THEREUNDER. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

Investment of the Project Fund and the Collateral Fund

On the Closing Date, moneys on deposit in the Project Fund will be held by the Trustee uninvested until disbursed to the Borrower on the Closing Date in accordance with an approved Requisition.

Amounts on deposit in the Collateral Fund and the Bond Fund shall be invested at all times in Permitted Investments.

Pursuant to the terms of the Indenture, the Trustee is directed to, in advance for delivery on the Closing Date, subscribe for or purchase Government Obligations maturing on or before August 1, 2021* (the "Mandatory Tender Date"), with respect to the investment of certain amounts on deposit in the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein), the principal and interest of which, along with amounts on deposit in the Capitalized Interest Account, if any, will be sufficient to pay principal and interest on the Bonds when due. All interest earned from the foregoing investments shall be deposited in the Bond Fund. In the event that any investments in the Project Fund, the Bond Fund, or the Collateral Fund must be liquidated prior to the Mandatory Tender Date, such investments shall be liquidated under the Indenture.

The investment of the amounts held in the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein) is subject to the requirements of Section 148 of the Code and the Indenture requires compliance with such requirements. The Trustee may not sell any investment at a loss, unless being sold (a) pursuant to provisions of the Indenture requiring moneys in the Collateral Fund invested in Permitted Investments to be sold in the event such Permitted Investments fail to satisfy the requirements of the Indenture, or (b) in connection with an acceleration of the Bonds as described in "APPENDIX B - DOCUMENT SUMMARIES" herein.

* Preliminary; subject to change.

As long as no Event of Default shall have occurred and be continuing, the Borrower shall have the right to designate the investments to be sold and to otherwise direct the Trustee in the sale or purchase of the investments or the conversion to cash of the investments made with the moneys in the Collateral Fund provided that the Trustee shall be entitled to conclusively assume the absence of any such Event of Default unless it has notice thereof; if there has been an Event of Default, the Trustee shall have said right.

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

The following investments ("Permitted Investments") are permitted under the Indenture: (a) Direct obligations issued by the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, including, when available, time deposit SLGS, on which the full and timely payment of principal and interest is unconditionally guaranteed by the United States of America ("Government Obligations"), (b) money market funds rated "AAAm" by S&P that invest in Government Obligations, which funds are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended (including any money market funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such money market fund and receives reasonable compensation therefor), and (c) Fidelity Institutional Money Market Treasury Only - Class I as long as it is rated "AAAm" by S&P. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings or Permitted Investments after the initial purchase of such Permitted Investments.

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ESTIMATED SOURCES AND USES OF FUNDS*

The total Costs of the Development and the sources of funds to pay those costs are estimated by the Borrower as follows:

SOURCES OF FUNDS:

| | |
|---|---------------------|
| Proceeds of FHA Lender Loan | \$25,751,000 |
| Low-income Housing Tax Credit Equity [†] | \$11,990,000 |
| Seller Note | \$1,600,000 |
| Deferred Developer Fee | \$2,167,642 |
| Release of Latent Defects | \$179,669 |
| Total Sources of Funds | \$41,688,311 |

USES OF FUNDS:

| | |
|--|---------------------|
| Project Acquisition | \$24,000,000 |
| Total Construction Costs (including contingency) | \$8,247,016 |
| Predevelopment Costs | \$1,886,904 |
| Total FHA Lender Loan Closing & Financing Costs | \$535,486 |
| Total Bond Issuance Costs | \$513,037 |
| Project Reserves and Escrows | \$967,230 |
| Developer Fee | \$5,538,638 |
| Total Uses of Funds | \$41,688,311 |

[†] The Borrower expects to obtain a loan (the “Bridge Loan”) from Sterling Bank (the “Bridge Lender”) in the approximate principal amount of \$3,600,000*, in order to bridge a portion of the Tax Credit equity contributions.

The sources and uses of funds for the Development to be applied under the Indenture are estimated by the Borrower to be approximately as follows:

SOURCES:

| | |
|---|---------------------|
| Bond Proceeds | \$22,000,000 |
| FHA Lender Collateral Deposit | 22,000,000 |
| Capitalized Interest Deposit [†] | |
| Total Sources of Funds: | \$44,000,000 |

USES:

| | |
|--|---------------------|
| Deposit to Project Fund | \$22,000,000 |
| Deposit to Collateral Fund | 22,000,000 |
| Deposit to Capitalized Interest Account [†] | |
| Total Uses of Funds: | \$44,000,000 |

[†] The deposit to the Capitalized Interest Account has been calculated to be sufficient to pay, together with investment earnings on Permitted Investments deposited with the Trustee on the Closing Date, and without the need for reinvestment, interest which will become due on the Bonds to the Mandatory Tender Date.

* Preliminary; subject to change.

At closing, the FHA Lender will advance \$22,000,000* in principal amount of the FHA Lender Loan in the form of a FHA Lender Collateral Deposit with the Trustee for deposit to the Collateral Fund. The Bonds will be initially secured by their own proceeds to be deposited in the Project Fund under the Indenture. At closing, Bond proceeds will be disbursed for the account of the Borrower against a simultaneous deposit with the Trustee to the Collateral Fund by the FHA Lender of a FHA Lender Collateral Deposit of equal amount of such Bond proceeds to be disbursed. The Bonds will thus remain at all times 100% collateralized by Permitted Investments on deposit in the Collateral Fund, Project Fund and Bond Fund under the Indenture.

Tax Credits

Simultaneously with the issuance of the Bonds, the Borrower expects to sell to R4 PDFL Acquisition LLC, a Delaware limited liability company (the “Investor Limited Partner”) a 99.99% ownership interest in the Borrower so the Investor Limited Partner may acquire 99.99% of the Tax Credits available to the Borrower. The funding of the Tax Credit equity by the Investor Limited Partner is expected to total approximately \$11,990,000*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

Seller Note

Simultaneously with the closing of the Bonds, the Borrower will provide a note (the “Seller Note”) to Stafford Place Praxis Limited Partnership, a Florida limited partnership (the “Seller”) in the amount of \$1,600,000* as consideration for the remaining purchase price of the Project. The Seller Note is unsecured and interest will be payable from 75% available surplus cash flow after paying the deferred developer fee, investor fees, and other cash flow priority items. The Seller Note will bear interest at a rate of 6% per annum, and will mature on August 1, 2049*.

Bridge Loan

Simultaneously with the closing of the Bonds, the Bridge Lender will make the Bridge Loan in the approximate principal amount equal to \$3,600,000* to the Borrower. Proceeds of the Bridge Loan will be used to bridge a portion of the Tax Credit equity contributions. The Bridge Loan will be payable from future Tax Credit equity contributions, will be secured by a pledge of the developer fee, partnership interests and capital contributions, and will mature on August 1, 2020*. Interest on the Bridge Loan will be due monthly at a rate of 6.5% per annum.

THE DEVELOPMENT AND THE PARTICIPANTS

The Development

The Development consists of the renovation and permanent phase financing of a 224-unit multifamily rental housing development commonly known as Praxis of Deerfield Beach, located

* Preliminary; subject to change.

at 1450 SW 11 Way, Deerfield Beach, Florida 33441. The renovation of the Development is expected to begin on or about August 1, 2019 and be completed approximately 12 months later.

On-site amenities of the Development include a clubhouse building which includes offices, a club room, breakroom, media room, fitness center, laundry room, day lounge, and racquetball court.

Unit amenities include dishwasher, garbage disposal, dining room, and washer/dryer hookups.

| | <u>Number of Units</u> | <u>Composition</u> |
|--------------|------------------------|------------------------|
| | 192 | 1 Bedroom / 1 Bathroom |
| | 32 | 2 Bedroom / 1 Bathroom |
| Total | 224 | |

The Borrower and the Developer

The Borrower for the Development is Praxis Venture LP, a Florida limited partnership (the "Borrower"). The general partner of the Borrower is Affordable Housing Institute Inc, a Florida corporation (the "General Partner"), who will have a 0.001% ownership interest in the Borrower. Praxis Investments LLC, a Florida limited liability company (the "Class B Limited Partner") will have a 0.009% ownership interest in the Borrower; Sydne Garchik is the manager of the Class B Limited Partner. The Investor Limited Partner will have a 99.99% ownership interest in the Borrower.

Founded in 2015, MRK Partners Inc., a California corporation (the "Developer") has been in the business of acquiring, owning, and developing affordable apartment complexes. The Developer currently oversees a real estate portfolio valued in excess of \$382 million and has been involved in the development of more than 16 apartment complexes containing approximately 2,698 units across 4 states. These projects are primarily low income housing tax credit projects. Sydne Garchik is the sole owner of MRK Partners Inc., the asset manager of the property, and is the manager of the Class B Limited Partner.

The obligations and liabilities of the Borrower under the Note are of a non-recourse nature and are limited to the Development and moneys derived from the operation of the Development. Neither the Borrower nor its partners have any personal liability for payments on the Note.

Furthermore, no representation is made that the Borrower will have substantial revenues available from the Development. Accordingly, neither the Borrower's financial statements nor those of the General Partner or their affiliates have been included herein.

The Contractor

The general contractor for the Project is expected to be ZMG Construction Inc. (the "Contractor"). The Contractor has over 25 years of experience in renovating residential multifamily housing developments, and its principals have, collectively, over 40 years of such experience. The Contractor has completed over \$275 million in multifamily units in the last four years.

Any previous experience of the Contractor is no assurance that the Development will be successful.

Property Management

The Development will be managed by The Franklin Johnston Group (the "Property Manager"). The Property Manager was established in 2013 and currently manages over 16,482 multifamily units throughout the Mid-Atlantic and southeastern states.

Any previous experience of the Property Manager is no assurance that the Development will be successful.

The Land Use Restriction Agreement

At all times during the Qualified Project Period, not less than 40% of the residential units in the Development, other than those units occupied by the Borrower or an Affiliated Party (as such term is defined in the Land Use Restriction Agreement) to the Borrower shall be occupied (or held available for occupancy) on a continuous basis by persons or families who are Lower-Income Persons (as such term is defined in the Land Use Restriction Agreement). In addition, at least 60% of the completed residential units in the Development must be leased to persons or families whose annual gross income does not exceed 150% of AMI.

The Borrower will agree that each individual rental unit in the Development will be rented or held for rental on a first-come, first-served basis, to the general public on a continuous basis, subject to the restrictions in the Land Use Restriction Agreement. In addition, the Borrower will agree to the occupancy requirements described under this heading. See "APPENDIX B - DOCUMENT SUMMARIES."

The Land Use Restriction Agreement will also contain provisions for verifying compliance with the terms thereof. The provisions of the Land Use Restriction Agreement discussed herein are intended, among other things, to ensure compliance with the requirements of the Code with respect to the excludability of the interest on the Bonds from gross income. Upon any breach by the Borrower of any provisions of the Land Use Restriction Agreement, the Issuer or the Trustee may (in some cases only with the consent of FHA Lender) take such actions at law or in equity as deemed appropriate under the circumstances, including an action for specific performance of the Land Use Restriction Agreement, as described under the heading "APPENDIX B - DOCUMENT SUMMARIES." Such a breach by the Borrower may result in interest on the Bonds being included in gross income of the holders of the Bonds for purposes of federal income taxation as described in "CERTAIN BONDHOLDERS' RISKS - Taxability of the Bonds" and "TAX MATTERS."

Additional Restrictive Covenants

Low-Income Housing Tax Credits. In connection with the Tax Credits expected to be allocated to the Borrower in connection with the Development, the Borrower will execute an Extended Low-Income Housing Agreement for the Development in compliance with Section 42 of the Code (the "Extended Low-Income Housing Agreement"). The Extended Low-Income Housing Agreement extends the low-income housing tax credit targeting and rent restrictions for the Development under Section 42 of the Code for at least 15 years beyond the initial 15-year

compliance period, subject only to a few exceptions. The Extended Low-Income Housing Agreement will be executed by the Borrower and Florida Housing Finance Corporation before the end of the first year of the credit period (as defined in Section 42 of the Code) and recorded in the public records of the county in which the Development is located as a covenant running with the land. As the Borrower has agreed to set aside 224 of the units in the Development for low-income families, the Extended Low-Income Housing Agreement for the Development will, among other things, require that at least 100% percent of the occupied residential rental units in the Development must be occupied by or set aside for individuals or families whose income does not exceed 60% of the area median gross income for Broward County, Florida, adjusted for family size in accordance with Section 142(d) of the Code, and to charge rents which do not exceed 30% of the imputed income for the size of such tenant's apartment (subject to various adjustments).

Under the Code, the restricted use period terminates prior to its expiration date if the Development is acquired by foreclosure or deed in lieu thereof unless after foreclosure or deed in lieu of foreclosure a transfer is made to a person or entity related to the Borrower. Notwithstanding the foregoing, the Code requires that any termination of the extended use period due to foreclosure shall not permit, before the close of the three-year period following such foreclosure, (i) the eviction or termination of tenancy of a tenant without cause, or (ii) any increase in the gross rent of any such units not otherwise permitted by Section 42 of the Code.

Existing Phase II ELIHA. The Borrower will assume that certain Extended Low-Income Housing Agreement (for Phase II), dated July 8, 1995 and recorded November 26, 1996 in Official Records Book 25701, Page 383, of the Public Records of Broward County, Florida, as has been amended and assigned to date (the "Existing Phase II ELIHA"). The Existing Phase II ELIHA requires that at least 40% of the dwelling units must be leased, rented or made available on a continuous basis to persons or households whose incomes are 50% or less of the AMI (adjusted for family size), as determined by HUD and the remaining 60% of the dwelling units must be leased, rented or made available on a continuous basis to persons or households whose incomes are 60% or less of the AMI (adjusted for family size), as determined by HUD. The Existing Phase II ELIHA remains in effect until fifty (50) years after the issuance of the final tax credit allocation with respect to such building.

Existing Phase III ELIHA. The Borrower will assume that certain Extended Low-Income Housing Agreement (for Phase III), dated as of July 21, 1999 and recorded August 20, 1999 in Official Records Book 29773, Page 734, of the Public Records of Broward County, Florida, as has been amended and assigned to date (the "Existing Phase III ELIHA"). The Existing Phase III ELIHA requires that 100% of the dwelling units must be leased, rented or made available on a continuous basis to persons or households whose incomes are 60% or less of the AMI (adjusted for family size), as determined by HUD. The Existing Phase III ELIHA remains in effect until fifty (50) years after the issuance of the final tax credit allocation with respect to such building.

HOME Land Use Restriction Agreement. The Development is subject to a Land Use Restriction Agreement for the HOME Investment Partnership Program (the "HOME Land Use Restriction Agreement") dated April 12, 1995, covering 96 units, all one bedroom one bathroom units, for a period of 50 years from when the first unit was occupied. The HOME Land Use Restriction Agreement restricts 60% of the units in the Project to be leased, rented, or made available on a continuous basis for rental to persons or households whose incomes are 60% or less

of the area median gross income for the area adjusted for family size, and not less than 40% of the remaining units in the Development shall be leased, rented or made available on a continuous basis for rental to persons or households whose incomes are 50% or less of the area median gross income for the area in which the Development is located, adjusted for family size as determined by HUD. The Borrower's purchasing the property subject to the HOME Land Use Restriction Agreement and assuming the obligations thereunder.

In the event of any conflict among these regulatory agreements or use agreements, the more restrictive provisions of the Land Use Restriction Agreement, the Extended Low-Income Housing Agreement, Existing Phase II ELIHA, Existing Phase III ELIHA or the HOME Land Use Restriction Agreement are expected to control.

THE BONDS

The following is a summary of certain provisions of the Bonds. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Bond, a copy of which is on file with the Trustee.

General

The Bonds will be dated and will bear interest from their dated date at the rate per annum, will be in the principal amount, will be subject to mandatory tender on the date, and will mature on the date set forth on the front cover of this Official Statement. Interest on the Bonds will be payable initially on February 1, 2020* and semiannually thereafter on February 1* and August 1* of each year until maturity. Principal of the Bonds will be payable (i) at the Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due, and (ii) upon the request of any registered owner of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee. If the date of payment of principal or interest on the Bonds shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

The Bonds will be issued in book-entry form only in denominations of \$5,000 and integral multiples thereof and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). See "THE BONDS - Book-Entry Only System" below.

Redemption of Bonds

The Bonds are not subject to redemption prior to the Mandatory Tender Date.

On and after the Mandatory Tender Date, the Bonds may be redeemed, in whole but not in part, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, which date, if any, shall be a Business Day determined by the Borrower in consultation with the Remarketing Agent, in the event the Borrower exercises the option to prepay

* Preliminary; subject to change.

the Note and amounts are paid from the proceeds of refunding bonds or otherwise from Preference Proof Moneys upon the written direction of the Borrower delivered to the Issuer and the Trustee. Notwithstanding the foregoing, the Bonds shall not be subject to redemption pursuant to this section until the Borrower has provided written notice to the Trustee that the Development has been placed in service under Section 42 of the Code.

Notice of Redemption

The Bonds shall be called for optional redemption pursuant to the provisions described under the caption “Redemption of Bonds” above by the Trustee upon receipt by the Trustee and the Issuer, at least 25 days prior to the redemption date (unless a shorter notice shall be satisfactory to the Trustee), of a certificate of the Borrower specifying the provision or provisions of the Indenture pursuant to which such Bonds are to be called for redemption. In the case of every redemption, the Trustee shall cause notice of such redemption to be given by mailing by first class mail postage prepaid a copy of the redemption notice to the Bondholders designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 30 nor less than 20 days prior to the redemption date, provided, however, that failure to receive such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds. So long as the Bonds are in book entry form, notice of redemption will be given by the Trustee only to DTC or its successor. Redemption is conditioned upon the Trustee having sufficient moneys on deposit in the Project Fund and the Collateral Fund, on or prior to the redemption date, to redeem all of the Bonds called for redemption, and if the Trustee does not have sufficient funds for this purpose, no Bonds shall be redeemed. The Trustee shall furnish the Borrower, the Investor Limited Partner, the Issuer, the Remarketing Agent and the Rating Agency with a copy of each notice of redemption given with respect to any optional redemption under the Indenture, as soon as practicable after the delivery of notice to the Bondholders.

Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. Each notice of redemption may also state that the redemption is conditioned on receipt of sufficient moneys for such redemption by the Trustee on or prior to the redemption date; if sufficient moneys are not so received, the redemption of the Bonds for which notice was given shall not be made.

Mandatory Tender

The Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date and shall be purchased at a price equal to 100 percent of the principal amount of such Bonds, plus accrued interest, if any, to the Mandatory Tender Date, and without premium. No later than 10:00 a.m. Eastern time, on the Mandatory Tender Date, the Holders shall deliver the Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Eastern time on the Mandatory Tender Date, in the following priority; (i) amounts representing proceeds of remarketed Bonds received pursuant to the Indenture, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund and the Project Fund, to pay the principal amount

of Bonds tendered for purchase, (iii) amounts on deposit in the Capitalized Interest Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase, and (iv) any other Preference Proof Moneys available or made available for such purpose at the direction of the Borrower Representative.

In the event that the conditions set forth in the Indenture are not satisfied and/or the Trustee shall not have received remarketing proceeds on the Mandatory Tender Date equal to the principal amount of the Bonds Outstanding on such date, the Bonds shall be purchased in whole on the Mandatory Tender Date using amounts on deposit in the Collateral Fund, the Project Fund and the Bond Fund, and, immediately following such purchase, the Bonds shall be deemed redeemed on the Mandatory Tender Date and cancelled by the Trustee.

Not less than 30 days before the Mandatory Tender Date, the Trustee shall give written notice of tender and remarketing to the Holders by first class mail, postage prepaid, at their respective addresses appearing on the Bond Register. The notice shall state the Mandatory Tender Date and that:

(1) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date and must be tendered for purchase on the Mandatory Tender Date;

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

(3) Holders will not have the right to elect to retain their Bonds and any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date; and

(4) the address of the office of the Trustee at which Holders should deliver their Bonds for purchase on the Mandatory Tender Date.

If notice is given as stated in the Indenture, failure of any Holder to receive such notice, or any defect in the notice, shall not affect the remarketing or the validity of the proceedings for the remarketing of the Bonds.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, DTC will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book entry interests in the Bonds (book entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in actual ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and debt service payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Under such circumstances in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that: (i) DTC is unable to

discharge its responsibilities with respect to the Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Bonds. In the event that no substitute securities depository is found by the Issuer, or restricted registration is no longer in effect, Bond certificates will be delivered as described in the Indenture.

With regard to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Trustee will have no responsibility or obligation to any Direct Participant or to any Indirect Participant. Without limiting the preceding sentence, the Issuer and the Trustee will have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Direct Participant or Indirect Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Direct Participant or Indirect Participant or any other person, other than Cede & Co., as nominee of DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Direct Participant or Indirect Participant or any person, other than Cede & Co., as nominee of DTC, of any amount with respect to principal of, premium, if any, or interest on, the Bonds.

CERTAIN BONDHOLDERS' RISKS

The following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. The Bonds are payable from the payments to be made by the Borrower under the Bond Loan Agreement and the Note and from amounts on deposit in the Capitalized Interest Account of the Bond Fund, the Project Fund and the Collateral Fund, and the investment earnings thereon.

Limited Security

The Bonds are special, limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture, including the Bond Fund and the Collateral Fund. See "SECURITY FOR THE BONDS - Limited Obligations of the Issuer" herein. The Bonds will not be secured by a mortgage, deed of trust or other security interest in the Development.

FHA Lender Collateral Deposit; Disbursement of FHA Lender Loan Proceeds

As described under the heading "SECURITY FOR THE BONDS - The Collateral Fund; Application of FHA Lender Collateral Deposit" above, the FHA Lender Collateral Deposit will be disbursed and deposited into the Collateral Fund under the Indenture as a condition precedent to the disbursement of the Bond proceeds in an equal amount to pay a portion of the costs of acquiring, rehabilitating and equipping the Development. In order to have FHA Lender initiate the transfer of the FHA Lender Collateral Deposit into the Collateral Fund the Borrower will be required to satisfy any agreements relating to the FHA Lender Loan. Failure of the Borrower to satisfy additional future conditions could result in the FHA Lender's suspending payments from the reserve account held under the FHA Lender Disbursement Agreement until the conditions have been satisfied which, in turn, could result in the inability of the Borrower to pay the costs of completing the Development. However, such a failure to complete the Development would not affect the security for the Bonds or cause a default on the Bonds.

Exercise of Legal Remedies

The ability of the Issuer to enforce its rights or exercise its remedies upon default under the Bond Loan Agreement is dependent upon regulatory and judicial actions which may be subject to discretion and delay. Under existing law and judicial decisions (including laws relating to bankruptcy), the remedies provided for under the Documents may not be readily available or may be limited.

Taxability of the Bonds

THE BONDS ARE NOT SUBJECT TO ACCELERATION OR REDEMPTION UPON ANY DETERMINATION OF TAXABILITY OF INTEREST ON THE BONDS. IN ADDITION, THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT BY REASON OF THE INTEREST ON THE BONDS BEING INCLUDED IN GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION. Such event could occur if the Borrower (or any subsequent owner of the Development) does not comply with the provisions of the Land Use Restriction Agreement, certain other tax-related agreements executed in connection with the Bonds, and the Bond Loan Agreement, which are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes. Under such circumstances, interest on the Bonds might become subject to federal income taxation retroactive to the date of issuance or some other subsequent date. See "APPENDIX B - DOCUMENT SUMMARIES" and "TAX MATTERS" herein.

Rating Based on Permitted Investments

The rating on the Bonds is based upon the Bonds being fully secured by Permitted Investments held in the Trust Estate. If one or more of such investments fail to meet the rating standards for Permitted Investments after their purchase and prior to their maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

TAX MATTERS

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Nabors, Giblin, & Nickerson, P.A., Tampa, Florida, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix C.

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer or the Borrower's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Borrower have covenanted in the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Borrower with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes. Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer and the Borrower in the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Bonds and of the property refinanced thereby), without undertaking to verify the same by independent investigation.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences. For example, ownership of the Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry Bonds, (2) the branch profits tax and (3) the inclusion of interest on the Bonds in passive income for certain S corporations. In addition, the interest on the Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Bonds should consult their tax advisors as to the income tax status of interest on the Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. For example, proposals have been discussed in connection with deficit spending reduction, job creation and other tax reform efforts, that could significantly reduce the benefit of, or otherwise effect the exclusion from gross income of, interest on obligations such as the Bonds. The further introduction or enactment of one or more of such proposals could affect the market price or marketability of the Bonds. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Bonds.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. A purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bonds and will increase its adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

Certain of the Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal

income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bonds, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

UNDERWRITING

RBC Capital Markets, LLC ("RBC") and Raymond James & Associates, Inc. ("Raymond James," and together with RBC, the "Underwriter") have agreed, subject to certain conditions, to purchase the Bonds from the Issuer at an aggregate purchase price of \$ _____ and to make a public offering of the Bonds at a price that is not in excess of the public offering price stated on the cover page of this Official Statement. The Underwriter will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter will receive an underwriting fee for its services in the amount of \$ _____ (which amount does not include the fees and expenses of its counsel).

The Underwriter and its affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriter and its affiliates may engage in transactions for its own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or Borrower. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter does not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the underwriter does not guarantee the accuracy or completeness of such information.

In addition to serving as Underwriter, RBC has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with the remarketing, if any, of the Bonds on the Mandatory Tender Date.

RBC will also serve as bidding agent for certain of the Permitted Investments to be purchased with amounts on deposit in the Project Fund, Collateral Fund and Bond Fund under the Indenture. For this service, RBC will be compensated a fee of \$7,500 by the provider of such Permitted Investments. This fee is separate from and in addition to the fee set forth above for underwriting the Bonds.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Bonds, the Issuer, the Borrower and the Underwriter are being represented by the attorneys or law firms identified below under the heading "CERTAIN LEGAL MATTERS." In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower or the Underwriter or their affiliates, in capacities different from those described, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Borrower and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

RATING

The Bonds are expected to be assigned a rating of "AA+" by S&P Global Ratings ("S&P," and in its capacity as rating agency for the Bonds, the "Rating Agency"). No assurance can be given that the rating of the United States of America will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P. Any such downward revision or withdrawal of the rating of the United States of America may have an adverse effect on the market price of the Bonds.

The rating expected to be assigned to the Bonds described above reflects only the view of the Rating Agency, and an explanation of the significance of such rating may be obtained from the Rating Agency at 55 Water Street, 38th Floor, New York, New York 10041-0003. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency if in the judgment of the Rating Agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Any desired explanation of the significance of the rating should be obtained from the Rating Agency. Certain information and materials not included in this Official Statement were furnished to the Rating Agency. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agency.

The rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered, suspended or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Any such change in, suspension or withdrawal of such rating could have an adverse effect on the market price of the Bonds if a registered owner attempts to sell the same.

The Issuer has not assumed any responsibility either to notify the owners of any proposed change in, suspension or withdrawal of such rating subsequent to the date of this Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision, suspension or withdrawal.

SUBORDINATION TO FHA LENDER LOAN DOCUMENTS AND PROGRAM OBLIGATIONS

The Indenture, the Bond Loan Agreement, the Note, and the Land Use Restriction Agreement (the "Bond Financing Documents") provide that, notwithstanding anything in such documents to the contrary, the Bond Financing Documents will be subordinate to the FHA Lender Loan Documents. In the event of any conflict between the provisions of the Bond Financing Documents and the FHA Lender Loan Documents or the Program Obligations (as defined in the FHA Lender Mortgage), the FHA Lender Loan Documents or the Program Obligations will control. Enforcement of the Bond Financing Documents will not result in any claim against the Development, the FHA Lender Mortgage proceeds, any reserve or deposit required by HUD in connection with the FHA Lender Mortgage, or the rents or other income from the Development (except "surplus cash," as defined in the HUD Regulatory Agreement). No assurance can be made that such provision will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes. In no event shall HUD or the FHA Lender have any claim to or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the execution and delivery of the Indenture and the Bond Loan Agreement are subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, Tampa, Florida, which will be furnished at the expense of the Borrower (the "Bond Counsel Opinion"). See "APPENDIX C - FORM OF BOND COUNSEL OPINION" hereto. Certain legal matters will be passed upon for the Issuer by its counsel, the County Attorney's Office of Broward County, Florida, Fort Lauderdale, Florida, for the Borrower by its counsel, Nelson Mullins Broad and Cassel, Orlando, Florida, and for the Underwriter by Norris George & Ostrow PLLC, Washington, D.C. Fees and expenses of certain of the above-mentioned counsel are contingent upon the issuance of the Bonds.

Nabors, Giblin & Nickerson, P.A., whose legal services as Bond Counsel have been retained by the Issuer, will opine on the date of issuance of the Bonds with regard to the exclusion from gross income of interest on the Bonds. See "TAX MATTERS" herein. The proposed text of the legal opinion is set forth in Appendix C. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery of the Bonds. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

In rendering its approving opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NO LITIGATION

The Borrower

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Borrower or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the exclusion of interest on the Bonds from the gross income, for federal income tax purposes, of the owners of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

The Issuer

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the validity or enforceability of the Bonds, the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

CONTINUING DISCLOSURE

The Borrower will enter into a Continuing Disclosure Agreement dated as of August 1, 2019 (the "Continuing Disclosure Agreement") with the Trustee, acting as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Development to the Municipal Securities Rulemaking Board annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, of certain enumerated events for the benefit of the beneficial owners and Holders of any of the Bonds, pursuant to the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the "Rule"). See "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT."

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Indenture or Bond Loan Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower has not, to the Borrower's knowledge, failed to make the disclosures required by the Rule pursuant to any continuing disclosure undertaking contractually entered into with respect to which the Borrower's principals constitute "obligated persons" under the Rule. The Borrower is a new entity and has not heretofore been subject to such requirements.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, the Issuer and the Owners of the Bonds upon an Event of Default under the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies provided for under the Federal Bankruptcy Code, the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture may not be readily available or may be limited.

In addition, the Bond Loan Agreement and the Land Use Restriction Agreement both provide that the payment obligations of the Borrower contained in such agreements (other than certain obligations to the Issuer and the Trustee individually and not on behalf of the Owners of the Bonds) will be limited obligations payable solely from the income and assets of the Borrower, and that no member of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors

generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Banking and Finance, Division of Securities, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the Issuer after December 31, 1975. Rule 69W-400.003 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by amounts on deposit under the Indenture and by other security discussed herein. The Bonds are not being offered on the basis of the financial strength of the Issuer. Accordingly, the Issuer, in good faith, believes that disclosure of any such default on bonds with respect to which the Issuer was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor in the Bonds.

VERIFICATION REPORT

Causey Demgen & Moore, certified public accountants (the "Verifier"), concurrently with the issuance of the Bonds, will deliver to the Underwriter its verification report indicating that it has verified the arithmetical accuracy of certain computations provided by the Underwriter relating to the computation of forecasted receipts of principal and interest on the obligations and certain cash deposited as security for the Bonds, and the forecasted payments of principal and interest to pay the Bonds at their redemption or maturity dates. All such computations have been based solely upon assumptions and information supplied by the Underwriter. The Verifier restricted its procedures to verifying the arithmetical accuracy of the computations described above and has not made any study or evaluation of the assumptions and information on which the computations are based, and the Verifier has not expressed any opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcomes.

FINANCIAL ADVISOR

The Issuer has retained Zomermaand Financial Advisory Services, L.L.C., Tampa, Florida, as financial advisor (the "Financial Advisor") to the Issuer in connection with the preparation of the Issuer's plan of financing and with respect to the authorization and issuance of the Bonds. Although the Financial Advisor assisted in the preparation of this Official Statement, the Financial Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

MISCELLANEOUS

Copies of the Indenture, the Bond Loan Agreement, the Note and the Land Use Restriction Agreement are on file at the office of the Trustee and are available for inspection upon request.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer or the Borrower and the purchasers or holders of any of the Bonds.

The Issuer makes no representations with respect to any information in this Official Statement other than the information under the headings "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION - The Issuer."

This Official Statement has been approved by the Issuer and the Borrower for distribution to current Bondholders and potential purchasers of the Bonds.

[SIGNATURE PAGE TO FOLLOW]

[SIGNATURE PAGE TO OFFICIAL STATEMENT - PRAXIS OF DEERFIELD BEACH]

PRAXIS VENTURE LP, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida not-for-profit corporation, its general partner

By: _____

Name: _____

Title: _____

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APPENDIX A

DEFINITIONS

"Act" shall mean the Florida Housing Finance Authority Law, Sections 159.601 et seq., Florida Statutes, as amended.

"Arbitrage Certificate" means the Certificate As To Arbitrage and Certain Other Tax Matters, dated the Closing Date, executed by the Issuer in connection with the issuance of the Bonds.

"Arbitrage Rebate Agreement" means the Arbitrage Rebate Agreement, dated as of August 1, 2019, among the Issuer, the Trustee and the Borrower in connection with the issuance of the Bonds.

"Board" means the Board of County Commissioners of Broward County, Florida.

"Bond" or "Bonds" means the Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) issued, authenticated and delivered under the Indenture.

"Bond Counsel" means nationally recognized bond counsel selected by the Issuer.

"Bond Documents" means, with respect to the Bonds, the Bonds, the Indenture, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Continuing Disclosure Agreement, the Arbitrage Rebate Agreement, the Tax Certificates, the FHA Lender Disbursement Agreement and any and all documents executed in connection with the Bonds.

"Bond Fund" means the Bond Fund created under the Indenture.

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

"Bond Loan Agreement" means the Loan Agreement, dated as of August 1, 2019, by and between the Issuer and the Borrower and any and all supplements thereto, pursuant to which the Loan is being made to the Borrower.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated _____, 2019, among the Issuer, the Borrower and the Underwriter.

"Bond Registrar" has the meaning assigned to it in the Indenture.

"Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a

book-entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with the physical bond certificates "immobilized" in the custody of the Securities Depository.

"Borrower" means Praxis Venture LP, a Florida limited partnership, duly organized and existing in the State of Florida, its successors and assigns.

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

"Borrower Costs of Issuance Account" means the account by that name created in the Cost of Issuance Fund pursuant to the Indenture.

"Borrower Documents" means the Bond Loan Agreement, the Note, the Proceeds Certificate, the Arbitrage Rebate Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement, the Guarantor Documents and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Bond Loan Agreement.

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

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

"Bridge Loan" means the loan made by Sterling Bank to the Borrower in the principal amount of \$3,600,000*, the proceeds of which will be used to bridge one or more of the Investor Limited Partner's capital contributions of low-income housing tax credit equity to the Borrower to pay certain Costs of the Development in connection with the financing of the acquisition, rehabilitation and equipping thereof.

"Business Day" or "business day" means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, Jacksonville, Florida or in the city in which the Trust

* Preliminary; subject to change.

Office of the Trustee, or the office of the Trustee is located, are not required or authorized by law or executive order to close for business, and (b) the New York Stock Exchange is not closed.

"Capitalized Interest Account" means the account by that name created in the Bond Fund pursuant to the Indenture.

"Class B Limited Partner" means Praxis Investments LLC, a Florida limited liability company, the special limited partner of the Borrower.

"Closing Date" means the date of delivery of the Bonds in exchange for the purchase price thereof and shall be the same date as the Effective Date of the FHA Lender Disbursement Agreement.

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

"Collateral Fund" means the Collateral Fund created pursuant to the Indenture.

"Completion Certificate" means a certificate submitted by the Borrower Representative (on behalf of the Borrower) to the Issuer and the Trustee as provided in the Indenture and the Bond Loan Agreement.

"Completion Date" means the date upon which the Completion Certificate is delivered by the Borrower to the Issuer and the Trustee, which is anticipated to be August __, 2020.

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

"Construction Draw Date" means the date on which a disbursement from the Project Fund shall be made solely to pay acquisition, rehabilitation and equipping Costs of the Development.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of August 1, 2019 between the Borrower and the Dissemination Agent.

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

"Cost of Issuance Fund" means the Cost of Issuance Fund created pursuant to the Indenture.

"Costs of Issuance" means, collectively, the Issuer Costs of Issuance and the Borrower Costs of Issuance.

"Costs of Issuance Deposit" means \$_____.

"Costs of the Development" with respect to the Development shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

"Credit Underwriting Report" means the Housing Finance Authority of Broward County, Florida Readiness Review Report dated May 1, 2019 prepared by First Housing Development Corporation of Florida and any updates as approved by the Issuer.

"Default" means any Default under the Bond Loan Agreement as specified and defined therein.

"Development" means the multifamily rental housing development known as Praxis of Deerfield Beach, which consists of 224 apartment units and related facilities to be located in Deerfield Beach, Broward County, Florida.

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

"Dissemination Agent Fee" means a portion of the Trustee's Fee payable to The Bank of New York Mellon Trust Company, N.A., in its capacity as Dissemination Agent pursuant to the Continuing Disclosure Agreement.

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

"Effective Date" shall mean the date the FHA Lender Disbursement Agreement is effective.

"Environmental Indemnity" means the Environmental Indemnity Agreement, dated as of August 1, 2019, from the Guarantors, jointly and severally, in favor of the Issuer and the Trustee.

"Event of Default" or "Default" means, when used in the Indenture, those events of default or defaults specified therein and, when used in the Bond Loan Agreement, those events of default or defaults specified therein.

"Expense Fund" means the fund by that name created and established pursuant to the Indenture.

"FHA Commitment" means the Commitment for Insurance dated June 17, 2019, between the FHA Lender and the Borrower regarding the terms and conditions of the FHA Lender Loan.

"FHA Lender" means Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company, and its successors and assigns.

"FHA Note" means the \$25,751,000* Note (Multistate) dated as of August 1, 2019, from Borrower to the FHA Lender to evidence its indebtedness under the FHA Lender Loan and endorsed by HUD.

"FHA Lender Collateral Deposit" shall have the meaning given to such term in the Indenture.

"FHA Lender Disbursement Agreement" means the Funding and Disbursement Agreement, dated as of August 1, 2019, among the FHA Lender, the Borrower and acknowledged by the Investor Limited Partner.

"FHA Lender Loan" means the loan made by the FHA Lender to the Borrower in the original principal amount not to exceed \$25,751,000* pursuant to the FHA Lender Disbursement Agreement, as evidenced by the FHA Note and secured by the FHA Lender Mortgage.

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

"FHA Lender Mortgage" means the first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) dated as of August 1, from Borrower for the benefit of the FHA Lender to secure the repayment of the FHA Note.

"General Partner" means Affordable Housing Institute, Inc., a Florida not-for-profit corporation, as general partner of the Borrower.

"GNMA" means the Government National Mortgage Association.

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

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

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

* Preliminary; subject to change.

"Guarantor" and "Guarantors" means, individually and collectively, the Borrower, MRK Partners, Inc., Russell Family Trust, and Sydne M. Garchik, individually, together with their respective permitted successors and assigns.

"Guarantor Documents" means, collectively, the Environmental Indemnity and the Guaranty of Recourse Obligations.

"Guaranty of Recourse Obligations" means the Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, dated as of August 1, 2019, from the Guarantors, jointly and severally, in favor of the Issuer and the Trustee.

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

"Hazardous Materials Law" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to Borrower or to the Development. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, and their state analogs, including laws of the State.

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

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

"Indemnitors" means the Guarantors.

"Indenture" means the Trust Indenture, dated as of August 1, 2019, between the Issuer and the Trustee, and any and all Supplements thereto, authorizing the issuance of the Bonds.

"Independent" means any person not an employee or officer of the Borrower or its affiliates.

"Interest Payment Date" means each February 1* and August 1*, beginning February 1, 2020*.

"Investor Limited Partner" means R4 PDFL Acquisition LLC, a Delaware limited liability company, and its permitted successors and assigns in their capacity as the investor limited partner of the Borrower.

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

"Issuer Costs of Issuance" means the fees, costs and expenses incurred by the Issuer in connection with the issuance of the Bonds, payable from the Issuer Costs of Issuance Account.

"Issuer Costs of Issuance Account" means the Account by that name created in the Cost of Issuance Fund pursuant to the Indenture.

"Issuer Documents" means the Bond Loan Agreement, the Indenture, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Certificate As To Arbitrage and Certain Other Tax Matters, the Arbitrage Rebate Agreement and any and all documents, agreements or instruments executed by the Issuer in connection with the Loan evidenced by the Bond Loan Agreement.

"Issuer Fee" means, collectively, the Issuer Closing Fee and the Ongoing Issuer Fee.

"Issuer Closing Fee" means the (i) Issuer's one (1) time initial issuance fee in the amount equal to fifty basis points (0.50%) of the original principal amount of the Loan, as evidenced by the Note, for a total of \$110,000*, (ii) Issuer's indemnification fee of \$20,000*, and (iii) Issuer's counsel fee of \$5,000*, all of which shall be payable to the Issuer by the Trustee on the Closing Date from amounts on deposit in the Issuer Cost of Issuance Account of the Cost of Issuance Fund pursuant to the Indenture.

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

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated August 1, 2019 by and among the Issuer, the Trustee and the Borrower relating to the Bonds and containing certain occupancy and income restrictions on the Development required by the Code, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

* Preliminary; subject to change.

"Loan" means the loan in the principal amount of \$22,000,000* made by the Issuer to the Borrower evidenced by the Note, described in the Bond Loan Agreement and made in connection with the issuance of the Bonds.

"Loan Documents" means the Bond Loan Agreement and the Note.

"Mandatory Tender Date" means August 1, 2021.*

"Maturity Date" means August 1, 2022.*

"Non-Critical Repair Escrow" means that non-critical repair escrow created pursuant to the Escrow Agreement for Non-Critical, Deferred Repairs (form HUD-92476.1M) by and between the Borrower and FHA Lender and held by the FHA Lender.

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

"Official Statement" means the Official Statement dated _____, 2019, relating to the Bonds.

"Ongoing Issuer Fee" means the annual program administration fee of the Issuer, payable in advance by the Borrower to the Trustee for payment to the Issuer in the amount of eighteen basis points (0.18%) per annum of the outstanding principal amount of the Loan (calculated on the Business Day prior to any principal reduction of the Loan). The first payment of the Ongoing Issuer Fee shall be payable on the Closing Date for the period beginning on the Closing Date and ending on July 31, 2020. Thereafter, the Ongoing Issuer Fee shall be payable in semi-annual installments on each February 1* and August 1*, with the first semi-annual payment due and payable on February 1, 2020*; provided, however, that such fee does not include amounts due, if any, for extraordinary services and expenses of the Issuer, the Trustee, Bond Counsel, the Issuer's counsel, or the Trustee's counsel to be paid by the Borrower pursuant to the Bond Loan Agreement.

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

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

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

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

* Preliminary; subject to change.

"Partnership Agreement" means the First Amended and Restated Limited Partnership Agreement of the Borrower, dated August 1, 2019, as may be amended and supplemented from time to time.

"Permitted Investments" means (i) Government Obligations, (ii) to the extent permitted in the Indenture, money market funds rated "AAAm" by S&P that invest in Government Obligations, which are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended (including any money market funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such money market fund and receives reasonable compensation therefor), and (iii) Fidelity Institutional Money Market Treasury Only - Class I as long as such is rated "AAAm" by S&P. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings or Permitted Investments after the initial purchase of such Permitted Investments.

"Person" shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

"Plans and Specifications" means those certain plans and specifications in connection with the Development as approved by the Lender pursuant to the FHA Lender Loan Documents.

"Preference Proof Moneys" means (i) moneys drawn on a letter of credit, (ii) proceeds of the Bonds, or (iii) moneys in connection with which the Trustee shall have been delivered an opinion of bankruptcy counsel acceptable to it to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code.

"Proceeds Certificate" means the Borrower's Tax Certificate, dated the Closing Date, executed by the Borrower in connection with the issuance of the Bonds.

"Project Fund" means the Project Fund created pursuant to the Indenture.

"Qualified Project Costs" means costs paid with respect to the Development that (i) are 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 development or developments 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 Development with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Development 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 Development (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Development 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 Development that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Development is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Development is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Development (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 Development, 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 Development or payments received by such Affiliate due to early completion of the Development (or any portion thereof).

"Rating Agency" means S&P.

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

"Rebate Analyst" means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Borrower and at the expense of the Borrower (payable from the Program Fee paid by the Borrower).

"Rebate Analyst Fee" means the fee of the Rebate Analyst.

"Rebate Fund" means the Rebate Fund created pursuant to the Indenture.

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

"Remarketing Agent" means initially RBC Capital Markets, LLC, and any successor Remarketing Agent that may be appointed by the Issuer.

"Remarketing Agreement" means the Remarketing Agreement, dated as of even date with the Indenture, between the Borrower and the Remarketing Agent.

"Remarketing Notice Parties" means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Limited Partner and the Rating Agency.

"Remarketing Rate" means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including the Mandatory Tender Date to the Maturity Date.

"Requisition" means (a) the request signed by the Borrower Representative to make a disbursement from the Project Fund on a Construction Draw Date in the manner provided pursuant

to the Indenture, (b) the request signed by the Issuer to make a disbursement from the Issuer Costs of Issuance Account within the Cost of Issuance Fund in the manner provided pursuant to the Indenture, or (c) the request signed by the Borrower Representative to make a disbursement from the Borrower Costs of Issuance Account within the Cost of Issuance Fund in the manner provided pursuant to the Indenture.

"Resolutions" means, collectively, (i) the resolution adopted by the Issuer on May 8, 2019, and (ii) the resolution adopted by the Board on June 11, 2019, duly authorizing and directing the issuance, sale and delivery of the Bonds.

"Responsible Officer" means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

"Revenues" means, all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement.

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

"SLGS" means United States Treasuries - Time Deposit State and Local Government Series.

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

"State" means the State of Florida.

"Supplement" or "Supplements" means any and all extensions, renewals, modifications, amendments, supplements and substitutions to the Indenture.

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

"Term of Agreement" means the term of the Bond Loan Agreement as specified therein.

“Trust Estate” has the meaning given such term in the Granting Clauses of the Trust Indenture.

“Trust Office” means the corporate trust office of the Trustee located at the address set forth in the Indenture or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

"Trustee" means The Bank of New York Mellon Trust company, N.A., a national banking association duly organized and existing under the laws of the United States of America, and authorized to exercise corporate trust powers in the State, having a Trust Office in Jacksonville, Florida, and its successor or successors in the trust created by the Indenture.

“Trustee’s Fee” means the Trustee’s initial acceptance fee of \$3,500 plus fees and expenses of its counsel in conjunction with the issuance of the Bonds, all payable on the Closing Date, and the ongoing compensation and expenses payable to the Trustee as follows: (a) the annual administration fees of the Trustee, for the ordinary services of the Trustee rendered under the Indenture during each twelve-month period shall be \$3,750 per annum, with the initial annual fee of \$3,750 payable in advance on the Closing Date and subsequent annual fees payable in semiannual installments of \$1,875 in advance on each February 1* and August 1* thereafter commencing February 1, 2020*; (b) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under the Indenture as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, however, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and (c) for purposes of the Bond Loan Agreement, indemnification of the Trustee by the Borrower.

"Unassigned Rights of the Issuer" and "Unassigned Rights" means the rights of the Issuer consisting of: (a) all rights which the Issuer Indemnified Parties may have under the Indenture, the Bond Loan Agreement and other Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, directors, officials, agents or employees; (b) the right of the Issuer to give and receive notices, reports or other information, including but not limited to the right to receive the reports and other information described in Section 5 of the Land Use Restriction Agreement, make determinations and grant approvals under the Indenture and under the Documents; (c) the right of the Issuer to give and withhold consents and approvals under the Indenture and under the Documents; (d) the right of the Issuer to receive its fees and expenses (including the Issuer’s Compliance Fee as defined in the Land Use Restriction Agreement) pursuant to the Bond Loan Agreement and the Land Use Restriction Agreement; (e) all rights of the Issuer not otherwise assigned to the Trustee to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly to the requirements of the Act or any requirements imposed by the Issuer with respect to the Development, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents or in any other certificate or agreement executed by the Borrower; (f) all rights of the

* Preliminary; subject to change.

Issuer in connection with any amendment to or modification of the Documents; (g) all rights of the Issuer to enforce the Land Use Restriction Agreement; and (h) all enforcement remedies with respect to the foregoing. All of these Unassigned Rights are reserved to the Issuer and are not being assigned by the Issuer to the Trustee.

"Underwriter" means, collectively, RBC Capital Markets, LLC and Raymond James & Associates, Inc.

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APPENDIX B

DOCUMENT SUMMARIES

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Indenture contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Indenture to which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Indenture and such terms as used herein shall have the same meanings as so defined.

Funds and Accounts

The following trust funds are created by the Issuer under the Indenture to be held separately by the Trustee:

- (1) Bond Fund, and within the Bond Fund, a Capitalized Interest Account;
- (2) Project Fund, and within the Project Fund, a Proceeds Account, and an Equity Account;
- (3) Rebate Fund;
- (4) Expense Fund;
- (5) Collateral Fund; and
- (6) Costs of Issuance Fund, and within the Costs of Issuance Fund, the Issuer Costs of Issuance Account and the Borrower Costs of Issuance Account.

Bond Fund. All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein) or the Collateral Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent of any fees, costs or expenses described under the caption "Expense Fund" below which are due and payable, and then to the Bond Fund. In accordance with the Indenture, for so long as the Bonds are outstanding, funds on deposit in the Proceeds Account of the Project Fund, the Collateral Fund or the Bond Fund (including the Capitalized Interest Account therein) shall not be deposited in the Expense Fund or otherwise used to pay fees, costs or expenses described under the caption "Expense Fund" below.

The funds on deposit in the Bond Fund shall be used by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made, whether by maturity, mandatory tender, redemption, or on a scheduled Interest Payment Date.

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

- (a) first, from amounts on deposit in the Capitalized Interest Account within the Bond Fund;
- (b) second, from amounts on deposit in the Collateral Fund; and
- (c) third, from amounts on deposit in the Project Fund.

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

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

Notwithstanding any provision of the Bond Loan Agreement or the Indenture to the contrary, the Trustee shall not disburse moneys from the Project Fund, other than to pay principal and/or interest payments on the Bonds in accordance with the Indenture, unless and until the Trustee receives satisfactory evidence that a FHA Lender Collateral Deposit in an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund. Prior to making any disbursement, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund, (ii) the Capitalized Interest Account, (iii) the Project Fund and (iv) the Bond Fund, will be sufficient to pay principal of and interest on the

Bonds as and when they become due to the Mandatory Tender Date. Upon satisfaction of the conditions precedent set forth in this paragraph, and notwithstanding anything in the Bond Documents to the contrary, once the FHA Lender deposits the FHA Lender Collateral Deposit the Trustee is irrevocably and unconditionally obligated to disburse an equal amount of moneys from the Project Fund in accordance with approved Requisitions.

Rebate Fund. In accordance with the provisions set forth in the Indenture, the Trustee shall deposit into the Rebate Fund amounts paid by the Borrower pursuant to the Tax Certificates. The determination of the Rebate Requirement shall be made in accordance with the Arbitrage Rebate Agreement and the Rebate Requirement shall be paid at such times and in such installments as provided therein. The Borrower will designate the Rebate Analyst. As further provided in the Arbitrage Rebate Agreement, the Borrower shall be responsible for causing the rebate calculations to be calculated by the Rebate Analyst and paying the Rebate Requirement. Neither the Issuer nor the Trustee shall be obligated to pay any portion of the Rebate Requirement (except from funds on deposit in the Rebate Fund). In addition, neither the Issuer nor the Trustee shall have any responsibility with respect to the calculation of the Rebate Requirement.

Any moneys held as part of the Rebate Fund and not immediately required to be paid to the United States pursuant to the Arbitrage Rebate Agreement shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Government Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Government Obligations, including any such fund maintained by the Trustee or an affiliate thereof, having maturities consonant with the need for moneys as estimated by the Borrower.

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

Collateral Fund. Upon receipt from the FHA Lender of the proceeds of (a) the sale of a GNMA security, (b) a draw on FHA Lender's warehouse line of credit, or (c) from funds otherwise provided by FHA Lender (the "FHA Lender Collateral Deposit"), the Trustee shall deposit such amounts to the Collateral Fund and concurrently disburse an equal amount of Bond proceeds from the Project Fund to the FHA Lender or its designee. If the Trustee is unable to concurrently disburse funds from the Project Fund to the FHA Lender or its designee, it shall immediately return such funds comprising the FHA Lender Collateral Deposit to the FHA Lender via wire transfer. Together with amounts on deposit in the Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the

next succeeding mandatory tender date or the Maturity Date. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due.

Cost 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 either the Issuer Costs of Issuance Account or the Borrower Costs of Issuance Account of the Cost of Issuance Fund as designated in the closing memorandum prepared by the Underwriter and executed by the Borrower and the Issuer in connection with the issuance of the Bonds.

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

Any moneys remaining in the Costs of Issuance Fund twelve (12) months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower upon the written instruction to the Trustee from the Borrower, in accordance with the provisions described under the caption "Payment to Borrower of Excess Moneys" below. Upon final disbursement, the Trustee shall close the Costs of Issuance Fund.

Payment of Borrower of Excess Moneys. Any amounts remaining in the Cost of Issuance Fund after the payment in full of all Costs of Issuance shall be paid to the Borrower in accordance with the provisions described under the caption "Cost of Issuance Fund" above, and any amounts remaining in the Collateral Fund or the Bond Fund (except for amounts then held by the Trustee in the Bond Fund for payment of principal of, or interest on, any of the Bonds) after payment in full of the principal of and interest on, the Bonds, payment of any and all fees and expenses due in accordance with the Indenture and the Bond Loan Agreement, and payment of all other costs associated with the discharge of the Bonds (or provision for payment thereof having been made as provided under the caption "Discharge of Lien" below) shall, upon written instruction to the Trustee from the Borrower (with a copy to the Issuer), be paid to the Borrower upon the expiration or sooner termination of the Term of Agreement.

Investment of Funds and Accounts

On the Closing Date, moneys on deposit in the Project Fund will be held by the Trustee uninvested until disbursed to the Borrower on the Closing Date in accordance with an approved Requisition.

Amounts on deposit in the Collateral Fund and the Bond Fund shall be invested at all times in Permitted Investments.

The Trustee is directed to purchase in advance for delivery on the Closing Date, a portfolio of Government Obligations maturing on or before the Mandatory Tender Date, in accordance with the written directions of a Borrower Representative, with respect to the investment of certain amounts on deposit in the Project Fund, if any, the Collateral Fund and the Bond Fund (including the Capitalized Interest Account therein), the principal and interest of which, along with amounts on deposit in the Capitalized Interest Account, if any, will be sufficient to pay principal and interest on the Bonds when due. All interest earned from the foregoing investments shall be deposited in the Bond Fund. In the event that any investments in the Project Fund, the Bond Fund or the Collateral Fund must be liquidated prior to the Mandatory Tender Date or, if the Bonds remain Outstanding, the earlier of the next succeeding mandatory tender date or the Maturity Date, such investments shall be liquidated under the Indenture.

Any investment under the Indenture shall not bear a yield that would constitute a failure to comply with Section 148 of the Code. The Trustee may not sell any investment at a loss, unless being sold pursuant to the Indenture or in connection with an acceleration as set forth under the caption "Events of Default and Acceleration" below.

As long as no Event of Default (as defined in in the Indenture) shall have occurred and be continuing, the Borrower shall have the right to designate the investments to be sold and to otherwise direct the Trustee in writing in the sale or purchase of the investments or the conversion to cash of the investments made with the moneys in the Collateral Fund provided that the Trustee shall be entitled to conclusively assume the absence of any such Event of Default unless it has notice thereof; if there has been an Event of Default, the Trustee shall have said right.

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

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

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur.

The Issuer specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

The Trustee may conclusively rely upon the Borrower's written instructions as to the suitability, legality and yield compliance of the directed investments. The Trustee shall have no liability for any loss, expense or liability incurred as a result of such investment made in accordance with directions of the Borrower or the Issuer, as applicable.

Investment of Rebate Fund

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

Discharge of Lien

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

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

the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable under the Indenture by the Issuer or the Borrower.

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect described above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations) either (i) moneys in an amount which shall be sufficient, or (ii) Government Obligations which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the mandatory tender date or maturity date thereof, and (b) the Borrower shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the provisions described under this caption and stating such maturity upon which moneys are to be available for the payment of the principal and interest on such Bonds.

Events of Default and Acceleration

The following events shall constitute an "Event of Default" under the Indenture:

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

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

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

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

If any Loan payment required under the Bond Loan Agreement to avoid a default described in (a) or (b) above shall not have been received at the close of business on the last business day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Investor Limited Partner of Borrower, which telephonic notice shall be confirmed by electronic, telegraphic or written notice to the Borrower and the Investor Limited Partner of Borrower. If any

other default shall occur under the provisions described under this caption, the Trustee shall, within five days after having actual knowledge of such default, give written notice of such default to the Issuer, the Borrower, the Investor Limited Partner of Borrower, the Holders of the Bonds and the Rating Agency. A default or an Event of Default described in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

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

Remedies

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

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

(b) bring suit upon the Bonds; or

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

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

No Interference or Impairment of FHA Lender Loan

Notwithstanding anything in the Indenture to the contrary, none of the Issuer, the Trustee or any other person shall:

(a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the FHA Lender Loan; or

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) to modify, amend or supplement the Indenture or the Bond Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds.

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

The Trustee shall send written notice to the Rating Agency, the Remarketing Agent and the Borrower of any amendment to the Indenture or the Bond Loan Agreement.

Amendments to Indenture Requiring Consent of Bondholders

The Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents),

or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in the Indenture, including (without limitation) that required for consent to such supplemental indentures. This section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to the Indenture without the consent of the Bondholders pursuant to the Indenture.

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT

The Bond Loan Agreement contains terms and conditions relating to the issuance and sale of the Bonds certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Bond Loan Agreement to which reference is hereby made, copies of which are on file with the Trustee. This summary uses various terms defined in the Bond Loan Agreement and such terms as used herein shall have the same meanings as so defined.

Loan of Proceeds

The Issuer agrees, upon the terms and conditions contained in the Bond Loan Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall, in accordance with the terms of the Indenture, be disbursed to or on behalf of the Borrower from the Project Fund to pay Costs of the Development in the manner consistent with the Tax Certificates. The Trustee shall make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture, and with respect to an Approved Advance in accordance with the FHA Lender Loan Documents and FHA/HUD requirements substantially in the form attached to the Bond Loan Agreement. The Borrower agrees that the moneys transferred by the Trustee from the Project Fund to the Reserve Fund established under the FHA Lender Disbursement Agreement shall only be disbursed from the Reserve Fund for Qualified Project Costs as permitted by the Tax Certificates.

Borrower Required to Pay in Event Project Fund Insufficient

In the event the moneys in the Project Fund available for payment of the Costs of the Development are not sufficient to pay the Costs of the Development in full, the Borrower agrees to complete the rehabilitation of the Development and to pay that portion of the Costs of the Development in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Development will be sufficient to pay all of the Costs of the Development. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Costs of the Development pursuant to the provisions described under this caption, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under the Bond Loan Agreement. Notwithstanding the foregoing, the terms, conditions and covenants described under this caption do not in any way affect the ability of the Issuer to pursue its rights and remedies under the Guarantor Documents.

Amounts Payable

The Borrower covenants and agrees to repay the Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the

Capitalized Interest Account and the Collateral Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Deposits into the Bond Fund for payments by the Trustee of principal and interest on the Bonds from amounts in the Capitalized Interest Account or the Collateral Fund shall be credited against the Borrower's obligation to pay principal and interest on the Loan.

The parties agree that all payments of principal and interest payable by the Borrower as described under this caption will be assigned by the Issuer in accordance with the terms of the Indenture to the Trustee for the benefit of the Bondholders (excluding amounts on deposit in the Rebate Fund, the Expense Fund and the Cost of Issuance Fund). The Borrower consents to such assignment.

In the event the Borrower should fail to make any of such payments, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

No Pecuniary Liability of the Issuer

All obligations of the Issuer incurred under any of the Bond Documents shall be limited obligations of the Issuer, payable solely and only from the Trust Estate. The Bonds shall be payable solely from the Revenues and other funds pledged under the Indenture for the payment of the Bonds, and no owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body of the State, nor to enforce the payment of the Bonds against any development of the Issuer, the State or any such political subdivision or other public body, except as provided in the Indenture. No member, officer, agent, director, employee, or attorney of the Issuer, including any person executing the Bond Loan Agreement or the Indenture or any other Issuer Document on behalf of the Issuer, shall be liable personally under the Bond Loan Agreement or the Indenture or any other Issuer Document for any reason relating to the issuance of the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds, or for any claim based on the Bonds, or otherwise in respect of the Bonds, or based in or in respect of the Bond Loan Agreement or any amendment to the Bond Loan Agreement, against any member, officer, agent, director, employee or attorney of the Issuer, as such, or any successor whether by virtue of any constitution, statute or rule of law, or by enforcement of any assessment or penalty or otherwise; all such liability is, by acceptance of the Bond Loan Agreement and as part of the consideration for the issuance of Bonds, expressly waived and released. The Issuer has no taxing power.

Defaults Defined

The following shall be "Defaults" under the Bond Loan Agreement and the term "Default" shall mean, whenever it is used in the Bond Loan Agreement, any one or more of the following events:

(a) failure by the Borrower to pay any amount required to be paid under the Bond Loan Agreement; or

(b) failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Bond Loan Agreement, other than as referred to in subsection (a) above or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Tax Certificates, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure described in this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60 day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby; or

(c) the dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Development, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due; or

(d) the occurrence and continuance of an Event of Default under the Indenture.

Remedies on Default

A copy of any notice of default provided to Borrower under any of the Borrower Documents shall also be provided to the Investor Limited Partner and the FHA Lender. Whenever any Default as described under the caption "Defaults Defined" above shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Bond Loan Agreement, the Note, the Land Use Restriction Agreement or any other Document in the event of default thereunder. Any amounts collected pursuant to action taken under this caption shall be paid into the Collateral Fund.

No Remedy Exclusive

Subject to the provisions described in "APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Events of Default and Acceleration," no remedy in the Bond Loan Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Loan Agreement or existing at law or in equity. No delay or omission to

exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it, it shall not be necessary to give any notice, other than such notice as may be required in the Bond Loan Agreement. Such rights and remedies as are given to the Issuer under the Bond Loan Agreement shall also extend to the Trustee, and the Trustee and the Bondholders, subject to the provisions of the Indenture, including, but not limited to the Unassigned Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements contained in the Bond Loan Agreement.

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Bond Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Bond Loan Agreement.

Right to Cure

Notwithstanding anything to the contrary in the Bond Loan Agreement or otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Investor Limited Partner shall receive a notice of any such events under the Borrower Documents and shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower in the Bond Loan Agreement or otherwise in the Borrower Documents. Any cure of any event of default by the Investor Limited Partner under the Borrower Documents (including, but not limited to, the Indenture) shall be deemed a cure by Borrower thereunder and shall be accepted or rejected on the same basis as if made by the Borrower.

No Interference or Impairment of FHA Lender Loan

Notwithstanding anything in the Bond Loan Agreement to the contrary, none of the Issuer, the Trustee nor any other person shall:

(a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the FHA Lender Loan; or

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

The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower

under the indemnification provisions of the Bond Loan Agreement so long as it does not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

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

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

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

Amendments, Changes and Modifications

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise expressly provided in the Bond Loan Agreement, the Bond Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture. See "APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders" and " - Amendments to Indenture Requiring Consent of Bondholders."

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SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT

The Land Use Restriction Agreement contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Land Use Restriction Agreement which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Land Use Restriction Agreement and such terms as used herein shall have the same meanings as so defined.

Residential Rental Property

The Borrower hereby represents, covenants, warrants and agrees that:

- (a) The Borrower will acquire, rehabilitate, own and operate the Development 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, (2) the Borrower shall own the entire Development for federal tax purposes, and (3) the Development shall be owned, managed and operated as 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 Development from time to time.
- (b) Each residential unit in the Development 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 will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range or microwave oven, refrigerator and sink, all of which are separate and distinct from the other units.
- (c) None of the units in the Development will at any time be (1) utilized on a transient basis, (2) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer court or park, or (3) rented for initial lease periods of less than six (6) months. No part of the Development will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.
- (d) All of the units will be rented or available for rent on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), and the Owner will not give preference to any particular class or group of persons in renting the units in the Project, except to the extent that units are

required to be leased or rented to (1) Lower-Income Persons, (2) Eligible Persons, or (3) Elderly Persons. Lower-Income Persons and Elderly Persons who are residents of the Project will have equal access to and enjoyment of all common facilities of the Project at all times. The Owner will not discriminate against children of any age when renting the units in the Project.

- (e) The Land primarily 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 Development primarily comprises buildings, structures and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas and other facilities which are reasonably required for the Development, for example, heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance or security personnel) are functionally related and subordinate to the Development 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 Development; provided, however, that the Borrower or an Affiliated Party of the Borrower may occupy a unit in a building or structure in the Development 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 Development shall be occupied by resident managers or maintenance or security personnel.
- (g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

The requirements of this section shall remain in effect during the term of the Land Use Restriction Agreement (as defined under the caption “Term” below).

Lower-Income Persons and Eligible Persons

The Borrower hereby represents, warrants and covenants as follows:

- (a) At all times during the Qualified Project Period, not less than forty percent (40%) of the residential units in the Development shall be occupied (or held available for occupancy) on a continuous basis by persons or families who at the time of their initial occupancy of such units are Lower-Income Persons. This occupancy requirement is referred to therein as the “Lower-Income Requirement.”

During the Transition Period, the failure to satisfy the set-aside requirements in this paragraph (a) for Lower-Income Persons will not cause the Development to fail to qualify as a “qualified residential rental project” within the meaning of Section 142 of the Code. However, failure on the part of the Borrower to have satisfied the set-aside requirements described in this

paragraph (a) as of the end of such Transition Period shall cause the Development to not qualify as a “qualified residential rental project.”

- (b) At all times during the term of the Land Use Restriction Agreement (as defined under the caption “Term” below), at least sixty percent (60%) of the completed units in the Development shall be rented to or be available for rent by Eligible Persons.
- (c) For purposes of subsections (a) and (b) above, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person (or Eligible Person) shall be counted as occupied by a Lower-Income Person (or Eligible 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 (or Eligible Person). However, a Lower-Income Person whose income as of the most recent Income Certification (as described under the caption “Reporting Requirements; Payment of Issuer’s Compliance Fee and Late Reporting Fee; Maintenance” below) exceeds one hundred forty percent (140%) of the Applicable Income Limit shall not continue to be treated as a Lower-Income Person if after delivery of such Income Certification, but before the delivery of the next Income Certification, any residential unit in the Development of comparable or smaller size is occupied by a new resident who is not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person (or Eligible Person) shall be counted as occupied by a Lower-Income Person (or Eligible 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 (or Eligible Person) only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person (or Eligible Person).

Reporting Requirements; Payment of Issuer’s Compliance Fee and Late Reporting Fee; Maintenance

- (a) The Borrower shall obtain and maintain on file an Income Certification from each Lower-Income Person and Eligible Person dated immediately prior to the initial occupancy of such tenant in the Development in the form and containing such information as may be required by Section 142(d) of the Code, as the same may be from time to time amended by the Issuer on the advice of Bond Counsel in the exercise of its opinion that any such amendment is necessary, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Photocopies of each such Income Certification and any verifications of such income, to the extent requested by the Issuer, shall be submitted to the Issuer (i) within 10 days following the end of the calendar month during which the tenant first occupies a unit in the Development, (ii) within 10 days following the end of the calendar month thereafter in which the lease is renewed or extended, and (iii) as reasonably requested by the Issuer or the Trustee, which may be as often as may be necessary, in the opinion of

Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Issuer, such submissions may be made electronically.

- (b) The Borrower shall file with the Issuer, on the tenth (10th) business day of each month, copies of the Income Certifications specified in subsection (a) above obtained by the Borrower during the previous month.
- (c) At all times during the term of the Land Use Restriction Agreement, the Borrower will obtain and maintain on file from each Lower-Income Person residing in the Development the information demonstrating each tenant's income eligibility.
- (d) The Borrower shall maintain complete and accurate records pertaining to the incomes of (as of the date of initial occupancy of each tenant) and rentals charged to Lower-Income Persons and Eligible Persons residing in the Development, and shall permit, upon five (5) business days' notice to the Borrower, any duly authorized representative of the Issuer or the Trustee to inspect the books and records of the Borrower pertaining to the incomes of and rentals charged to all tenants residing in the Development.
- (e) The Borrower shall prepare and submit at the beginning of the Qualified Project Period, subject to the Transition Period provisions under the caption "Lower-Income Persons and Eligible Persons" above, and on the tenth (10th) day of each month thereafter, to the Issuer, rent rolls and a Certificate of Continuing Program Compliance in the form and content approved by the Issuer, executed by the Borrower stating (i) the percentage of residential units that were occupied by Lower-Income Persons and Eligible Persons as of the 20th day of the previous month, (ii) that at all times during the previous month 60% of the residential units, were occupied (or held available for occupancy) by Eligible Persons (as determined in accordance with the provisions under the caption "Lower-Income Persons and Eligible Persons" above), (iii) that at all times during the previous month at least 40% of the residential units were occupied (or held available for occupancy) by Lower-Income Persons (as determined in accordance with the provisions under the caption "Lower-Income Persons and Eligible Persons" above), and (iv) that no default has occurred under the Land Use Restriction 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.
- (f) During the Qualified Project Period, the Borrower shall submit to the Secretary of the Treasury (the "Secretary") (at such time and in such manner as the Secretary shall prescribe) an annual certification required by Section 142(d)(7) of the Code. As of the date of the Land Use Restriction Agreement, the Borrower shall make such certification to the Secretary annually by completing and submitting IRS Form 8703 by March 31 after the close of the calendar year for which the certification is made. The Borrower shall be responsible for making such certification at such other time or in such other manner as the Secretary may prescribe from time to time.

- (g) In the event the Issuer transfers responsibility for compliance monitoring to the Trustee or a newly designated Compliance Agent pursuant to the Land Use Restriction Agreement, the Issuer may direct the Borrower to provide and the Borrower shall provide to the Trustee or the newly designated Compliance Agent copies of all of the reports, documents and certificates required under this section. The Borrower shall pay all reasonable fees and expenses of the Trustee or the newly designated Compliance Agent in connection with such responsibilities. Upon the designation of the Trustee or the Compliance Agent as the compliance monitor under the Land Use Restriction Agreement, all references therein to the Issuer as the recipient of reports and filings shall be deemed to be the Trustee and/or the Compliance Agent, as applicable.
- (h) The Borrower shall immediately notify the Trustee and the Issuer of any change in the management of the Development.
- (i) If at any time during the term of this Agreement there are no Bonds outstanding (as provided in the Indenture), the Borrower shall pay the Issuer's Compliance Fee.
- (j) The Borrower will keep the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other improvements of any kind now or hereafter erected as part of the Development, in good condition and repair (normal wear and tear excepted), will not commit or suffer any waste and will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Development or any part thereof. In order to ensure the Borrower's compliance with this covenant, the Issuer or its representatives are hereby authorized to enter upon and inspect the Development at any time during normal business hours upon reasonable notice and subject to the rights of tenants. Notwithstanding the foregoing, the Issuer has no affirmative duty to make such inspection.
- (k) The Borrower will rehabilitate and operate the Development so that it conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Development, including, but not limited to, the Americans with Disabilities Act of 1990.
- (l) The Borrower hereby agrees to pay a late fee in the amount of \$100 per day (including weekends) for each day that the Borrower fails to timely submit (in the sole, reasonable opinion of the Issuer) any of the information, Income Certifications, rent rolls, Certificates of Continuing Program Compliance, reports, documents and/or certificates (collectively, the "Compliance Reporting Information") required under this section, as may be amended from time to time (the "Late Reporting Fee"). The Borrower acknowledges and hereby agrees that, notwithstanding anything in the Land Use Restriction Agreement to the contrary, a Late Reporting Fee shall apply to and be payable in connection with each separate instance in which any of the Compliance Reporting Information (including

individual components thereof) is not timely submitted pursuant to this section, as may be amended from time to time.

Indemnification

The Borrower in the Land Use Restriction Agreement covenants and agrees that it shall indemnify and hold harmless the Issuer, the County and the Trustee and their respective officers, directors, officials, employees and agents from and against any and all claims by or on behalf of any person arising from any cause whatsoever in connection with the Land Use Restriction Agreement, the Loan, the Development or the sale of the Bonds to finance the Development, any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Development or the sale of the Bonds to finance the Development, and all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon; except that the Borrower shall not be required to indemnify any person for damages caused by the negligence or willful misconduct of such person or for losses relating to principal and interest. In the event that any action or proceeding is brought against the Issuer, the County, the Trustee or any of their respective officers, directors, officials, employees or agents, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party (which notice shall be given in a timely manner so as not to impair Borrower's rights to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably acceptable to the indemnified party and the payment of all expenses. The indemnified party shall have the right to employ separate counsel in any such action or proceedings and to participate in the defense thereof, but, unless such separate counsel is employed with the approval and consent of the Borrower, or because of a conflict of interest between the Borrower and the indemnified party, the Borrower shall not be required to pay the fees and expenses of such separate counsel. The Borrower agrees to execute any additional documents deemed necessary by the Issuer, the County or the Trustee to evidence the indemnification provided for in this section. At the request of the Issuer or County, Borrower agrees, in addition to the above indemnification, to pay the reasonable costs and expenses of the County Attorney of Broward County in connection with the action or proceeding giving rise to the indemnification.

While the Borrower has possession of the Development, the Borrower also shall pay and discharge and shall indemnify and hold harmless the Issuer and the Trustee from (a) any lien or charge upon payments by the Borrower to the Issuer and the Trustee hereunder, and (b) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges other than income and other similar taxes in respect of any portion of the Development. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges other than income and other similar taxes, are sought to be imposed, the Issuer or the Trustee shall give prompt notice to the Borrower and the Borrower shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion.

In addition thereto, the Borrower will pay upon demand all of the reasonable fees and expenses paid or incurred by the Trustee and/or the Issuer in enforcing the provisions hereof.

Sale, Assignment, Conveyance or other Disposition of Development or Interest in Borrower

Except with respect to transfer of interests within the Borrower, as permitted under the terms and conditions of the Borrower's Amended and Restated Agreement of Limited Partnership, dated as of August 1, 2019 (as may be further amended, the "Partnership Agreement"), the Borrower shall not sell, assign, convey or transfer any material portion of the Land, fixtures or improvements constituting a part of the Land or Development, or any material portion of the personal property constituting a portion of the Development during the term of the Land Use Restriction Agreement without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes, and (iii) upon receipt by the Issuer of a fee from the Borrower upon transfer of ownership in excess of fifty percent (50%) interest in the Development or the Borrower (which fee shall be refunded by the Issuer to the Borrower in the event the Issuer does not approve the transfer of the Development to the proposed purchaser or assignee thereof, or in the event such transfer is not consummated) in the amount of one-half (1/2) of one percent (1%) of the amount of the Bonds outstanding on the date of the written transfer request ("Transfer Fee"). Provided that the above conditions have been satisfied, the Issuer will provide to the Borrower and the purchaser or transferee on request its written consent to any transfer in accordance with this section an estoppel certificate. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Development in violation of this section shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under the Land Use Restriction Agreement. Nothing contained in this section shall affect any provision of any other document or instrument to which the Borrower is a party which requires the Borrower to obtain the consent of the holder of the Note or any other person as a precondition to sale, transfer or other disposition of the Development. The Transfer Fee will apply if a material portion of the Development financed with proceeds from the Loan is sold during the term hereof and such material portion of such Development 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 Development, otherwise, the proceeds from such sale shall be applied in accordance with the documents executed in connection with the Bonds and the Loan. If such material portion of such Development 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 Issuer and the Lender pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of the Land Use Restriction Agreement.

Except as permitted under the terms and conditions of the Partnership Agreement, the Borrower shall not sell or otherwise transfer the Development in whole, nor shall there be substituted a new general partner of the Borrower or a change in the controlling ownership of the general partner of the Borrower, or other merger, transfer or consolidation of the Borrower, unless (a) the Borrower has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (b) the fees and expenses of the Issuer and its professionals have been paid, including the Transfer Fee, (c) the

Borrower shall not be in default hereunder, (d) it is reasonably expected that continued operation of the Development will comply with the requirements of the Land Use Restriction Agreement, (e) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer and, for so long as the Loan is outstanding, the Lender, with respect to assuming the obligations of the Borrower under the Land Use Restriction Agreement, (f) the Lender, if the Loan is outstanding, and the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Development, (g) the purchaser or assignee shall have satisfied such other conditions as may be reasonable under the circumstances, (h) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer, the Lender, if the Loan is outstanding, and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of the Land Use Restriction Agreement, and to the extent the Loan is still outstanding, the Loan Agreement and the other Loan Documents, (i) the Trustee, the Lender, if the Loan is outstanding, and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under the Land Use Restriction Agreement, the Loan Agreement and other Loan Documents relating to the Bonds are enforceable against such purchaser or assignee in accordance with their terms, and (j) the Trustee, the Lender, if the Loan is outstanding, and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the 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 Development in violation of this section shall be ineffective to relieve the Borrower of its obligations under the Land Use Restriction Agreement or the Loan Agreement. In the event that the purchaser or assignee shall assume the obligations of the Borrower under the Loan, the Loan Agreement and the Land Use Restriction Agreement, the Borrower shall be released from its obligations thereunder and hereunder, other than its obligations hereunder and under the Loan Agreement arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

Notwithstanding anything in this section to the contrary, the restrictions set forth above on the sale, transfer or other disposition or encumbrance of the Development or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units as contemplated by the Land Use Restriction 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 Development, providing same are granted in connection with the operation of the Development as contemplated by the Land Use Restriction Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (iv) the placing of a subordinate mortgage lien, assignment of leases and/or rents or security interest on or pertaining to the Development which is made expressly subject and subordinate hereto, or (v) subject to the provisions of the documents executed in connection with the Bonds and the Loan, any transfer of partnership interests in the Borrower or in the entities which are partners in the Borrower.

Covenants to Run with the Land

The Land Use Restriction Agreement and the covenants, reservations and restrictions set forth therein shall be deemed covenants running with the Land and, except as provided under the caption "Term" below, shall pass to and be binding upon the Borrower's assigns and successors and all subsequent owners of the Land (whether fee simple or leasehold) or the Development or any interest therein; provided, however, that upon the termination of the Land Use Restriction Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided under the caption "Term" below, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Development 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 Development are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Land or the Development.

Term

The Land Use Restriction Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that the Land Use Restriction Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of the Land Use Restriction Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions thereof, 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 project that complies with the provisions thereof and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Borrower or an Affiliated Party to the Borrower, obtains an ownership interest in the Development for federal tax purposes.

Upon the termination of the Qualified Project Period, and the satisfaction by the Borrower of all obligations under the Land Use Restriction Agreement, the Issuer, the Trustee and the Borrower shall, upon the written request of the Borrower, and at Borrower's sole expense, execute and record a Notice of Termination of Land Use Restriction Agreement, the form of which is attached to the Land Use Restriction Agreement as Exhibit B.

Burden and Benefit

The Issuer, the Trustee and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth therein touch and concern the Land in that the Borrower's legal interest in the Land and the Development is rendered less valuable thereby. The Trustee, the Issuer 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 Development by Lower-Income Persons and Eligible 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 the Land Use Restriction Agreement is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds issued by the Issuer to finance the Loan and covenants and agrees that in connection with the acquisition, rehabilitation, ownership and operation of the Development, it shall, and shall require any subsequent purchaser of the Development to, fully comply with all terms and conditions of the Land Use Restriction Agreement.

Remedies; Enforceability

The benefits of the Land Use Restriction Agreement shall inure to, and may be enforced by, respectively, the Issuer and the Trustee and its successors, the holders of the Bonds and their successors and assigns to the extent permitted by the Indenture and the Land Use Restriction Agreement, the Lower-Income Persons and Eligible Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to the provisions under the caption “Low-Income Persons and Eligible Persons” above for the period set forth under the caption “Term” above, whether or not the Loan may be paid in full, and whether or not the Bonds are outstanding. If a material violation of any of the provisions thereof occurs and is not cured within the period provided by the Land Use Restriction Agreement, any or all of such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to compel specific performance hereunder, it being recognized that the beneficiaries of the Borrower’s obligations hereunder cannot be adequately compensated by monetary damages in the event of the Borrower’s default. The remedies of the beneficiaries of the Land Use Restriction Agreement other than the Issuer and the Trustee shall be limited to those described in the preceding sentence. In addition to such other remedies as may be provided for therein, if a violation of any of the provisions thereof occurs which is not corrected during the period provided in the Land Use Restriction Agreement, the Issuer shall have the right (but not the obligation), and is specifically authorized by the Borrower, to terminate the manager and appoint a new manager of the Development (acceptable to the Investor Limited Partner in its reasonable discretion) to operate the Development in accordance with the Land Use Restriction Agreement and the Loan Agreement and take all actions necessary, in the reasonable judgment of the Issuer, 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 Development, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of Broward County, Florida. Subject to the provisions under the caption “Term” above, the provisions thereof 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 Development at the time of such violation or attempted violation. No delay in enforcing the provisions thereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions thereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times. All rights and remedies provided in the Land Use Restriction Agreement are cumulative, non-exclusive and in addition to any and all rights and remedies that the parties and beneficiaries thereof may otherwise have.

The Borrower hereby agrees that the appointment of a new manager may be necessary to serve the public purpose for which the Bonds were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds following a violation of the provisions of the Land Use Restriction Agreement which is not cured within the period provided in the Land Use Restriction Agreement. The Borrower hereby expressly consents to, and agrees not to contest, the appointment of a new manager (acceptable to the Investor Limited Partner in its reasonable discretion) to operate the Development following a violation by the Borrower of the provisions of the Land Use Restriction Agreement which is not cured and hereby waives any and all defenses and objections that might otherwise be raised to any such appointment of a new manager in accordance with the terms thereof. The Borrower further agrees that the Issuer shall have the right to require the Borrower to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Borrower therein, including, without limitation, a material risk of an adverse impact on the excludability from gross income for federal income tax purposes of interest on the Bonds and which action or inaction is not being corrected as provided in the Land Use Restriction Agreement, upon such manager or managing agent being given thirty (30) days' written notice of any violation thereof, and such right shall be expressly acknowledged in any contract between the Borrower and any such manager or managing agent.

HUD Rider

The HUD Rider to Restrictive Covenants (the "Rider") attached to the Land Use Restriction Agreement forms an integral part of the Land Use Restriction Agreement and the terms thereof have been incorporated into the Land Use Restriction Agreement.

(a) In the event of any conflict between any provision contained in the Land Use Restriction Agreement and any provision contained in the Rider, the provision contained in the Rider shall govern and be controlling in all respects as set forth more fully therein.

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Development, as the same may be supplemented, amended or modified from time to time.

"Lender" means the owner of the Bonds, which shall initially mean Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Development.

“Mortgage Loan Documents” means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

“National Housing Act” means the National Housing Act of 1934, as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

“Security Instrument” means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Land Use Restriction Agreement to the contrary, the provisions thereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Land Use Restriction Agreement. In the event of any conflict between the provisions of the Land Use Restriction Agreement and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing in the Rider limits the Issuer’s ability to enforce the terms of the Land Use Restriction Agreement, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Land Use Restriction Agreement (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate.

(e) Borrower and the Issuer acknowledge that Borrower’s failure to comply with the covenants provided in the Land Use Restriction Agreement does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for the Issuer’s reporting requirement, in enforcing the Land Use Restriction Agreement the Issuer will not file any claim against the Development, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and the Issuer shall not further amend the Land Use Restriction Agreement, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Issuer may require the Borrower to indemnify and hold the Issuer harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against the Issuer relating to the subordination and covenants set forth in the Land Use Restriction Agreement, provided, however, that Borrower's obligation to indemnify and hold the Issuer harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

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APPENDIX C
FORM OF BOND COUNSEL OPINION

August ___, 2019

Housing Finance Authority
of Broward County, Florida
Ft. Lauderdale, Florida

Ladies and Gentlemen:

In our capacity as Bond Counsel we have examined a record of proceedings relating to the issuance by the Housing Finance Authority of Broward County, Florida (the "Issuer") of its \$22,000,000* Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) (the "Bonds").

The Bonds are issued under the authority of the Laws of the State of Florida, including the Florida Housing Finance Authority Act, Chapter 159, Part IV, Florida Statutes, and other applicable provisions of law (the "Act"), and pursuant to a Resolution adopted by the Issuer on May 8, 2019 and a Resolution adopted by the Board of County Commissioners of Broward County, Florida (the "Board") on June 11, 2019 (collectively, the "Resolution"). The Bonds are issued pursuant to a Trust Indenture, dated as of August 1, 2019 (the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (the "Trustee").

The Bonds are issued for the principal purpose of making a loan to Praxis Venture LP, a Florida limited partnership (the "Borrower"), for the purpose of acquiring, rehabilitating and equipping a 224-unit multifamily residential rental housing project known as Praxis of Deerfield Beach, located in Deerfield Beach, Florida, as more particularly described in the Indenture (the "Project").

The Bonds are payable from and secured solely by the Trust Estate (as defined in the Indenture), including loan repayments made by the Borrower to the Issuer pursuant to that certain Loan Agreement, dated as of August 1, 2019, between the Issuer and the Borrower (the "Loan Agreement"). Pursuant to the Loan Agreement, the Borrower (i) agrees to make loan payments sufficient to pay, among other obligations, the principal of and interest on the Bonds, when due, and to make any required deposits into certain funds and accounts established by the Indenture, and (ii) expressly assumes the performance of all of the Issuer's obligations to repay the Bonds under the Indenture. In order to comply with certain requirements of the Internal Revenue Code of

* Preliminary; subject to change.

1986, as amended (the "Code"), the Borrower, the Issuer and the Trustee will enter into a Land Use Restriction Agreement, dated as of August 1, 2019 (the "Regulatory Agreement").

None of the Issuer, the State of Florida (the "State") nor any political subdivision or agency of the State shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Issuer, except to the extent that the Trust Estate created under the Indenture is sufficient therefor. No owner of the Bonds or any Bond has the right to compel any exercise of the taxing power of the State or any political subdivision or agency thereof to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The Issuer has no taxing power.

The Bonds are dated and shall bear interest from their date of issue, except as otherwise provided in the Indenture. The Bonds will mature on the date and in the principal amount, and will bear interest at the rate per annum, as provided in the Indenture. Interest on the Bonds shall be payable on each Interest Payment Date (as defined in the Indenture), commencing on February 1, 2020*. The Bonds are not subject to redemption prior to the Mandatory Tender Date, but may be optionally redeemed thereafter in accordance with the terms of the Indenture. The Bonds are in the form of one (1) fully registered Bond in the denomination of \$22,000,000*.

Reference is made to the opinion of even date of Nelson Mullins Riley & Scarborough LLP, d/b/a Nelson Mullins Broad and Cassel, Orlando, Florida, Counsel to the Borrower, with respect to various matters, including, (i) the power of the Borrower to enter into and perform its obligations under the Loan Agreement, the Regulatory Agreement, and the Note (as defined in the Indenture), and (ii) the authorization, execution and delivery of the Note, the Regulatory Agreement and the Loan Agreement by the Borrower. In rendering the opinions set forth herein we have relied on said opinion.

As to questions of fact material to our opinion we have relied upon representations of the Issuer and the Borrower and the certified proceedings and other certifications of appropriate officials of the Issuer and the Borrower furnished to us (including certifications as to the use of the proceeds of the Bonds), without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The Issuer is a public body corporate and politic, a public instrumentality and a local agency organized and existing under the laws of the State including, particularly, the Act, and has full power and authority to enter into, execute and deliver the Indenture and the Loan Agreement, to issue, sell and deliver the Bonds, and to perform its obligations under the terms and conditions of the Indenture and the Loan Agreement.

* Preliminary; subject to change.

2. The Resolution has been duly adopted by the Issuer and the Board, and no further action of the Issuer or the Board is required for its continued validity.

3. The Indenture and the Loan Agreement have each been duly authorized and approved by the Issuer, have each been duly executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery of such documents by the other parties thereto, constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms.

4. The Bonds have been duly authorized by the Issuer, duly executed by authorized representatives of the Issuer, authenticated by the Trustee and validly issued by the Issuer and constitute the legal, valid and binding limited obligation of the Issuer enforceable in accordance with their terms, and are entitled to the benefit and security of the Trust Estate created under the Indenture.

5. The Bonds and interest thereon are exempt from taxation under the laws of the State, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

6. Under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excluded from gross income for federal income tax purposes, except that such exclusion shall not apply to interest on the Bonds for any period which such Bonds are held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. Such interest is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer and the Borrower have covenanted to comply with all such requirements. Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers and we express no opinion regarding such collateral federal tax consequences.

The opinions expressed in paragraphs 3 and 4 hereof are qualified to the extent that the enforceability of the Bonds, the Loan Agreement and the Indenture, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State and the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Bonds and, in our opinion, the form of the Bonds is regular and proper.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") is executed and delivered as of August 1, 2019, by **PRAXIS VENTURE LP**, a Florida limited partnership (the "Borrower") and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, acting as Dissemination Agent hereunder (the "Dissemination Agent") and as trustee (the "Trustee") in connection with the issuance by the Housing Finance Authority of Broward County, Florida (the "Issuer") of its Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach) in principal amount of \$22,000,000* (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture dated as of August 1, 2019, by and between the Issuer and the Trustee (the "Indenture"). Proceeds of the sale of the Bonds will be used to make a loan (the "Mortgage Loan") to the Borrower to finance a portion of the costs of the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach (the "Project") and located in Broward County, Florida. The Mortgage Loan will be made pursuant to that certain Loan Agreement dated as of August 1, 2019 (the "Bond Loan Agreement"), between the Issuer and the Borrower. The Borrower, the Dissemination Agent and the Trustee covenant and agree as follows:

1. Purpose of the Disclosure Agreement. The Borrower is entering into this Disclosure Agreement to provide through the Dissemination Agent, financial information and operating data of the Borrower in order to satisfy requirements of the Issuer with respect to the Rule. The Borrower, the Trustee and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required hereunder, and has no liability to any person, including any Owner of the Bonds, with respect to any such reports, notices or disclosures.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report prepared by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Borrower" means Praxis Venture LP, a Florida limited partnership and its successors and assigns.

"Business Day" means any day other than a Saturday, Sunday or a day when banks in the City of New York, New York or in the cities in which the Principal Office of the Trustee, the Paying Agent or the Dissemination Agent are located are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

* Preliminary; subject to change.

"Dissemination Agent" shall mean The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated by the Issuer.

"Disclosure Representative" shall mean the authorized representative of the Borrower or his or her designee, or such other person as the Borrower shall designate in writing to the Trustee from time to time.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; provided, however, the term "financial obligation" excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any or all of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

"Official Statement" shall mean the Official Statement of the Issuer, dated _____, 2019, delivered in connection with the offering of the Bonds and any amendment or supplement thereto.

"Owner" and "Registered Owner" shall mean any individual beneficial owner of the Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Project" means financing the acquisition, rehabilitation, and equipping of a 224-unit multifamily rental housing development and related facilities known as Praxis of Deerfield Beach and located in the County to be occupied by persons and families of low, moderate or middle income, to the extent required by federal tax law.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) Notwithstanding the exemptions set forth in the Rule, not later than 120 days after the end of the Borrower's fiscal year (currently December 31), commencing with fiscal year 2019, the Borrower shall provide an Annual Report to the Dissemination Agent, together with sufficient copies of such Annual Report for filing with the MSRB. If the Dissemination Agent has not received the Annual Report by such date, the Dissemination Agent shall notify the Borrower in writing by electronic mail or facsimile transmission, confirmed by telephone and Borrower shall have 5 business days after receipt of said Dissemination Agent's notice to deliver such Annual Report before dissemination agent shall deliver any notice as required in Section 5(c) below.

(b) The Dissemination Agent shall, as soon as practical, but in no event later than the fourteenth (14th) Business Day following receipt of an Annual Report, provide such Annual Report to the MSRB.

(c) If an Annual Report is not filed on or before the date required in any year, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall provide a written report to the Borrower and the Issuer stating that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement and stating the date it was provided.

4. Content of Annual Reports. The Annual Report prepared by the Borrower shall contain or incorporate by reference the following:

(a) The certified audited financial statements of the Borrower for the prior fiscal year, including income statement, balance sheet, and cash flows of operations of the Project, prepared in accordance with accounting principles generally accepted in the United States of America as promulgated from time to time by the Government and Financial Accounting Standards Board. If the Project's audited financials are not available by the time the Annual Report is required to be filed pursuant hereto, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The Borrower shall also include, in or with each Annual Report, the Project's current occupancy levels, current monthly rental rates and the current expenditures for monthly operation and maintenance, net operating income, taxes and property insurance.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "obligated person" (as defined by the Rule), which have been filed with MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such other document so incorporated by reference. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package.

The Dissemination Agent shall have no duty or obligation to review the content of the Annual Report for compliance with this Disclosure Agreement or the Rule, but shall file the Annual Report in the form it is received.

5. Reporting of Listed Events.

(a) The Borrower shall provide to the Dissemination Agent, in a timely manner, not in excess of ten (10) Business Days after the occurrence of the event, written notice of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of Owners of the Bonds, if material;
- (viii) Bonds calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes (including those relating to the Bonds, credit enhancers, the Borrower, reserve fund surety bonds, providers of guaranteed investment contracts, and other entities directly or indirectly securing payment of the Bonds); and
- (xii) bankruptcy, insolvency, receivership, or similar proceeding of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or

liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any of the Listed Events, provide the Borrower and the Dissemination Agent (if not the Trustee) with notice (by facsimile transmission confirmed by telephone), and request that the Borrower promptly notify the Trustee and the Dissemination Agent (if not the Trustee) in writing whether or not to report the event pursuant to subsection (f) below. For purposes of providing notice to the Borrower and the Dissemination Agent (if not the Trustee), the Trustee shall, without further evidence or inquiry, assume that the unscheduled draws described in subsection (a) (iii) and (iv) hereof reflect financial difficulty.

(c) Whenever the Borrower obtains actual knowledge of the occurrence of a Listed Event, because of notice from the Trustee pursuant to subsection (b) hereof or otherwise, the Borrower shall as soon as possible determine if such event is required by the Rule to be disclosed. Neither the Trustee nor the Dissemination Agent shall have any responsibility for the failure of the Borrower to report the occurrence of a Listed Event of which the Trustee has no actual knowledge.

(d) If the Borrower has determined that a Listed Event is required to be disclosed, the Borrower shall promptly prepare a written notice describing the Listed Event and provide the same to the Trustee and the Dissemination Agent (if not the Trustee) and instruct the Dissemination Agent to report the occurrence pursuant to subsection (f) hereof.

(e) If the Borrower determines that a Listed Event is not required to be disclosed, the Borrower shall so notify the Trustee and the Dissemination Agent (if not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f) hereof.

(f) If the Dissemination Agent has been provided with a written notice describing a Listed Event and instructed by the Borrower to report the occurrence of such Listed Event, the

Dissemination Agent shall file the notice with the MSRB, and send a copy to the Borrower. The foregoing notwithstanding, notice of a Listed Event described in subsections (a)(viii) and (ix) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Owners of affected Bonds pursuant to the Indenture.

(g) Notwithstanding anything herein to the contrary, all notices of Listed Events required hereunder shall be filed with the MSRB promptly and in no event later than ten (10) Business Days after the occurrence of the Listed Event.

6. Termination of Reporting Obligation.

(a) The obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

(b) If in the opinion of nationally recognized bond counsel satisfactory to the Dissemination Agent and the Borrower, the Rule shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and if and to the extent in the opinion of nationally recognized bond counsel satisfactory to the Dissemination Agent and the Borrower, the Rule, or any provisions thereof, shall be declared by a federal court of competent and final, non-appealable jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder.

(c) If a termination or cessation described in either of clause (a) or clause (b) above occurs prior to the final maturity of the Bonds, the Borrower shall instruct the Dissemination Agent to give notice of such event in the same manner as for a Listed Event under Section 5(d) hereof.

7. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent has the right to resign with thirty days notice to the Borrower and the Issuer of such resignation.

8. Successors. If the Borrower's obligations under the Bond Loan Agreement are assumed, in full, by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the original Borrower and the original Borrower shall have no further responsibility hereunder. If the Trustee's obligations under the Indenture are assumed, in full, by a successor trustee, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the original Dissemination Agent and the original Dissemination Agent shall have no further responsibility hereunder.

9. Amendment, Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Borrower) if in

the opinion of counsel expert in federal securities law matters affecting governmental bonds acceptable to the Borrower and the Dissemination Agent, (i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Borrower, or the type of business it conducts, (ii) this Disclosure Agreement, as amended, would have complied with the Rule at the time the Bonds were issued, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) the amendment does not materially impair the interests of the Owners. A copy of any amendment to this Disclosure Agreement shall be delivered to the MSRB.

10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. Default. In the event of a failure of the Borrower to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and at the request of the Owners of at least 25% in aggregate principal amount of the Bonds, shall), or any Owner may, take such action as permitted hereby. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Bond Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance; provided however that the Dissemination Agent may maintain an action for damages against the Borrower for any default by the Borrower of its obligations under Section 13 hereof. Anything herein to the contrary notwithstanding, the Dissemination Agent shall not be required to bring any enforcement action unless provision has been made to the satisfaction of the Dissemination Agent for payment of all fees and expenses of the Dissemination Agent and its counsel in connection with such action.

12. Duties, Immunities and Liabilities of Dissemination Agent. At any time the institution acting as Trustee or the institution acting as Dissemination Agent are the same institution, Article VII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were contained in the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including legal fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Neither the Dissemination Agent nor the Trustee shall have any obligation to make disclosure about the Bonds, the Borrower, or any other matter except as expressly provided herein. The fact that the Dissemination Agent and the Trustee or any affiliate thereof may have any fiduciary or banking relationship with the Issuer, the Borrower, any manager of the Project financed with Bonds or any person with whom the Issuer or the Borrower contracts in connection with such Project, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean (whether or not an Event of Default has occurred or is continuing under the Indenture) that (i) the Dissemination Agent or the Trustee has actual knowledge of any event or condition except in its capacity as Trustee under the Indenture when deemed pursuant to the Indenture to have actual knowledge or except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement or (ii) the Dissemination Agent or the Trustee has any duties or obligations under the Indenture or the Disclosure Agreement other than those expressly set forth in the Indenture and this Disclosure Agreement and in the capacity of agent to the Borrower.

13. Compensation. The Borrower covenants and agrees to pay the Dissemination Agent from time to time, and the Dissemination Agent shall be entitled to, reasonable compensation, and the Borrower will pay or reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Dissemination Agent in connection with the acceptance of obligations under this Disclosure Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from the Dissemination Agent's negligence or willful misconduct.

14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Borrower, the Trustee, and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

15. Counterparts. This Disclosure 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.

16. Notice. Any notice or other communication required or permitted by this Disclosure Agreement must be in writing unless expressly provided otherwise herein, and to the following addresses or telecopy numbers (with telephone confirmation using the phone number given), or such other addresses or telecopy/phone numbers designated in a notice to the other party hereto:

If to the Trustee or Dissemination Agent:

The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, FL 32256
Attention: Corporate Trust Department

If to the Borrower:

Praxis Venture LP
c/o MRK Partners Inc.
2711 North Sepulveda Blvd.
Manhattan Beach, California 90266
Attention: Sydne Garchik

with copies to:

Nelson Mullins Broad and Cassel
Attention: Hollie A. Croft, Esq.
390 N. Orange Avenue, Suite 1400
Orlando, FL 32801

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IN WITNESS WHEREOF, the Trustee, the Dissemination Agent and the Borrower have executed this Disclosure Agreement on the date specified above.

BORROWER:

PRAXIS VENTURE LP, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida not-for-profit corporation, its general partner

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Trustee, the Dissemination Agent and the Borrower have executed this Disclosure Agreement on the date specified above.

TRUSTEE AND DISSEMINATION AGENT:

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

By: _____
Authorized Signature

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Housing Finance Authority of Broward County, Florida

Name of Bond Issue: \$22,000,000* Housing Finance Authority of Broward County, Florida Multifamily Housing Revenue Bonds, 2019 Series B (Praxis of Deerfield Beach)

Name of Borrower: Praxis Venture LP

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the above-named Borrower has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated as of August 1, 2019, between The Bank of New York Mellon Trust Company, N.A., a national banking association, as Trustee and Dissemination Agent and the Borrower. The Borrower anticipates that the Annual Report will be filed by _____.

Dated: _____, _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee and Dissemination Agent

By:

Name:

Title:

xc: Praxis Venture LP
The Bank of New York Mellon Trust Company, N.A.
Housing Finance Authority of Broward County, Florida

* Preliminary; subject to change.

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