

\$4,700,000
Independent Cities Finance Authority
Mobile Home Park Subordinate Revenue Refunding Bonds
(Westlake and Millbrook Mobilehome Parks)
Series 2017B

BOND PLACEMENT AGREEMENT

December __, 2017

Independent Cities Finance Authority
Post Office Box 6740
Lancaster, California 93539-6740

Millennium Housing of California
20 Pacifica, Suite 1470
Irvine, California 92618

Ladies and Gentlemen:

The Eugene W.K. Hsu and Shirley N.A. Hsu Revocable Trust, dated September 1, 1995 (the “Bond Purchaser”), is the owner of 100% of the outstanding Independent Cities Finance Authority Mobile Home Park Subordinate Revenue Bonds (Millbrook Mobile Home Village) Series 2013B (the “Prior Millbrook Series B Bonds”). The Prior Millbrook Series B Bonds were previously issued pursuant to an Indenture of Trust, dated as of January 1, 2013 (the “Prior Millbrook Indenture”), between the Independent Cities Finance Authority (the “Issuer”) and MUFG Union Bank, N.A. (formerly known as Union Bank, N.A.), in such capacity (the “Prior Millbrook Trustee”). The proceeds of the Prior Millbrook Series B Bonds were previously loaned by the Issuer to COACH of San Diego, Inc., a California nonprofit public benefit corporation (the “Prior Millbrook Borrower”), to provide financing with respect to the acquisition and improvement of a mobile home park with approximately 94 spaces known as Millbrook Mobile Home Village (the “Millbrook Project”).

On the date hereof, the Issuer is issuing its Mobile Home Park Revenue Refunding Bonds (Westlake and Millbrook Mobilehome Parks) Series 2017A in the initial principal amount of \$_____ (the “Series A Bonds”) and its Mobile Home Park Subordinate Revenue Refunding Bonds (Westlake and Millbrook Mobilehome Parks) Series 2017B in the initial principal amount of \$4,700,000 (the “Series B Bonds”) and, together with the Series A Bonds, the “Bonds”) and loaning the proceeds from the sale thereof to Millennium Housing of California, a California nonprofit public benefit corporation (the “Borrower”) to, among other things, acquire the Millbrook Project and refund the Prior Bonds Millbrook Series B Bonds. The Bonds are being issued pursuant to an Indenture, dated as of December 1, 2017 (the “Indenture”), between the Issuer and MUFG Union Bank, N.A., as trustee (the “Trustee”). The Series A Bonds are being offered and sold pursuant to a public offering pursuant to a Purchase Contract dated as of _____, 2017 among the Issuer, the Borrower and Newcomb Williams Financial Group, Securities offered through Stinson Securities, LLC. The Series A Bonds are senior to the Series

B Bonds, as described in the Indenture. The Series A Bonds are not being sold under the terms hereof.

Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Indenture.

Section 1. Private Placement; Refunding of Prior Millbrook Series B Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Issuer agrees to cause the Trustee to authenticate and deliver the Series B Bonds to Bond Purchaser on the date hereof. The parties hereto agree that, notwithstanding anything to the contrary contained in the Prior Millbrook Indenture, the Prior Millbrook Series B Bonds shall be redeemed in whole on the date hereof, and the Series B Bonds are being delivered to the Bond Purchaser in the aggregate principal amount of \$4,700,000 in satisfaction of the redemption price of the Prior Millbrook Series B Bonds. Upon the issuance of the Series B Bonds, the Prior Millbrook Series B Bonds shall be deemed paid in full and refunded. In connection with such refunding of the Prior Millbrook Series B Bonds, the Bond Purchaser agrees to waive any notice requirements contained in the Prior Millbrook Indenture.

Section 2. Closing; Bonds. At 8:00 A.M., California time, on December __, 2017, or at such other time or on such earlier or later date upon which the parties hereto shall mutually agree (the "Closing Date"), the Issuer shall, subject to the terms and conditions hereof, deliver or cause the Series B Bonds to be delivered to the Bond Purchaser, duly executed and authenticated in accordance with the provisions of the Indenture and, subject to the terms and conditions hereof, the Bond Purchaser shall accept such delivery as satisfaction of the redemption price of the Prior Millbrook Series B Bonds. The Series B Bonds shall be delivered to the Bond Purchaser in Los Angeles, California on the Closing Date or such other place or time as may be determined by the parties hereto. The Series B Bonds will not bear CUSIP numbers.

The Series B Bonds shall bear interest from the Closing Date to and including January 16, 2023 at the rate per annum of 4.50%. Beginning on January 17, 2023, the Series B Bonds shall bear interest at the rate per annum of 4.75%, and the interest rate on the Series B Bonds shall be increased by 0.25% every five years thereafter. The Series B Bonds shall mature on January 17, 2043.

Section 3. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Bond Purchaser and the Issuer that:

(a) The Borrower is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Borrower has full power and authority to execute, deliver and perform its obligations under the Loan Agreement and all other agreements relating to the issuance of the Bonds to which it is a party (the "Borrower Agreements") prior to the Closing Date, the Borrower Agreements shall have been duly authorized, executed and delivered by the Borrower, and constitute legally valid and binding obligations of the Borrower, enforceable by and against the Borrower in accordance with their respective terms, except as enforcement thereof, including provisions relating to the payment of attorney's fees, may be limited by bankruptcy, insolvency,

reorganization, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally or the payment of attorney's fees, and except that no representation is made as to the availability of specific performance or other equitable remedies.

Section 4. Representations and Warranties of the Issuer. The Issuer represents and warrants to the Bond Purchaser that:

(a) The Issuer is a joint exercise of powers authority, duly organized and existing under the laws of the State of California.

(b) The Issuer has full power and authority to execute, deliver and perform its obligations under the Bonds, the Indenture, the Loan Agreement and all other agreements relating to the issuance of the Bonds to which it is a party (collectively, the "Issuer Agreements"); on or prior to the Closing Date, the Issuer Agreements shall have been duly authorized, executed and delivered by the Issuer, and constitute legally valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as enforcement thereof, including provisions relating to the payment of attorney's fees, may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally or the payment of attorney's fees.

Section 5. Representations and Warranties of the Bond Purchaser. The Bond Purchaser is acquiring the Series B Bonds on the date hereof in satisfaction in full of the redemption price of the Prior Millbrook Series B Bonds. Upon the issuance of the Series B Bonds, the Prior Millbrook Series B Bonds shall be deemed paid in full and refunded.

Section 6. Placement of Series B Bonds. The delivery of the Bonds to the Bond Purchaser shall be contingent upon the following additional conditions:

(a) The successful public marketing of the Series A Bonds;

(b) The delivery of an Investment Letter by the Bond Purchaser for the Series B Bonds in the form substantially similar to that contained in the Indenture;

(c) At or prior to the Closing Date, the Issuer shall have received executed copies of the following documents, in each case satisfactory in form and substance to the party receiving such documents:

(1) the opinion of counsel to the Borrower, dated the Closing Date in a form acceptable to Gilmore & Bell, P.C., Bond Counsel;

(2) the opinion of counsel to the Issuer, dated the Closing Date in a form acceptable to Bond Counsel;

(3) an opinion or opinions of Bond Counsel to the effect that the Bonds have been duly issued, constitute valid and binding obligations of the Issuer, and that interest on the Bonds is excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes; and

(4) such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel may reasonably request to evidence compliance by the Issuer or the Borrower with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Issuer and the Borrower, and the due performance or satisfaction by the Issuer and the Borrower at or prior to such time of all agreements then to be performed and all conditions then to be satisfied hereunder by the Issuer and the Borrower.

Section 7. Expenses. Upon the issuance of the Bonds, all reasonable expenses and costs of the Issuer incident to the performance of its obligations hereunder and in connection with the authorization, execution, sale and delivery of the Bonds, shall be paid by the Borrower; provided, however, that subject to the terms of the Park Sale Agreement, all costs incurred by the Bond Purchaser shall be paid by the Bond Purchaser.

Section 8. No Assignment. This Bond Placement Agreement has been made by the Issuer, the Borrower and the Bond Purchaser, and no person other than the foregoing shall acquire or have any right under or by virtue of this Bond Placement Agreement.

Section 9. Governing Law. This Bond Placement Agreement shall be construed in accordance with and governed by the laws of the State of California without regard to conflicts of interests laws.

Section 10. Effectiveness. This Bond Placement Agreement shall become effective upon its execution by duly authorized representatives of the Bond Purchaser, the Borrower and the Issuer and shall be valid and enforceable from and after the time of such execution.

Section 11. Severability. In the event any provision of this Bond Placement Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12. Counterparts. This Bond Placement Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13. Headings. The Section headings in this Bond Placement Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Bond Placement Agreement.

INDEPENDENT CITIES FINANCE
AUTHORITY, as Issuer

By: _____
Deborah Smith, Executive Director

MILLENNIUM HOUSING OF CALIFORNIA,
a California nonprofit public benefit corporation

By: _____
Lori Carraway, Vice President

EUGENE W.K. HSU AND SHIRLEY N.A. HSU
REVOCABLE TRUST, dated September 1, 1995

By: _____
Eugene W.K. Hsu, Trustee