

\$ _____
Independent Cities Finance Authority
Mobile Home Park Subordinate Revenue Bonds
(Royal York Estates)
Series 2019C

BOND PLACEMENT AGREEMENT

_____, 2019

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

American Dream Affordable Housing, Inc.
[ADDRESS]

[SELLER]
[ADDRESS]

Ladies and Gentlemen:

Pursuant to that certain Agreement of [Purchase and Sale and Joint Escrow Instructions] dated as of _____ (referred to herein with all related agreements as the “Park Sale Agreement”), between [SELLER] (the “Bond Purchaser”) and American Dream Affordable Housing, Inc., a California nonprofit public benefit corporation (the “Borrower”), the Bond Purchaser has agreed to sell to the Borrower the Royal York Estates mobile home park, as more particularly described in the Park Sale Agreement (the “Project”), for \$ _____ to be paid as follows: (1) \$ _____ in cash, and (2) \$ _____ principal amount of junior lien tax-exempt Bonds.

In connection with the acquisition of the Project by the Borrower, the Independent Cities Finance Authority (the “Issuer”) has authorized the issuance of three series of bonds as follows: (1) \$ _____ Independent Cities Finance Authority Mobile Home Park Revenue Bonds (Royal York Estates) Series 2019A (the “Series A Bonds”), (2) \$ _____ Independent Cities Finance Authority Mobile Home Park Subordinate Revenue Bonds (Royal York Estates) Series 2019B (Federally Taxable) (the “Series B Bonds”), and (2) \$ _____ Independent Cities Finance Authority Mobile Home Park Subordinate Revenue Bonds (Royal York Estates) Series 2019C (the “Series C Bonds” and, together with the Series A Bonds and the Series B Bonds, the “Bonds”).

The Bonds are being issued pursuant to an Indenture, dated as of _____ (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds are being issued to provide the Issuer with funds to make a loan (the “Loan”) to the Borrower to finance a portion of the costs of acquisition and rehabilitation of the Project. The

Loan will be made pursuant to a Loan Agreement, dated as of _____ (the “Loan Agreement”), among the Issuer, the Trustee and the Borrower.

Section 1. Private Placement. 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 C Bonds to Bond Purchaser in satisfaction of the terms of the Park Sale Agreement.

The Series A Bonds and the Series B Bonds are being offered and sold pursuant to a public offering for the purpose of providing sufficient moneys to satisfy the Park Sale Agreement’s requirement that the Borrower provide \$_____ cash as a portion of the purchase price of the Project. The Series A Bonds are senior to the Series B Bonds, and the Series A Bonds and the Series B Bonds are senior to the Series C Bonds. The Series A Bonds and the Series B Bonds are not being sold under the terms hereof.

Pursuant to the terms and conditions set forth in this Bond Placement Agreement, the Series C Bonds are being delivered to the Bond Purchaser in the aggregate principal amount of \$_____ in satisfaction of the Borrower’s purchase price payment obligations under the Park Sale Agreement.

Section 2. Closing; Bonds. At 8:00 A.M., California time, on _____, 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 C 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 Borrower’s purchase price payment obligations under the Park Sale Agreement. The Series C Bonds shall be delivered to the Bond Purchaser in Los Angeles, California on the Closing Date or such other place as may be determined by the parties hereto. The Bonds will be issued in fully registered form. The Series C Bonds will not bear CUSIP numbers and one bond shall be delivered in the total aggregate principal amount of each respective Series C Bond. The Series C Bonds shall bear interest at the rate of _____% per annum with interest only payments due thereon until maturity of such Bonds on _____.

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.

(c) The proceeds from the sale of the Bonds will be used to finance the Project as set forth in the Indenture, the Loan Agreement and as described in the Tax Certificate (as defined in the Indenture).

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 C Bonds in satisfaction of Borrower's Series C Bond purchase price payment obligations under the Park Sale Agreement and the purchase price of the Project has been agreed to in an arm's-length negotiation with the Borrower pursuant to which the principal amount of the Series C Bonds and the interest rates thereon were determined.

Section 6. Placement of Series C 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 and the Series B Bonds,

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

(c) That there be no event of default under the Park Sale Agreement as of the Closing Date; and

(d) 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 Series A Bonds and the Series C Bonds is excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes;

(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; and

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 Placement Agent 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 Placement Agent 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 Placement Agent Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Placement Agent Agreement.

INDEPENDENT CITIES FINANCE AUTHORITY, as Issuer

By: _____

Executive Director

AMERICAN DREAM AFFORDABLE
HOUSING, INC., a California nonprofit public
benefit corporation, its Sole Member

By: _____

Lori Carraway, Vice President

[SELLER]

By:

Its:

By: _____

Title: